

# CENTREX

HELPING TO DEVELOP POLICING

**Central Police Training and Development Authority**

**Annual Report and Accounts  
for the year ended 31 March 2007**



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Centrex ceased to exist on 31 March 2007 and was replaced by the National Policing Improvement Agency (NPIA) with effect from 1 April 2007. The NPIA has taken ownership of all of Centrex's functions, assets and liabilities from that date at book value, and it is on this understanding that the accounts have been prepared on a going concern basis.

Presented to Parliament by the Secretary of State for the Home Department in pursuance of Section 95(3) of the Criminal Justice and Police Act 2001 and by the Comptroller and Auditor General in pursuance of paragraph 26(4)(b) of Schedule 3 to the Criminal Justice and Police Act 2001.

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## **Central Police Training and Development Authority**

### **Foreword by Chief Constable Peter Neyroud**

The year 2006-07 was one of transition as Centrex prepared itself for the move into the National Policing Improvement Agency (NPIA). I am very grateful to Sir Clive Booth, Carol Bernard and the rest of the staff in Centrex for their efforts in making the transition a success.

I support the report which, as Accounting Officer, I have been empowered to present to Parliament.

### **Peter Neyroud**

Chief Executive and Accounting Officer  
National Policing Improvement Agency  
and  
Accounting Officer  
Central Police Training and Development Authority  
10 July 2008

## Central Police Training and Development Authority

### Foreword

“Policing is changing fundamentally in response to equally fundamental social, cultural and economic changes in British society. These changes must shape the direction and nature of policing by adhering to the highest professional standards. The ultimate aim is to provide a trusted and diverse Police Service to reassure and protect the communities it serves.”

**Sir Clive Booth, Chairman, and Carol Bernard, Chief Executive, Centrex**

2006-07 was Centrex’s last year as an independent body before it became part of the National Policing Improvement Agency (NPIA) on 1 April 2007; a year that has been full of demanding challenges. We continued to streamline our business with the aim of improving our responsiveness towards our customers across the law enforcement sector, and better understanding their needs. We also continued to develop the effectiveness, quality and delivery of all our products and services. By tailoring these to meet both the requirements of forces and the professional and personal development needs of individual officers and staff, we enabled them to contribute to improving the quality of policing, and thereby the safety and security of citizens. At the same time we prepared the organisation for migration to the NPIA, where we are confident that the collective expertise and understanding developed within Centrex will continue to play a significant role.

All this demanded – and received – a significant commitment of expertise, time and hard work by all our staff during a period of major organisational change. We would like to take this opportunity to thank them for their dedicated service.

In May 2006, we handed over responsibility for probationer training to individual forces. This represents a major change for the Police Service.

Devolving initial training to individual forces means that probationers will now spend their first formative months in the Police Service working and training in the communities they will serve. At the request of the Initial Police Learning and Development Programme (IPLDP) Central Authority, we produced a blended learning programme based on agreed National Occupational Standards, developed in conjunction with Skills for Justice. This provides a coherent national curriculum for probationers. Alongside it we also developed a Quality Assurance Framework, designed to ensure the continued quality assurance and evaluation of all the IPLDP training given to probationers, and a national registration, tracking and monitoring system for probationers, trainers and assessors involved with the IPLDP. We worked intensively with forces to make sure that each had the capacity to deliver training for new recruits to the required quality standards.

Our suite of training and development products and services are suited to the many different styles of learning, and recognises that a single ‘chalk and talk’ approach is often unproductive. This blended learning approach combines interactive workshops, seminars, lectures and practical based scenario exercises to provide a stimulating learning experience based on the latest legislation and guidance. Where the subject matter is appropriate, we provide extensive e-learning options. The advantages of e-learning are considerable. Students can learn when and where they like, and for as long as suits them; time spent on travelling to classroom-based training courses is reduced. E-learning provides a rich and imaginative interactive experience and incorporates sensitive approaches to diversity and inclusion. E-learning modules delivered this year include Conflict Management, Investigative Interviewing, Powers of Arrest and Counter-Terrorism, all of which set new quality standards.

Major advances were made in specialist training and in the development of doctrine. Over the past four years, the National Centre for Policing Excellence (NCPE) has produced a substantial body of



guidance and good practice advice which is having a significant impact on the quality and consistency of policing across the country. This work draws extensively on the knowledge gained from the on-the-ground experience of forces. To be effective, guidance must be implemented; therefore, we also worked closely with forces to help them develop the capacity and infrastructure they need to convert policy and good practice into action.

Centrex went beyond training. During 2006-07 we provided bespoke consultancy services to forces and assisted with operational expertise to high profile cases, providing access to specialist experience complementing existing investigative teams.

We have led the way in introducing new concepts of leadership, something which needs to be exercised at all ranks and roles within the Police Service. Our Leadership Academy created and delivered high-quality leadership development programmes designed to enable individuals and teams at different levels to turn the rhetoric of leadership into reality.

All our leadership products are now accredited against Chartered Management Institute or Institute of Directors standards and can lead to professional qualifications. This gives staff the confidence boosting opportunity to benchmark their skills and abilities against those of leaders from other sectors. Recently we focused particularly on developing the leadership skills of under-represented groups and on updating our Strategic Command Course, which prepares participants to be the senior leaders within a 21<sup>st</sup> century citizen-focused Police Service.

We continued to maintain links with international Police Services through a wide range of residential training programmes, fellowships and exchanges providing opportunities for many overseas leaders. Police Services and allied agencies also come to Britain to study our policing methods and to research policing issues.

Our substantial overseas consultancy programmes are developed in close consultation with Government, and are designed to meet the Government's strategic objectives for different regions.

It is almost impossible to prevent a valedictory note creeping into a final annual report – and indeed it would be wrong to allow the achievements that Centrex delivered, and the impact the organisation made on the quality of policing, to pass unacknowledged. Policing in this country is in the midst of a significant cultural shift, and Centrex has played its part in this by enabling officers to acquire the skills and competencies they need to bring about these changes. We are confident that the legacy of Centrex will help to enable the NPIA to deliver its goals to the benefit of every citizen of this country.

## **Board biographies**

### **Sir Clive Booth Chairman**

Sir Clive Booth was educated at Trinity College, Cambridge, and has a doctorate from the University of California. He was a senior civil servant in the Department of Education and Science between 1965 and 1981, becoming Principal Private Secretary to the Secretary of State in 1975.

Sir Clive became Deputy Director of Plymouth Polytechnic and later Vice-Chancellor of Oxford Brookes University and First Vice-Chancellor in 1992. From 1992-1995, he was Vice-Chairman of the UK Committee of Vice-Chancellors and Principals.

Sir Clive is currently Chair of the Big Lottery Fund. He was previously Chair of the Teacher Training Agency, Chair of the Review Body for Nurses and Professions Allied to Medicine, Chair of Oxfordshire Lifelong Learning Partnership, and Deputy Chair of the South East England Development Agency. He is an editorial board member of the Oxford Review of Education.

### **Pat Woods Vice-Chair, Independent Board Member**

Pat Woods has 34 years' experience in the Metropolitan Police Service (MPS).

A Fellow of the Chartered Institute of Personnel and Development (CIPD), Pat has had a lengthy career in mainstream human resources, latterly as Director of Personnel with the MPS. Recruitment, training and development and employee reward were among her key responsibilities. She was a member of the MPS Management Board from 1997-2001, and contributed to its organisational strategic change programmes.

Having left full-time employment, Pat currently holds a number of public appointments. She is a lay member of the Employment Tribunals and of the Central Arbitration Committee. She sits as the independent member on trust selection panels run by the NHS Appointments Commission.

Pat plays an active role in the CIPD, most recently as Chair of the Central London Branch.

### **Professor Mary Benwell Independent Board Member**

Mary Benwell works as an independent consultant in the training and development area, specialising in change management.

She has 40 years' experience, much of it at a senior level, in education, training and development in both public and private organisations. From 1999-2002, she was Director for Learning at Ufl/learndirect Ltd, and was part of a small team which set up the country's first public e-learning provider.

Between 1992 and 1999 she was Director of the business school at Oxford Brookes University, responsible for a number of in-company activities and overseas partnerships in this leading business school.

Her previous roles include professorship at Cranfield University, heading the management development work in an industry training board, and working as a founder member of staff at the Open University.

**Dr Robert Chilton**  
**Independent Board Member**

Dr Robert Chilton is Chair of the Standards Board for England, a Board member for the Office of the Information Commissioner, Chair of the London housing association the East Thames Group, a non-executive director of the Waste & Resources Action Programme, a non executive member of the Home Office Audit Committee and Deputy Chair of ICSTIS (the premium phone rate regulator).

From 1989-2001, he was Director of Local Government Studies at the Audit Commission. During this period he was seconded as transitional Chief Executive of the Greater London Authority (1999-2001) and Chief Executive of the Local Government Commission (1995-1996), completing the structural review of English local government.

At the Audit Commission, his team was responsible for the Commission's value for money studies of police practice, and for guiding external auditors in local assessments of forces' value for money.

Dr Robert Chilton now undertakes consultancy assignments.

**Professor David Croisdale-Appleby**  
**Independent Board Member, Chair of the Finance Committee**

Prof Croisdale-Appleby is Chairman of the Buckinghamshire Hospitals NHS Trust and a member of the Council of the University of Durham. He is an independent board member to a number of organisations including Food for Britain and the NHS Multi-Centre Research Ethics Committee. He is also a strategic adviser to the boards of a number of UK organisations.

Between 1975-1978, David was Chief Executive of De Villiers & Schonfeldt; Chief Executive of Allen, Brady & Marsh from 1978-1981; Chief Executive of SSC&B:Lintas Worldwide from 1981-1984; Chief Executive of Creative Synergy from 1984-1999, and between 1999-2000 he was Director of the University for Industry.

David is an academic polymath with postgraduate degrees and research interests in fields as diverse as operational research, psychology, 18<sup>th</sup> century literature, art history and Renaissance culture.

**Gita Sootarsing**  
**Independent Board Member**

Gita Sootarsing is a member of the Panel of Employment Tribunals for England and Wales serving in the London North Region, and was formerly a Commissioner for the Commission for Racial Equality.

Gita previously served as an Independent Member of the Police Authority for Essex for six years and was Vice-Chair from 1999-2000. She also served for three years on the DFE's Race Relations Employment Advisory Group from 1994-1997.

A regular conference speaker and chair, both in the UK and abroad, her work with women has been featured on television.

Prior to joining Ionann's Board she ran her own business and was awarded the first Windrush Award in the Small Business High Flyer Category in 1999.

Her broadly-based career was previously with the Bank of England and included a two-year secondment to the Industrial Society.

**Graham Baskerville**  
**Independent Board Member, Chair of Audit Committee**

Graham Baskerville served as an RAF officer before entering technical education, where he worked as a college principal between 1980 and 2000.

A former national negotiator, Graham chaired the employers' side and was the first Chairman of the Association of Colleges, covering all further education colleges in England and Wales.

Graham is a science graduate, holds a Master's in education and management and is a former Director of the Royal Society of Arts and the National Examination Board for Supervisory Studies.

**Ken Jones QPM**  
**President of the Association of Chief Police Officers (ACPO)**

Ken Jones joined the Police Service in South Yorkshire where he served in Sheffield, Rotherham, Barnsley and Doncaster.

During that period he received three Chief Constable commendations. Ken served abroad in Hong Kong as an anti-corruption investigator, in Zimbabwe as an election monitor, and studied the growth of 'private' policing on the West Coast of the USA as a Fulbright Scholar.

He was appointed Assistant Chief Constable in Avon and Somerset Constabulary in 1997. In the years that followed he played a central part in the management of the national police response to various crises for which he received the Queen's Police Medal. In 2000 he was appointed Deputy Chief Constable, and in November 2001, he was appointed Chief Constable of Sussex Police.

Ken was elected President of ACPO with effect from 1 April 2006.

**Steve Roberts QPM**  
**Representative of the Association of Chief Police Officers (ACPO)**

Steve Roberts joined the Metropolitan Police Service (MPS) in 1978 after graduating in law from Trinity College, Cambridge.

As a Chief Superintendent he was responsible for the policing of Stoke Newington and, later, the borough of Havering.

In 2000 he was posted to Scotland Yard with responsibilities for youth, community and partnership. He led for the MPS on the development of new partnership approaches to preventing young people becoming involved in crime. In this role he launched the MPS Youth Crime Prevention Strategy which, over the first year, resulted in a 10% reduction in youth victimisation and a fall of 15% in the number of youths accused of crime.

On promotion to Deputy Assistant Commissioner in 2003, he was posted to the Directorate of Professional Standards (DPS) where he led the DPS evidence to the Morris Inquiry.

He was awarded the Queen's Police Medal for distinguished services to policing in the 2005 New Year Honours.

On 1 April 2005 he became MPS Director of Training and Development and Deputy to the Director of Human Resources.

**Christine Twigg**  
**Representative of the Association of Chief Police Officers (ACPO)**

Christine joined Cleveland Constabulary in May 1979 and attended the 21<sup>st</sup> Special Course in 1983. Her early career has been varied, but based largely on uniform operational policing in the South Cleveland area, particularly in Middlesbrough where she served in nearly all of the ranks up to and including Chief Superintendent.

She was appointed Assistant Chief Constable, Operations, for Cumbria Constabulary on 5 January 1998 and Deputy Chief Constable on 1 April 2001. She is responsible for finance and resources, personnel and development, legal services and professional standards. She has a particular interest in diversity issues and is the Constabulary diversity champion.

Christine is portfolio holder for the ACPO personal management rewards and recognition portfolio. She is also an assessor for the Police National Assessment Centre. She has a first class honours degree in social policy from Newcastle University.

### **Janet Summers**

#### **Representative of the Association of Police Authorities (APA)**

Janet Summers was a personnel, training and development manager for some 30 years, mainly with local government, where she gained significant experience in the fields of managing change and people development, as well as grievance and disciplinary matters.

Janet has been a magistrate for 21 years and was Chairman of the Bench for three years until December 2002. She currently sits as Chairman on both the adult and youth benches.

She has been a member of the West Midlands Police Authority for ten years, during which time she has held the position of both Vice-Chairman and Chairman. She is currently Chairman of the Personnel Committee.

Janet also sits on the Personnel and Human Resources Committee as well as the Training Liaison Committee. She represents the APA on the Police Staff Council.

### **Dr Marie Dickie**

#### **Representative of the Association of Police Authorities (APA)**

Since 1996, Dr Marie Dickie has been Chair of the Association of Police Authorities' Personnel and Human Resources policy group. A member of the original steering group that established the Association, Dr Dickie now represents the APA on the PABEW and Police Training and Development Board.

As Chair of the Northamptonshire Police Authority and Cabinet Member of Northamptonshire County Council, she has lead responsibility for children and families.

Dr Marie Dickie is a retired visiting lecturer at University College Northampton and the University of Leicester.

### **Peter Holland CBE**

#### **Member of the Association of Police Authorities (APA)**

Peter Holland is Chairman of the NPIA Board. He was, until this year, the elected Vice-Chairman of the Association of Police Authorities, leading on IT matters, and is now an honorary Vice-President. He was also on the board of the Police Information and Technology Organisation (PITO).

A journalist by profession, he 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.

In 1995 he was appointed independent member of Hertfordshire Police Authority, and in 1997 was elected Chairman until standing down in 2003. In 2001 he was appointed an independent council member of the Telecommunications Ombudsman Service (Otel) and subsequently elected Chairman. He is now Chairman of the Ombudsman Service Limited (TOSL) which operates ombudsman services for telecommunications, energy and surveyors. 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 appointed a Deputy Lord Lieutenant of Hertfordshire in 2000 and awarded the CBE for services to policing in the New Year Honours 2005.

**Jeremy Crump**  
**Representative of the Home Office**

Jeremy Crump headed the Human Resource Unit, Crime Reduction and Community Safety Group at the Home Office. In this role he assumed responsibility for pay and workforce strategy in the Police Service.

He represents the Home Secretary on the Police Negotiating Board, the Police Advisory Board, and the Police Staff Council for England and Wales. He is also on the board of Skills for Justice.

Jeremy is a member of the senior management team of the Police Policy Directorate, contributing to the development of the Police Reform Programme.

Jeremy joined the Home Office from Cisco Systems, where he was the Senior Business Development Manager. Prior to this he had 14 years service in various Civil Service posts.

He gained a BA in history from Trinity College, Cambridge, before going on to obtain a BSc in mathematics and computer science and recently completed an MA on strategic human resource management and change.

**Peter Neyroud QPM**  
**Representative of the Home Office**

Chief Constable Peter Neyroud is the Chief Executive of the NPIA. He was Chief Constable of Thames Valley Police from 2002 and Vice-President of ACPO with responsibility for the NPIA and the reform of ACPO.

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.

A police officer since joining Hampshire Constabulary in 1980, Peter rose through the ranks there 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, reached Deputy Chief Constable two years later, and was awarded the Queen's Police Medal for Services to Policing in 2004. Peter Neyroud is a widely published author on policing.

## Central Police Training and Development Authority

### Management Commentary

#### History

The Central Police Training and Development Authority (Centrex) was established on 1 April 2002 as a body corporate by authority of the Criminal Justice and Police Act 2001. From that date, Centrex assumed the business and responsibilities for police training from National Police Training (NPT), which had been a Home Office unit.

Centrex had the status of an executive non-departmental public body (NDPB) established by statute.

Since the creation of Centrex, it has achieved a number of milestones, including:

- meeting the rapid growth in probationer training requirements consequent on the expansion of the Police Service as a result of the Government objective to grow the Police Service;
- driving forward the transfer of probationer police training from Centrex to the forces by the introduction of the Initial Police Learning and Development Programme (IPLDP);
- resolving inherited issues such as inappropriate financial systems and controls, a lack of an estate strategy, training material and learning maps that required review and updating;
- establishing a permanent independent Centrex Race and Diversity Lay Advisory Panel, in which to consult with community and external stakeholders on strategic race and diversity matters;
- becoming the host institution for CEPOL (European Police College);
- refreshing the Police Leadership training courses and introducing the Core Leadership Development Programme (CLDP);
- implementing the Managed Learning Environment (MLE) learning tool in partnership with the Metropolitan Police Service;
- through the National Centre for Policing Excellence (NCPE), the development and production of a number of doctrine which have been embraced by the Police Service;
- implementing substantial developments to the Centrex estate to make it fit for purpose for the future needs of police training;
- championing race and diversity in the Police Service by ensuring that it is mainstreamed in our Centrex products and services.

In July 2004 the intention to establish a National Policing Improvement Agency (NPIA) was made clear with the publication of the Home Office's five-year strategic plan. Key stakeholders provided their response as part of a consultation process, and the White Paper 'Building Communities, Beating Crime – A better Police Service for the 21<sup>st</sup> Century' was published on 9 November 2004. This set out more of the detail about the agency. The NPIA was established and Centrex and PITO abolished by the Police and Justice Act 2006. The NPIA became operational from 1 April 2007.

#### Board members' disclosures

The Board Members' and Senior Management Team's disclosures of other interests are publicly available and may be obtained in writing from the Board Secretary.

#### Accounts Direction

This report and associated reports and financial statements represent the annual report and statement of accounts for the Central Police Training and Development Authority (referred to hereinafter by its operating name Centrex) for the period 1 April 2006 to 31 March 2007. It has been prepared in accordance with the accounts direction given by the Secretary of State for the Home Department, with the consent of HM Treasury, in accordance with section 26 of Schedule 3 to the Criminal Justice and Police Act 2001 (the Act). Accounts for the Police Training Authority Trust have been incorporated as Centrex managed it on a unified basis.

Centrex ceased to exist on 31 March 2007 and was replaced by the National Policing Improvement Agency (NPIA) with effect from 1 April 2007. The NPIA has taken ownership of all of Centrex's functions, assets and liabilities from that date at book value, and it is on this understanding that the accounts have been prepared on a going concern basis.

### **The Leadership Academy for Policing**

"In order to improve performance and fill skills gaps, you need clear leadership. The Leadership Academy for Policing brings with it a fresh approach that focuses on operational performance and service delivery. We recognise that everybody in policing has leadership responsibility, whether they manage an organisation, unit, team or individual or lead by example."

### **Jenny Deere – Director of the Leadership Academy for Policing**

Jenny Deere joined Centrex in April 2003 as Director of the National Police Leadership Centre and subsequently took over responsibility for the International Faculty Bramshill. In October 2005 the Leadership Centre and the International Faculty were merged to form the Leadership Academy.

Jenny worked for nine years with the Metropolitan Police Service (MPS). She also spent seven years as Deputy Director of LBTC Training for Care, a not-for-profit organisation providing training for public sector employees. Jenny Deere left NPIA during 2007.

### **Accreditation**

Police officers and staff in all roles and ranks are expected to be effective leaders, motivating colleagues, managing budgets and meeting complex challenges in the workplace. Their skills are increasingly judged against those of practitioners both in the private sector and elsewhere in the public sector.

Accrediting our leadership programmes with professional institutes benchmarked them against established national standards, and enables individuals to demonstrate the expertise and experience they have acquired.

In 2006-07 we reached an agreement with the Institute of Directors (IoD) to link our Strategic Command Course (SCC), which prepares senior leaders for chief officer rank, with IoD qualifications. SCC participants can now study for the Certificate or Diploma in Company Direction. According to Commander Allan Gibson of the MPS "studying for the IoD exam provided exposure to the latest knowledge and thinking on good governance and leadership. The programme allowed plenty of read-across from private to public sector leadership, particularly in the areas of legal responsibility, financial management and reporting procedures – a common skills gap with many senior police leaders".

Our Core Leadership Development Programme and Senior Leadership Development Programme (CLDP/SLDP) modules, already accredited by the Chartered Management Institute, enable learners to gain national professional qualifications. In 2006, the Chartered Management Institute agreed to begin the formal proceedings for accreditation to allow officers and staff the opportunity to be awarded a Certificate in Neighbourhood Management. An application has now also been registered with the Qualifications and Curriculum Authority, representing another stepping-stone in professionalising all aspects of the Police Service.

### **Positive Action Leadership Programme (PALP)**

On 12 April 2006 the then policing minister, Hazel Blears MP, officially launched the new Positive Action Leadership Programme (PALP).



PALP is the first inclusive national positive action initiative to be made available to all police officers and staff from every under-represented group. It aims to improve recruitment and retention rates and promotional opportunities for under-represented groups.

PALP's approach is practical and personal. The programme uses training analysis to focus on the particular needs of each participant and the demands they face in the workplace, and results in a personal action plan designed to enable them to implement their learning practice immediately. PALP can be delivered to specific identified diversity strand groups (e.g. all black and minority ethnic or all female delegates) and also to mixed groups, helping to provide fair and equal access to delegates who may not wish to disclose personal information. By the end of March 2007, 1,178 officers had taken the course.

Daniel Lennox Foreman is a member of police staff at Essex Police and recently completed PALP. "On the course, I was keen to explore the gay support elements available in the Police Service, but I also wanted to identify how I could get into a leadership position. The course is designed to help you realise your potential and develop others in the future. It was inspiring and motivating and made us look at ourselves and think about where we are in our career. It helped us identify what we can achieve and what might have held us back, and then identify an action plan to overcome any barriers."

PALP was developed in partnership with all police associations, including valuable input from the British Association for Women in Policing, faith group staff associations, the Gay Police Association, the National Black Police Association, and the National Disabled Police Association.

### **Police Leadership Qualities Framework**

What is effective leadership in a policing context, and how should it be exercised? The Police Leadership Qualities Framework (PLQF), which was launched in September 2006, sets out, for the first time ever, the type of leadership the Police Service wants. Defining leadership in terms of styles, values, ethics, standards and competencies, the PLQF provides a vision of what each individual, whether an operational leader or a Chief Constable, should aspire to.

The PLQF was developed by the Leadership Academy in partnership with Skills for Justice on behalf of the Workforce Modernisation Board. In 2006-07 work focused on developing the PLQF's theoretical base, defining the guiding principles of leadership and formulating ways of translating theory into practice. In 2007-08, the focus will move to working with Skills for Justice to embed the PLQF into the Integrated Competency Framework (ICF). The ICF embodies national standards and guidelines designed to enable forces and individuals to improve the quality and consistency of performance and behaviour in jobs throughout the Police Service.

### **International activity**

Crime recognises no frontiers, and police forces (and allied organisations dealing with security, immigration and many other issues) are increasingly pooling information, resources and manpower. This was evidenced in Centrex, because of the Leadership Academy's increasing recognition as a worldwide centre of excellence for learning and development in operational policing and police leadership.

Over the years we reshaped our international activity so that it provided expert professional support for the Government's strategic priorities in different regions of the world. Training and consultancy are designed to support the development of democratic policing by enhancing leadership and operational skills and by developing management and training expertise.

In Abu Dhabi, Centrex was the key training and development provider. We delivered a portfolio of training designed to support the development of human rights based policing. In 2006-07 we delivered 164 weeks of training. Programmes included differentiated leadership training for senior,

middle-ranking and junior police officers. These were designed to develop and enhance management skills, as well as specialist courses in critical incident management and scene of crime practice. In addition we undertook a major consultancy project in the broad area of human resources, focusing on training and evaluation, performance and appraisal, and workforce planning and recruitment. We were recently invited to design leadership and drug enforcement courses for the Federal Police Force of the United Arab Emirates, which is the lead force on cross-border drug trafficking for the whole Gulf region. This work will be integrated with the priorities of key UK stakeholders such as the Foreign and Commonwealth Office and the Serious and Organised Crime Agency (SOCA).

Leadership programmes available from Centrex continued to attract current and future leaders from law enforcement agencies worldwide. Our International Commanders Programme (ICP), which hones the operational command and leadership skills of middle and high-ranking officers, is a well-established and highly successful element of our portfolio. By the end of 2006-07 nearly 1,200 officers from 88 countries had taken the programme, delivered by tutors from Centrex and the University of Leicester, leading to the university's Postgraduate Certificate in Criminal Justice and Police Management.

Historically, very few female officers have ever attended the conventional ICP – and so in October we began to redress the balance with our inaugural all-women course. 15 senior police officers, from Kosovo to Sierra Leone and Bangladesh to Trinidad and Tobago, came together under the leadership of Della Cannings, Chief Constable of North Yorkshire. Delegates were exposed to front-line British policing techniques and were able to draw upon the experiences and lessons learned from many senior ranking female UK officers. The programme included week-long attachments to North Yorkshire and Northumbria Police, who provided practical knowledge of British policing methods.

Thanks to the generosity of the Chief Constables of Northumbria and Humberside, who seconded their training specialists to the course free of charge, we were able to sponsor a delegate from the United Nations in Sudan.

### **Chevening Fellowships**

International organised crime is a complex business driven by money and power. Understanding its dynamics is one of the most demanding tasks confronting law enforcement officers.

The fellowship offers high level, postgraduate awards on short courses on particular themes. Designed as a training and development opportunity for international professionals with a strategic interest in the UK, and who will maintain connections with worldwide embassies and High Commissions, in January 2007 we welcomed 14 fellows on behalf of the Foreign and Commonwealth Office. This was our second hosting of the three-month Chevening Fellowship entitled 'Tackling International Organised Crime'.

The candidates were nominated by UK embassies and High Commissions from around the world. Although from a variety of professions, including the legal sector, law enforcement, government and banking, all the delegates were closely involved in strategic planning and operations against organised crime at both national and international level.

Under the guidance of the British Council, our programme set out to do three things. It developed participants' understanding of international organised crime, and gave them access to the latest expertise and thinking worldwide. It enabled them to develop a network of professional friendships and contacts that will stand them and their countries in good stead in the international fight against human trafficking, financial crime and drug trafficking. It also provided them with time and space to develop the professional and personal leadership skills they will need to thrive in demanding, high-profile careers.

Nothing is more important than contributing to the prevention of harm that international organised crime causes. We hosted delegates from around the world who are engaged in international policing

and strategic policy decision-making. This enabled us to act as the 'unifying' body that allows international networks and friendships to develop among policing and judicial figures.

Tackling international organised crime is not just about policing; we need to look at legislation and a raft of intelligence-led systems and processes, as well as international standards and systems for international co-operation.

The approach is collaborative, with course members, staff and speakers working together as co-professionals. The varied training methods included:

- presentations from UK and overseas experts
- team research and problem-solving exercises, case studies and reviews
- leadership and team-building exercises
- personal coaching sessions
- attachments with local police forces and agencies (e.g. SOCA and the Office of Criminal Justice Reform).

Students also spent a week in Vienna visiting the United Nations Office on Drugs and Crime and the Organisation for Security and Co-operation in Europe.

Mohammed Babandede is Director of Investigation and Monitoring at Nigeria's National Agency for the Prohibition of Traffic in Persons (NAPTIP) said, "Human trafficking is rapidly turning into a major international humanitarian crisis as well as one for my own country.

"Young people, and young women especially, are being taken from the country to the cities in Nigeria and then on to Europe, where they are being lured into organised crime. My Chevening Fellowship is a great opportunity to learn more about the global reach of organised crime. All of us are already experts in our own country, so we share our experiences and learn from each other. The programme is also useful in helping me make contacts with agencies across Europe, and I am already finding ways of working together more effectively. Partnerships work much better when you know the people concerned."

At the end of the programme, each delegate writes a strategy for tackling organised crime in their own country. This is designed to link the perspectives participants gain on the course with their knowledge of the situation in their own country, providing a springboard for developing policy and practice on their return home.

## Learning and Development

### Helen Schofield – Director of Learning and Development

Helen started her career in the London Probation Service, and included a three-year secondment to the National Association of Probation Officers (NAPO). Helen was then appointed as the Assistant General Secretary to NAPO. In 1998 Helen became the CEO for the Community Justice National Training Organisation, joining Centrex in December 2002 as Director of Practice Development, then moving on to become Director of Learning and Development.

Helen has a long-standing commitment to raising learning and development skills and qualifications across the justice sector and is currently involved in increasing the awareness of race and diversity within the training environment of the Police Service.

Currently, she is leading and developing national learning programmes for NPIA which include crime prevention, police trainer roles, safeguarding children and investigating child abuse. Helen also leads on the strategic management of the National Centre for Applied Learning Technologies (NCALT) and in establishing the executive services for the Initial Police Learning and Development Programme (IPLDP).

### Managed Learning Environment

The Managed Learning Environment (MLE), inaugurated in November 2006, is the Police Service's primary delivery platform for e-learning. Developed by NCALT (our partnership with the MPS), it is now the biggest single IT system in the Police Service. By the end of March 2007 160,000 users had registered, and the system has the capability to be accessed by every one of the Police Service's quarter of a million staff. All new recruits are registered automatically.

The MLE provides a customised domain for each of the 43 police forces in England and Wales, and for some non-Home Office forces as well. The entire portfolio of Centrex's e-learning was made available for forces to upload. Since the MLE cascades all domain functionality to each separate domain, each force can also upload its own content. The result is that when an individual officer, for example from Northamptonshire or West Mercia, logs on, they reach a site that, while taking most of its content from central sources, is recognisably local in its approach and 'feel'.

The MLE is a key factor in enabling forces to drive forward their training strategies and to provide a more flexible, customer-oriented and cost-effective approach to delivering training. The MLE provides 24/7 accessibility for officers, who have the flexibility to study at home or at work and for as long or as short a time as they choose, so taking control of their own learning and personal development. The e-learning packages provide for a variety of learning styles and abilities, allowing users to work at their own pace and to revisit a particular topic whenever they choose.

The MLE also enables training managers to track and monitor learners' progress. Many forces are creating interfaces between the MLE and their human resources systems.

According to Steve Butterworth, Head of Immersive Learning and Design at Greater Manchester Police (GMP): "One of the biggest challenges we face as a force is being able to deliver appropriate pieces of training quickly and within a reasonable time frame. By using e-learning solutions, we are now able to develop and deliver learning to a large audience in a short space of time. This is particularly important when a large number of officers have to be brought up to date on new legislation before it comes into effect."

One of the most successful pieces of e-learning GMP has used is the Pursuits Management Programme, which the force developed jointly with NCALT. Lauren Collins, Training and Development Manager with GMP, comments that "the e-learning package delivers the concepts of the ACPO manual of guidance in an interesting way using interactive features, questions and

animations. Staff find it beneficial to their learning, and for me as a training manager it is an invaluable tool in staff development.”

### **The Police Training Roles Learning and Development Programme (PTRLDP)**

Launched in April 2006, the programme, which was developed in response to feedback from trainers, using a flexible, modular approach aligned to the profiles for police training roles developed by Skills for Justice.

The new programme is underpinned by five core values which support personal development and professional practice. These are:

- an understanding of how people learn and develop as learners and professionals
- an ability to develop conditions for learning based on:
  - respecting each individual learner
  - addressing the needs of all learners
  - understanding and being able to use different approaches to teaching and learning
- a commitment to work with diversity and promote inclusivity and equality of opportunity in every aspect of the learning process
- a commitment to continued reflection, evaluation and consequent improvement of practice
- a commitment to supporting the development of learning communities and to working with, and learning from, colleagues.

The programme incorporates a range of learning and delivery options. These include work-based learning, one-to-one tuition, e-learning, workbooks and classroom learning. The theory and practice of community involvement in police learning are integral elements of the programme. There are practical opportunities for learners to experience working with community partners in a range of contexts, so that they can develop their own trainer expertise in community engagement.

The programme’s modular structure allows considerable flexibility for attending training courses and completing the learning. Classroom-based activities need not be completed in a single block. Learners can enrol for individual modules or combinations of modules or an entire programme as appropriate to their experience and individual training needs.

Delegates are assessed against National Occupational Standards, and we are currently working towards gaining accreditation for the programme so that it will become a nationally recognised qualification.

### **The Initial Police Learning and Development Programme (IPLDP)**

This year saw the launch of the Initial Police Learning and Development Programme (IPLDP), replacing the former Probationer Training Programme (PTP).

IPLDP is designed to equip individual forces to train new officers to a professional national standard, while at the same time taking account of specific local needs and characteristics. IPLDP also provides the springboard for officers to embark on a career-long process of continuous learning and development.

Centrex produced, delivered and maintained the IPLDP curriculum on behalf of the IPLDP Central Authority, whose members are drawn from strategic stakeholders across the Police Service. The curriculum is based on the National Occupational Standards for Policing formulated by Skills for Justice. Much of the core learning is delivered via more than 250 blended learning packages. These include 16 e-learning case studies on the key issues of operational policing, including powers of arrest, conflict management, counter-terrorism and investigative interviewing. These materials were produced jointly by Centrex and NCALT.

We also developed and rolled out to forces across the country a Quality Assurance Framework, designed to ensure that all the training and development probationers receive under the IPLDP

reaches minimum standards both locally and nationally. The national registration, tracking and monitoring system for IPLDP learners, trainers and assessors enables the progress of each student, and of forces overall, to be monitored and assessed. We also provided support for IPLDP's assessment requirements, including the maintenance of national assessment procedures and documentation.

## **The National Centre for Policing Excellence (NCPE)**

The National Centre for Policing Excellence (NCPE) is divided into two main business areas: Specialist Training and Professional Practice. Specialist Training provides a wide range of courses designed to enhance understanding and capacity in areas such as covert surveillance, forensics and technology. Professional Practice develops and implements doctrine, so promoting best practice in every aspect of policing, and providing specialist guidance and operational support to forces.

“2006-07 has seen us uniquely placed to exploit the synergies between doctrine, specialist training and operations to the benefit of the wider Police Service.”

### **Andy Humphreys – Director of Specialist Training**

Andy Humphreys has nearly 30 years' experience with the Police Service and has worked in Sussex and North Yorkshire as well as with Her Majesty's Inspectorate of Constabulary (HMIC). He has a background in investigation including SIO and Special Branch. Additionally, he has been a BCU Commander and led a corporate development department.

Andy won a Bramshill Fellowship in 1993-1994 to study for his MA in Management Systems at Hull.

In October 2000 he joined National Police Training at Bramshill as Assistant Director Crime and Operations. Since this appointment he has taken the lead on numerous initiatives, including the transfer of NTC into NPT and then Centrex and the creation of National Scientific Law Enforcement Centre (NSLEC), NCALT and High Tech Crime. In 2003 Andy was a lead player in creating the NCPE where he has the Specialist Training portfolio. Andy was the national Professionalising Investigation Programme (PIP) and Executive lead, and held the ACPO Crime Business Area training portfolio.

### **Ian Humphreys – Director of Professional Practice**

Ian Humphreys served 33 years as an officer in the Kent Police. For most of this time he served in various capacities as a detective officer. He was the BCU Commander at Gravesend from 1990-92. From 1992-2000 he was a senior detective officer where he led a number of major crime investigations. From 1995-2000 he was the Detective Chief Superintendent, Head of CID for the force.

From June 2000 to September 2003 Ian served as an ACC seconded to the Home Office and as Head of the National Technical Assistance Centre. Here he was responsible for setting up a new unit serving all the law enforcement and intelligence agencies and providing tactical intercepts and decryption capability.

During his time as a serving police officer he was responsible for developing many ACPO crime policies, and in particular is credited as the author of the first ACPO Homicide Investigation Manual.

In October 2003 Ian was appointed Head of Doctrine Development for the NCPE and has been responsible for leading the development of professional practice for ACPO and other key stakeholders. In August 2005 he was appointed Interim Director for Professional Practice (one strand of the NCPE).

## **The Police National Mobilisation Plan (PNMP)**

In October 2006 we published our guidance on the Police National Mobilisation Plan and were delighted when key members of the team were awarded ACPO's Meritorious Award for Excellent Service in recognition of their work in developing the PNMP. The ACPO-endorsed guidance sets out principles and procedures designed to standardise and assist the Police Service in the deployment

and coordination of resources in complex national or regional policing operations. These 'mobilisation events' include disaster management; public order operations; responses to terrorism; major crime investigations; large-scale pre-planned security operations; and the management of environmental or health-related crises.

The PNMP consists of three key components. Activation Protocols identify mobilisation events, whether spontaneous or pre-planned. Mobilisation Protocols cover the logistical implications of mobilising and deploying resources. And the Standard Incident Management Regime (SIMR) establishes the command and support mechanisms required to manage and resolve a mobilisation event. The guidance also includes a 'record of deployment template' and a 'mutual aid request' for use during mobilisation events.

Following the publication of the guidance, PNMP moved into its second phase, known as 'Operationalisation'. Under the leadership of ACPO, this phase aims to incorporate the PNMP into force policies and operating procedures. This will involve close co-operation with a number of key stakeholders, including HMIC, the Police National Information and Co-ordination Centre, and other service providers who have a role to play under the Civil Contingencies Act (2004).

## Doctrine

Doctrine encapsulates the collective knowledge of the Police Service, and frequently that of partner agencies, into a coherent set of working practices on specific areas of policing. This in turn informs the development of specialist training products, process improvements and operational support.

Commissioned by ACPO and the Home Office, we produced doctrine in the form of codes, guidance and practice advice.

In 2006-07 we completed and issued 15 pieces of doctrine; work was under way on an additional 22 at the end of the year, and all doctrine continues to be reviewed on a biannual basis. In addition, the half-yearly production of the *Journal of Homicide and Major Incident Investigation* provides a valuable source of information on legislation and professional practice for Senior Investigating Officers.

Doctrine embodies sound, well-evidenced good practice, and for this reason is of critical importance for every force as well as for individual officers. However, doctrine would simply sit gathering dust on shelves without meaningful plans to ensure it is implemented and forces derive maximum benefit from it.

Working with ACPO, our specialist implementation teams identified the key elements of guidance that needed to be standardised across the service and assessed the resources individual forces required – be they, the people, the knowledge or the systems. This allowed us to identify and develop the additional support or training products and to promote local examples of good practice on a national basis. Subsequently we assisted forces to develop their own local implementation plan, and provided specific assistance where it was needed. We also worked with HMIC to develop specific grading criteria for inspections based on the aims of the doctrine concerned.

After 9-12 months, the final stage of the implementation process is a peer review. This provides an independent assessment of how successfully a particular piece of doctrine was implemented, and in turn informs future implementation strategies.

According to Chief Superintendent John Millar, who heads Northamptonshire Police's doctrine implementation project, the support NCPE's implementation team has provided has been invaluable. "Our regular dialogue with NCPE is very effective at both a strategic and a practical level. To begin with, when we were scoping the project, NCPE helped us understand all the resource implications and drew our attention to how other forces had proceeded. We also received substantial and tailored assistance in specific areas, such as firearms and the management of police information. Experts on the NCPE implementation team guided us towards pragmatic



solutions relating to how best to allocate resources and manage the demands on our officers. NCPE's involvement also gave real credibility to the messages put across to our colleagues regarding the importance of doctrine for everyday operational policing."

### **Opsline**

We launched our new NCPE Operations Centre and 'Opsline' service in January 2006. Since its inception, Opsline has supported UK law enforcement by handling over 11,000 enquiries.

83% of these were resolved by the Opsline service. Opsline desk staff provided resolution for 48% of these enquiries; the specialist desks resolved an additional 35% either verbally or in the form of written advice to callers. A further 4% were referred to the Doctrine Co-ordination team for the dispatch of NCPE publications, with the remaining 13% referred to NCPE operational support units.

Opsline exists to offer a single point of contact for all law enforcement enquiries relating to NCPE's portfolio of products and services. With an out-of-hours on-call capability for urgent enquiries, the NCPE Operations Unit as a whole provides a 24-hour free service, assisting on both urgent and non-urgent enquiries received from operational colleagues and academics.

Opsline is staffed by experienced research specialists, who record every enquiry, conduct bespoke research and deliver a range of information-based products and services. Alongside this team and within the Operations Centre are two specialist advisory desks. The Covert Desk and the Crime and Uniform Desk are each staffed by officers with expertise in a particular area of law enforcement. The Opsline team also facilitates access to the deployable assets of Crime and Uniform Operational Support teams for major investigations or incidents.

From the latest information on NCPE doctrine to advice on the lawful and effective use of covert techniques, Opsline has also played a pivotal role in a number of high profile investigations. The deployment of a specialist team at the request of Suffolk Constabulary in the investigation of murdered prostitutes in December 2006 proved an invaluable and professional resource to the Police Service.

### **The Professionalising Investigation Programme (PIP)**

Commissioned by ACPO and the Home Office, NCPE has made extensive progress in embedding PIP within forces.

The principles of the ACPO 2005 Practice Advice on Core Investigation underpin the successful delivery of PIP. A number of standards that will enable workplace assessment and continuous professional development of staff have also been put in place. These include the creation and piloting of learning and development programmes for three investigative levels, and the publication of investigative and interviewing National Occupational Standards (NOS).

PIP ensures staff have the knowledge, skills and understanding to undertake any investigative role.

The IPLDP (Level One), the Initial Crime Investigator's Development Programme (ICIDP and Level Two) and the Senior Investigating Officer's Development Programme (SIODP and Level Three) encompass the assessment in the workplace of staff.

Workplace assessment is vital to ensure that all investigators who are already experienced in the management of interviews and investigations meet a number of competency standards to conduct their role. PIP also recognises that some investigators will require tailored development plans to ensure that they meet the National Occupational Standards for their defined investigative level.

We launched the PIP Implementation Support Plan in summer 2006, outlining the time-scales and standards that will enable the service to deliver professional investigation. This plan and the

compliance criteria were developed following wide and detailed consultation with forces. The publication of the plan led to a detailed assessment of the capability of every force to meet the required standards, and the assessment's findings are highly encouraging.

### **Collaborative Policing**

UK-wide, much progress has been made in the implementation of dedicated neighbourhood policing teams.

By 2008 every area in England and Wales will have dedicated, accessible and responsive neighbourhood policing teams, working with communities and partners to solve local problems. Communities will know who their local neighbourhood officers are, how to contact them, and how to influence what problems they tackle.

"To achieve this, we are working to ensure that neighbourhood policing is integrated into core police business – a significant organisational change for the Police Service requiring support, guidance, learning and development for our staff. Centrex and the NCPE are playing key roles in the delivery of this national programme," explains ACC Jerry Kirkby, Director of the National Neighbourhood Policing Programme.

"A huge amount has already been implemented with extensive evidence of real change taking place on the ground."

Neighbourhood policing is embedded throughout training and development programmes provided by Centrex. From new recruits attending assessment centres to the development of sergeants, inspectors and community partners such as PCSOs, Special Constables and traffic wardens, a range of training opportunities is available.

In October 2006 we launched our new neighbourhood policing module, part of our already established Core Leadership Development Programme (CLDP). This module provided flexibility and choice for the individual and the organisation. For example, rather than holding a workshop centrally, a force could run the workshop locally, invite their partner agencies and use real policing problems to learn and work co-operatively.

Gwent Police were one of the early forces to pilot the module and found that collaborative problem solving workshops were particularly effective.

"Every force across England and Wales is different in its demographics and geography. In Gwent, we need to police a city as well as extremely rural areas and valleys," explains Mike Boycott, Training Manager at Gwent Police.

"The Centrex module allowed us to explore through neighbourhood meetings the different crimes and problems that face our diverse area of the country. Collaborative problem solving is an important factor in developing effective neighbourhood policing teams. No longer should the Police Service operate in isolation from our partners.

"Complementing our existing crime reduction training, we used the workbooks and interactive sessions that the module encourages to train our neighbourhood teams in context. We have requested direct input from those who will be managing and working in the teams to ensure that we solve and prevent problems as one unit."

Focusing on anti-social behaviour in one village, Gwent's police and community partnership approach, using the structure of the neighbourhood policing module, has resulted in an ongoing action plan being formulated.

"We began by bringing together everyone who could assist in tackling this anti-social behaviour," explains Mike. "These included shopkeepers, teachers, parents, the local council, Fire and Rescue

Service, the Licensing Office, Special Constables and youth workers. We also invited some young people as our problem involved nuisance teenagers in the town centre.”

“Jointly, we were able to identify all the key issues and agreed possible solutions and an action plan.”

Through the development of a series of neighbourhood policing improvement workshops, our Leadership Academy also provided training opportunities to more than 200 Basic Command Units. Aimed at the senior management level and equivalent community partners, early feedback was positive.

Chief Superintendent Ray Adcock from Norfolk Constabulary attended an improvement workshop pilot in 2006. He said it was “an awakening in everyone involved of their ability to solve problems in partnership.”

“Getting together with the neighbourhood policing team is an opportunity to really do something about anti-social behaviour, as well as establishing a strategy for managing priorities.”

Senior managers also examined neighbourhood policing and its management as part of the current SLDP with a focus on community and strategic policing. For the higher ranking officers and staff, neighbourhood policing is explored through the Strategic Command Course.

NCPE has produced, updated and revised doctrine, ‘Professionalising the Business of Neighbourhood Policing’, that is intended to support forces, from ACPO level through to delivery level practitioners, in the continued development, implementation and integration of neighbourhood policing.

### **Foundation Training**

The Police Service is now fully engaged with the challenges and opportunities afforded by the Initial Police Learning and Development Programme (IPLDP). Centrex was wholly supportive of its philosophy and sees it as an essential aspect in the development of the police service, but we will always be mindful of the outstanding contribution we made through 60 years of successful foundation training.

One of the strengths of British police training is that it has evolved over time in response to policing need. Today, evolution lies in customer focus, neighbourhood policing, problem solving and partnership, and modernisation of the workforce. It is fitting, therefore, that officers should learn close to their workplace and within the communities they will serve.

In May 2006, we bade farewell to foundation training and three sites at Ashford, Bruche and Cwmbran, with special commemorative closing ceremonies and VIP attendance marking this landmark occasion in policing history.

The outgoing Probationer Training Programme (PTP) had served us well since its inception in the late 1990s and, at its peak, Centrex was delivering around 660,000 training days a year to new recruits on the second of a six-stage training programme.

Between 2000 and 2006, foundation training trained over 42,342 police officers – representing just under 40% of serving officers. Those officers are testament to the effectiveness of our police training and the professionalism and dedication of our staff.

### **Operational Support**

NCPE is able to provide operational assistance in the form of crime or uniform support and has a wealth of specialist experts, including geographic profiling, crime analysis, behavioural analysis, firearms and major incident advice.

There are two teams, each operating through a network of liaison officers in individual forces. Uniform Operational Support covers the broad areas of public order, police use of firearms, disaster management and operational planning. Crime Operational Support assists forces in the investigation of major crime including murder, rape, abduction and serious sexual offences.

All the NCPE specialists involved work with the consent of – and report to – the Senior Investigating Officer (SIO) of the police force involved, and the SIO agrees specific terms of reference with NCPE.

### **A breakthrough in DNA profiling**

Using the latest DNA profiling techniques, the Crime Operational Support team were able to make a significant contribution to solving two long-standing investigations into serious sexual assaults. Both assaults were on women walking their dogs, the first in 1993, the second two years later. DNA profiles showed that the same male offender was involved but, since his profile was not on the national DNA database, his identity remained unknown.

Subsequently the two forces involved – Greater Manchester Police and Lancashire Police – used a new technique, familial DNA searching, to obtain a list of possible parents, children and siblings of the offender. It was at this point that Crime Operational Support became involved. A behavioural investigative adviser produced a prioritised list of people with similar DNA profiles to the offender, and who were roughly the same age as the offender's parents and children would be. Subsequently, a senior crime analyst searched the Police National Computer to identify the people on the priority list who lived closest to where the offences happened. This resulted in a second, more refined priority list, which scored people according to their age, location and DNA profile.

NCPE proposed a further analysis, which used the Y-STR profiles of the people already identified. Y-STR is the male component of DNA, passing unaltered through the male line. This technique enables the offender's family to be identified if the Y-STR within that family matches that of the offender. It also allows the investigation team to eliminate entire families simply by taking a sample from just one male family member.

This pioneering combination of DNA-based techniques and NCPE specialist expertise was successful. The suspect was identified and arrested and on 15 December 2006 he was sentenced to life imprisonment for both offences.

### **Policing football's World Cup**

The 2006 World Cup is widely recognised as a policing success and NCPE's Uniformed Operational Support (UOS) team played an integral role.

Over the six-week period, NCPE assisted the 80 UK police officers in policing the World Cup events, and focused on establishing a good rapport between the police and fans. Working closely with the German Police, a member of the Uniformed Operational Support team ensured good order and good-humoured tolerance for which the tournament became a byword.

In the months before the competition started, UOS officers provided operational risk assessments for the deployment of various teams in Germany. These included the spotters – looking out for fans who were known troublemakers or who were likely to cause trouble – and the liaison officers.

Adhering to the 'Keeping the Peace' guidance manual and building on the lessons learned from Euro 2004, the UOS representative was able to advise on best practice, conducting daily briefs for all the officers involved. Continuous risk assessments and situation analysis ensured the smooth running of the policing operation.

Investigations and operations can benefit enormously from specialist support of this kind. Equally important are the lessons learned and then disseminated to police forces across the country through doctrine and training. Essentially, we identified areas of good practice and looked at potential areas of development in the procedures, with the aim of improving our policing operations for the next football competition.

## **Corporate Development**

The Corporate Development Directorate provided the underlying infrastructure necessary for effective business including customer relations, finance, estates, technology, procurement, marketing and communications, programme and project management, strategic planning and workforce development.

### **David Richards – Director of Corporate Development**

David Richards has managed two portfolios within Centrex; Director of Foundation Training and Head of Customer Relations. He was responsible for the training of police recruits within England and Wales (outside London) within the Probationer Training Programme as well as the management of a team of regional liaison managers. Having retired from the Metropolitan Police in 2003, where he served for 30 years mainly as a detective officer, he had performed service in uniform and CID in all ranks up to Detective Chief Superintendent. He was a member of the Metropolitan Police Advanced Public Order Policing Cadre with experience of policing riots and major sporting events. David also has experience as a Senior Investigating Officer in murder and rape offences as well as kidnap, armed robbery and drugs-related organised crime. He has managed undercover operations and was co-designer of the RIPE system of informant management.

David's last operational posting was as Head of CID in Tottenham in north London after which he took over as Head of Crime Training for the Metropolitan Police at Hendon prior to his secondment to the National Crime Faculty in April 2000. In December 2001 he amalgamated the National Crime and National Operations Faculties into one and led the team towards the formation of the National Centre for Policing Excellence. David left NPIA during 2007.

### **Iain Bacon – Director of Finance and Infrastructure Development**

Iain Bacon joined Centrex from Capita Group PLC, where he had been working as a management consultant advising National Police Training on the transition programme to create Centrex. Previously, Iain had been responsible for pricing two major successful bids for Capita in the local government market.

Since joining Centrex, Iain has been responsible for the set-up and ongoing leadership of the finance function and the implementation of the financial management/governance framework throughout the organisation. Since October 2005, Iain's role has encompassed the wider responsibilities of bringing estates and facilities, technology and procurement together to deliver improvements to the organisation's infrastructure and services.

Iain qualified as a chartered accountant with Ernst and Young and spent his early career with KPMG, The Milk Marketing Board and Milk Marque, latterly managing Milk Marque's outsourced IT contract before joining Capita. Iain left NPIA during 2008.

## **Governance**

Under the Criminal Justice and Police Act 2001, Centrex operated under directions issued by the Home Office and the Treasury. Strategic aims and objectives were set by the Secretary of State and performance was monitored and reported monthly. There was an overarching Management Statement and Financial Memorandum setting out the delegations from the Home Office to Centrex. Onward delegation from the Board was set out in Standing Orders.

Standing Orders set out the structure of committees within Centrex and clarified the authority and responsibilities of those working for it. Within Standing Orders, Standing Financial Instructions set out the financial responsibilities, policies and procedures to be adopted by Centrex. They were designed to ensure that Centrex's financial transactions were carried out lawfully and in line with Government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness. All of these documents were available to Centrex staff. In addition, there was a Delegated Authority Scheme, which set out the rules under which the respective layers of management acted in the name of Centrex in purchasing goods and services, etc.

The Centrex Board was responsible for setting out the overall strategy for achieving its functions, as set out in the Act. The Chief Executive and Senior Management Team were responsible for the day-to-day operations of Centrex in achieving that strategy.

## **Relationships**

The main relationships Centrex had were with the Home Office, ACPO, APA and the Police Service. The nature of these relationships is set out throughout this review.

Centrex put in place a team of Regional Liaison Managers (RLM) with the aim of building one-to-one relationships with key users, budget holders and decision-makers in forces (for example, force training managers and scientific support managers).

The RLMs gathered feedback from customers and agreed actions with the appropriate Centrex business areas. As a result of feedback received from Greater Manchester Police, the Leadership Academy ran workshops to support Core Leadership Development Programme trainers in forces. They also delivered nine modules of the Core Leadership Development Programme from the GMP Training centre in 2006.

## **Future activities**

The NPJA has taken on the responsibility for police training and development functions and services previously owned by Centrex. Centrex actively worked to support the creation of that agency, ensuring its relevance to the Police Service of the 21<sup>st</sup> Century. In May 2006, the last foundation training course ended and at that point Centrex ceased to provide foundation training. The Centrex training sites at Ashford, Bruche and Cwmbran have been closed. The use of the Ryton site is being re-focused. Forces are now responsible for training their own probationers through the Initial Police Learning and Development Programme (IPLDP). Centrex worked to support forces in the provision of that training.

## **Going Concern and Discontinued Operations**

As directed in the Police and Justice Act 2006, Centrex ceased to exist on 31 March 2007 and was replaced by the National Policing Improvement Agency with effect from 1 April 2007. The National Policing Improvement Agency has taken ownership of all of Centrex's functions, assets and liabilities from that date at book value, and it is on this understanding that the accounts have been prepared on a going concern basis.

The accounts are shown including foundation training, which ceased in May 2006. The costs and income directly attributable to foundation training are shown in Note 6 to the accounts.

## Results for the year

Centrex was primarily financed by grant-in-aid from the Home Office Supply Estimates (subhead Request for Resources 1, subhead W). The Secretary of State for the Home Department was answerable to Parliament for Centrex and was responsible for making financial provisions to meet its needs. Income was generated through charges for courses, consultancy and accommodation.

Budgets were set by the Home Office for resources and capital expenditure, which were spent as follows:

	Budget £'000	Spend £'000	Under/(Over)spend £'000
Resources	68,309	69,479	(1,170)
Capital	18,900	18,440	460
<b>Total</b>	<b>87,209</b>	<b>87,919</b>	<b>(710)</b>

The grant-in-aid actually received totalled £82.5million of which £18.4m was used to fund capital purchases.

## Fixed assets

Centrex operated at four freehold and ten rented and serviced sites across England and Wales. As a result of the ending of foundation training, three freehold sites (at Ashford, Bruche and Cwmbran) closed. Cwmbran was sold during 2006-07. The site at Bruche has been sold in December 2007 and the sale value has been reflected in these accounts. The Ashford site is being marketed. The remaining freehold sites (at Bramshill, Harrogate, Harperley Hall and Ryton) are being developed to meet the needs of the NPIA.

Centrex was responsible for a number of assets which are defined as heritage assets, the main such asset being the 17<sup>th</sup> century mansion house and grounds at the Bramshill site. The Bramshill site was purchased by the Home Office from Lord Brouncker in 1953 and was transferred to Centrex when created out of the National Police Training unit of the Home Office. The mansion house is used as offices, meeting rooms and as the home of the National Police Library.

During the year, the major building refurbishment programme continued and the upgrade of the computers, systems and networks also continued. Assets under construction at the year end had increased by £4.2million. An impairment review resulted in a write-off of £1.4million against freehold land and buildings assets. The significant write-off has been caused by the majority of the work carried out on the estate not being reflected in an increase in value on the market. However the estate has been recognised as a much improved facility which is better fitted to its police training needs.

## Compliance with public sector payment policy

Centrex's policy, in line with Government requirements, was to pay all invoices within 30 days of receipt unless a longer payment period had been agreed or the amount billed was in dispute. During 2006-07 there were on average some 2,980 invoice, expense and procurement card transactions per month (3,200 in 2005-06). Centrex improved the payment record to 90% (86% in 2005-06) paid within the 30 days. Centrex incurred late payment penalties totalling £2,570.



### **Contractual arrangements**

In a typical year, expenditure on capital works, goods and services was £40 million. There were significant facilities management, office and accommodation lease arrangements and planned preventative maintenance contracts in place.

Some £15 million was spent on capital works which was largely spent with local or regional builders and some £2 million on IT equipment.

Some £2 million was spent per annum on the corporate credit and purchasing card of which the largest spend was on computer consumables, stationery, flights, hotel accommodation and computer hardware.

Much of the capital works spend was through contracts placed through the Home Office's Building and Estates Management Unit (BEMU) and was managed by Turner and Townsend, a firm of building and project managers.

There were a number of contracts to provide services to police forces, government departments (notably DFID and Foreign and Commonwealth Office) and other bodies.

### **Future Developments**

From 1 April 2007, Centrex ceased to exist and its activities were brought under the NPIA, where the existing activities of Centrex will be continued in line with the NPIA Business Plan

### **Employee policies**

A number of significant new HR policies and procedures were implemented in 2005-06 and needed to be reviewed and embedded in the business. In addition, it was recognised that the main focus of people management in Centrex for 2006-07 would be the transition to the NPIA with effect from 1 April 2007. That being the case, there were no significant new policies or procedures introduced in 2006-07. However, some policies were revised at the detail level where legislative changes required them.

### **Investing in People**

In May 2006 Centrex was successfully re-accredited for the national standard for Investors in People (IiP). The standard helps organisations to improve performance and realise objectives through the management and development of their people. To perform well people need the right knowledge, skills and motivation to work efficiently.

The Senior Management Team developed an action plan to ensure that Centrex continued to meet the requirements for the Investors in People award, so as to ensure staff were at the forefront of all we did. These action plans were continually reviewed and updated.

IiP accreditation has been agreed for NPIA.

### **Equal opportunities**

The principles of race and diversity were core elements within Centrex and were key to Centrex helping to develop policing. As such we were committed to the promotion of equal opportunities for all.

We recognised that as society becomes more complex the Police Service will be called upon to exercise an ever-increasing level of sensitivity and professionalism. Our role was to ensure our Police Service customers are equipped and understand the needs of their diverse range of customers and partners.

Centrex was committed to valuing the diversity of others and to treating everyone with dignity and respect. To this end we sought to champion best practice in race and diversity.

### **Provision of information to employees**

Centrex came within the scope of the Freedom of Information Act and there was a team in place to ensure ongoing compliance. The Centrex Freedom of Information Publication Scheme, approved by the Information Commissioner, was in place and Centrex was fully compliant with the requirements of the Freedom of Information Act.

The organisation had introduced a number of processes to further enhance employee communication. These included monthly face-to-face cascade briefings, newsletters and a Chief Executive's bulletin. In addition, a framework of information and consultation groups met quarterly at directorate and organisation level.

### **Health and safety**

Centrex was fully committed to the development of a positive health and safety culture throughout the organisation. The legal standards set out in the Health and Safety at Work etc. Act 1974 and other relevant legislation were regarded as minimum standards to be applied throughout the organisation.

We were keen to see progressive improvements in both our systems for managing health and safety and in our health and safety performance. The reporting and thorough investigation of all accidents, together with the proactive identification of hazards and the adequate assessment and control of risks to which Centrex members of staff may have been exposed, helped us to achieve these objectives.

We attached equal importance to the achievement of health and safety objectives as to any other aspect of the business of caring for staff. Indeed, by providing a pleasant working environment which was free from risks to health and safety, we improved our overall business performance. Ultimate responsibility for the health and safety of staff was vested in the Chief Executive. In order to co-ordinate health and safety matters across the organisation, the day-to-day tasks were delegated to the Director of Corporate Development as the senior management team health and safety focal point. All managers were able to call upon the competent professional advice of the Corporate Health and Safety Manager, who assisted the Chief Executive in meeting the health and safety obligations and had the authority to act on behalf of Centrex in matters relating to health and safety.

However, the operational responsibility for health and safety remained with managers throughout Centrex.

A policy document set out an outline of the organisation and arrangements for health and safety, which was brought to the attention of every member of staff. The full details of the responsibilities and procedures for managing health and safety were set out in a series of leaflets which were updated as part of the Government's 'Revitalising Health and Safety' initiative.

Health and safety policy was reviewed continually and amended as necessary. All staff are encouraged to participate in the continuous improvement of health and safety policy.

### **Charitable donations**

There were no material charitable donations during the year.

**Charitable activities**

During 2006-07 Centrex staff undertook a wide range of fund-raising activities, raising several thousand pounds for many different good causes. Some activities were aligned to national events such as Children in Need and the Macmillan coffee mornings, with staff at each Centrex site choosing to participate in different ways.

Other smaller groups of colleagues took part in individual activities outside work – the 'Bramshill Babes' ran the Race for Life and raised £800 for cancer research. Some took the opportunity to socialise whilst raising money – Harperley Hall held a summer ball and raised £450 which was donated to Cancer Research UK and Macmillan Cancer Support.

**Trust**

Centrex was responsible for the Police Training Authority Trust, which was created in March 2004 out of four previously existing trusts, with the object of promoting the development of policing in England and Wales.

**Environment**

We continued to work on the process of obtaining ISO 14001 accreditation and a project board was created to oversee the progress towards achieving this environmental standard.

Centrex was responsible for the introduction of a green transport policy at the Harrogate site, and this will be adapted across all the sites wherever possible. We ensured recycling methods were incorporated into all facilities management and planned preventative maintenance contracts, and as licensed waste producers we ensured we complied with current legislation.

We procured furniture from suppliers who ensure that wood and related products are provided from sustainable sources, and new construction projects comply with all current legislation including the Disability Discrimination Act (DDA) and the Building Research Establishment Environmental Assessment Method (BREEAM).

Recent projects on the Bramshill site used sustainable wood from the estate, oak for the stable block tower, oak for the board edgings to the beds in the gardens, and oak for the restoration of the exterior 17<sup>th</sup> century octagonal table, which is located on the terrace of Bramshill mansion.

The gamekeeper appointed last year managed the deer herd (one of only three herds of white deer in the UK) down to an acceptable level for the deer park, and continues to manage the wildlife on the estate to provide an excellent ecological environment.

At Bramshill in conjunction with the grounds maintenance contractors (Gavin Jones) we produced soft and hard fruits for use in the college kitchens, thus reducing the impact to the environment of buying in products from areas outside the estate.

Woodland management also featured this year to ensure, where possible, healthy trees are managed to provide a safe and healthy environment across all sites for staff, delegates and contractors alike.

**Post balance sheet events**

Carol Bernard ceased to be Chief Executive and Accounting Officer of Centrex with effect from 31 March 2007. She is succeeded as Accounting Officer by Peter Neyroud, Chief Executive of the National Policing Improvement Agency (NPIA), who assumed responsibility for the affairs of Centrex and the accounts for 2006-07 with effect from 1 April 2007.

The Bruche site was sold in December 2007 and the sale value has been reflected in these accounts. The sale incurred a loss against the value held, and has been treated as an adjusting item in these accounts. The Ashford site is currently being marketed.

As directed in the Police and Justice Act 2006, Centrex ceased to exist on 31 March 2007 and was replaced by the National Policing Improvement Agency with effect from 1 April 2007. The National Policing Improvement Agency has taken ownership of all of Centrex's functions, assets and liabilities from that date at book value, and it is on this understanding that the accounts have been prepared on a going concern basis.

### **Auditor's details**

The Authority had its own in-house internal auditors who continuously reviewed best practices (the direct cost of this function in 2006-07 was £291,000 (£350,000 in 2005-06). Arrangements for external audits were provided under schedule 3, section 26 of the Criminal Justice and Police Act 2001, which requires the Comptroller and Auditor General (National Audit Office) to examine, certify and report on the statement of accounts, and to lay copies of it together with his report before each House of Parliament.

The fees for these services for 2006-07 are estimated at £65,000 (£55,000 in 2005-2006). The value of non-audit work in 2006-07 is nil.

### **Provision of information to auditors**

There is no relevant audit information of which the auditors are unaware. I have taken all necessary steps to make myself aware of any relevant audit information and to establish that the auditors are aware of that information.

### **Chief Executive summary of the Management Commentary**

It can be seen from this commentary that the formation of Centrex has taken police training forward into a new phase. Major changes have been made in all areas in response to the needs of the Police Service, which have modernised the business.

### **Peter Neyroud**

Chief Executive and Accounting Officer  
National Policing Improvement Agency  
And  
Accounting Officer  
Central Police Training and Development Authority  
10 July 2008

# **Central Police Training and Development Authority**

## **Remuneration Report**

### **1. Remuneration policy**

The policy and remuneration of the directors and other senior staff of Centrex were overseen by the Human Resources (HR) and Remuneration Sub-Committee of the Centrex Board.

The committee comprised Sir Clive Booth, Mrs Pat Woods, Professor Mary Benwell and Ms Gita Sootarsing, supported by the Chief Executive, Head of Workforce Development and the Board Secretary (acting as Secretary to the Committee).

In reaching its recommendations, the committee was to have regard to the following considerations:

- 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.

### **2. Service contracts**

Civil Service appointments are made in accordance with the Civil Service Commissioners' Recruitment Code, which requires appointments to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

Unless otherwise stated below, the officials covered by this report held appointments which were open-ended until they reach the normal retiring age of 65. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

### 3. Board Members and Senior Management Team

a) Centrex's Board members were appointed under the Act. During the year ended 31 March 2007 the Board members, and their remuneration, were (audited):

	Date Appointed	Date Terminated	Fee £'000
<b>Independent Members</b>			
Professor Sir Clive Booth (Chairman)	01 April 2002	31 March 2007	31
Mrs Patricia Woods (Vice Chair)	01 April 2002	31 March 2007	5
Professor Mary Benwell	01 April 2002	31 March 2007	5
Dr Robert Chilton	01 April 2002	31 March 2007	5
Professor David Croisdale-Appleby	29 November 2002	31 March 2007	5
Ms Gita Sootarsing	01 April 2002	31 March 2007	5
Mr Graham Baskerville	01 April 2005	31 March 2007	5
<b>ACPO</b>			
Mr Ken Jones	01 April 2006	31 March 2007	No remuneration
Mr Steve Roberts	01 April 2005	31 March 2007	No remuneration
Mrs Christine Twigg	01 April 2005	31 March 2007	No remuneration
<b>APA</b>			
Mrs Janet Summers	01 May 2005	31 March 2007	5
Dr Marie Dickie	01 April 2002	31 March 2007	5
Mr Peter Holland	01 July 2003	31 March 2007	No remuneration
<b>Home Office</b>			
Mr Jeremy Crump	17 December 2004	31 March 2007	No remuneration
Mr Peter Neyroud**	01 July 2006	31 March 2007	No remuneration

\*\* Peter Neyroud was co-opted onto the Board in his capacity as Chief Executive designate of the NPIA

Centrex has not entered into any pension arrangements with the Principal Civil Service Pension Scheme or any other scheme in respect of the Board members.

3b) Salaries, emoluments and pension entitlements of the Senior Management Team (audited). All ceased at 31 March 2007.

Name with date Appointed	Salary (full year equivalent) 2006-07	Salary (full year equivalent) 2005-06	Benefits in kind	Real increase in pension	Real increase in lump sum	Total Accrued Pension at age 60 at 31/3/07	Total Lump Sum at age 60 at 31/3/07	CETV at 01/4/06 Note 3,b (iii)	CETV at 31/3/07	Real increase in CETV	Pension scheme (PCSPS or as shown)
Sir Norman Bettison Chief Executive (to 4 July 2006)	45-50 (165-170)	180-185	16,109	0-2.5	-	0-5	-	34	58	20	Premium
Carol Bernard Chief Executive (from 5 July 2006)	110-105 (125-130)	n/a	18,802	25-27.5	-	25-30	-	-	337	336	Premium
Jenny Deere Director of Leadership Academy for Policing	100-105	90-95	-	0-2.5	2.5-5	25-30	90-92.5	512	542	16	Classic
Jane Harwood * Director of Corporate Development (to 31 July 2006)	95-100 (100-105)	100-105	-	2.5-5	-	0-5	-	47	53	2	Premium

Name with date Appointed	Salary (full year equivalent) 2006-07	Salary (full year equivalent) 2005-06	Benefits in kind	Real increase in pension	Real increase in lump sum	Total			Pension scheme (PCSPS or as shown)		
						Accrued Pension at age 60 at 31/3/07	Total Lump Sum at age 60 at 31/3/07	CETV at 01/4/06 Note 3,b (iii)		CETV at 31/3/07	Real increase in CETV
	£'000	£'000	£	£'000	£'000	£'000	£'000	£'000	£'000		
David Richards** Interim Director of Foundation Training, then Corporate Development (from 1 August 2006)	90-95	70-75	-	2.5-5	-	0-5	-	32	77	3	Premium
Iain Bacon** Director of Finance and Infrastructure Development (from 1 August 2006)	85-90	n/a	-	5-7.5	-	5-10	-	-	66	63	Premium
Stuart Osborne Head of NPIA Local Implementation Team (from 1 August 2006)	95-100	n/a	-	7.5-10	32.5-35	50-55	165-167.5	711	902	191	Metro-politan Police
Helen Schofield Director of Learning and Development	100-105	90-95	-	0-2.5	0-2.5	0-5	12.5-15	78	98	16	Premium



Name with date Appointed	Salary (full year equivalent) 2006-07	Salary (full year equivalent) 2005-06	Benefits in kind	Real increase in pension	Real increase in lump sum	Total		CETV at 01/4/06 Note 3,b (iii)	CETV at 31/3/07	Real increase in CETV	Pension scheme (PCSPS or as shown)
	£'000	£'000				Accrued Pension at age 60 at 31/3/07	Lump Sum at age 60 at 31/3/07				
Andy Humphreys Interim Director of Specialist Training	120-125	70-75	-	0-2.5	-	60-65	227.5- 230	925	946	21	North Yorkshire Police
Ian Humphreys* Interim Director of Professional Practice	100-105	55-60	-	0-2.5	-	0-5	-	62	86	19	Premium

\*Jane Harwood and Ian Humphreys received early severance packages under the terms of the Civil Service Compensation Scheme

\*\* The responsibility for the Corporate Development Directorate was split between David Richards and Iain Bacon following the departure of Jane Harwood

### 3b) (cont)

#### Salary

Salary included gross salary, performance pay or bonuses, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, private office allowance and any other allowance 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 Centrex and treated by the Inland Revenue as a taxable emolument. The Chief Executive had the occasional use of a motor vehicle and chauffeur, and was also provided with accommodation. Other senior staff generally received just the standard benefits applied to all Centrex staff. If there was a need to provide additional benefits appropriate to the role then this was pre-agreed with the HR and Remuneration Committee.

#### Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 October 2002, civil servants may be in one of three statutory based 'final salary' defined benefit schemes (classic, premium, and classic plus). The schemes are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, and classic plus are increased annually in line with changes in the Retail Prices Index. New entrants after 1 October 2002 may choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium and classic plus. Benefits in classic accrue at the rate of 1/80<sup>th</sup> of pensionable salary 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 1/60<sup>th</sup> of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up [commute] some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly in the same way as in classic.

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

Further details about the Civil Service pension arrangements can be found at the website [www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)

#### *(i) Police Officers*

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

*(ii) Valuation*

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme. Centrex is unable to identify its share of the underlying assets and liabilities. The Scheme Actuary (Hewitt Bacon Woodrow) valued the scheme as at 31 March 2007. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)).

*(iii) Cash Equivalent Transfer Value (CETV)*

A 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 the disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements and for which the Civil Service Vote has received a transfer payment commensurate to the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Please note that the factors used to calculate the CETV were revised on 1 April 2005 on the advice of the Scheme Actuary.

*(iv) Real increase in CETV*

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

**Peter Neyroud**

Chief Executive and Accounting Officer  
National Policing Improvement Agency  
And  
Accounting Officer  
Central Police Training and Development Authority  
10 July 2008

## Central Police Training and Development Authority

### Statement of the Authority's and the Accounting Officer's responsibilities for the statement of accounts

#### The Authority's responsibilities

Under section 95 of Part 4 and section 26 of Schedule 3 to the Criminal Justice and Police Act 2001 (the Act), the Authority was required to prepare annually its report and statement of accounts, in the form and on the basis determined by the Secretary of State for the Home Department, with the consent of the Treasury. The accounts were prepared on an accruals basis and had to give a true and fair view of the Authority's state of affairs at the year-end and of its income and expenditure, recognised gains and losses and cash flows for the financial year.

In preparing the accounts the Authority was required 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 judgements and estimates on a reasonable basis;
- state whether applicable accounting standards have been followed in accordance with the Government Financial Reporting Manual, and disclose and explain any material departures in the financial statements;
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Authority will continue in operation. As directed in the Police and Justice Act 2006, Centrex ceased to exist on 31 March 2007 and was replaced by the National Policing Improvement Agency with effect from 1 April 2007. The National Policing Improvement Agency has taken ownership of all of Centrex's functions, assets and liabilities from that date at book value, and it is on this understanding that the accounts have been prepared on a going concern basis.

#### The Accounting Officer's Responsibilities

The Accounting Officer for the Home Office appointed the Chief Executive of Centrex as the Accounting Officer until Centrex ceased to exist on 31 March 2007. With effect from 1 April 2007 the Accounting Officer for the Home Office appointed the Chief Executive of the NPIA as the Accounting Officer for Centrex until all close down responsibilities are completed. Their relevant responsibilities as Accounting Officer, including their responsibility for the propriety and regularity of the public finances and for the keeping of proper records, are set out in the *Non-Departmental Public Bodies' Accounting Officers' Memorandum* issued by HM Treasury and published in *Managing Public Money*.

#### **Peter Neyroud**

Chief Executive and Accounting Officer  
National Policing Improvement Agency  
And  
Accounting Officer  
Central Police Training and Development Authority  
10 July 2008

## **Central Police Training and Development Authority**

### **Statement on internal control**

#### **1. Scope of responsibility**

From 1 April 2007 the Central Police Training and Development Authority (Centrex) has been replaced by the National Policing Improvement Agency (NPIA) which has become responsible for all of Centrex's functions, assets and liabilities. The NPIA has developed its own system of internal control based in some part on the Centrex system and on those of the other precursor organisations. I was appointed Accounting Officer for Centrex with effect from 1 April 2007 to complete the final close down responsibilities.

As Accounting Officer, my predecessor had responsibility for maintaining a sound system of internal control that supported the achievement of Centrex's policies, aims and objectives, whilst safeguarding the public funds and the Authority's assets which were handed over and for which I have now become personally responsible, in accordance with the responsibilities assigned to me in *Managing Public Money*.

The Home Office sponsor unit for Centrex was the Police Human Resources Unit although for a part of the year the Police Information Communication and Technology Unit were jointly responsible to enable the formation of NPIA.

My predecessor attended monthly stocktake meetings with senior officials from the Home Office sponsor unit for the Authority. Major risks and key issues to performance against agreed objectives were reported and reviewed at these meetings, which were the regular forum for managing the relationship between the Authority and the Home Office. Any issues were communicated to the Minister as considered appropriate.

Centrex finance staff attended monthly financial stocktake meetings with Home Office finance staff to discuss cash, financial reporting and forecasts. Other areas of the Authority held regular meetings with their respective counterparts in the Home Office.

Effective communication of risk and other issues between the Authority Board and the Home Office has been ensured by the inclusion on the Board of a senior representative of the sponsor unit as the Crown Servant as required in the Act.

#### **2. The purpose of the system of internal control**

The system of internal control in Centrex was designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it could therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control was based on an ongoing process designed to identify and prioritise the risks to the achievement of Centrex's 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 was in place in Centrex for the year ended 31 March 2007 and accorded with Treasury guidance.

#### **3. Capacity to handle risk**

A Risk Management Committee was established to provide leadership and a forum for the co-ordination of risk management actions, thus discharging executive responsibility for ensuring risk was effectively managed. The Risk Management Committee discharged the requirements of the Authority's risk management policy and provided updates to the Audit Committee.

A risk awareness computer-based training module was rolled out to all staff and completion was regularly monitored. Risk awareness was included in the induction pack for all new staff.

A risk management action plan was being implemented, supported by a Risk Improvement Manager, to further communicate risk requirements, including an enhanced dedicated risk management intranet site, and ensured risk management was further embedded in the organisation.

#### 4. The risk and control framework

Corporate risks were identified, assessed and owned by the Senior Management Team (SMT). The Risk Management Committee provided updates on the progress of the actions identified in relation to risks in the corporate risk register which were circulated to the Audit Committee and have been handed over to the NPIA to carry forward.

Annual business plans were subject to risk appraisal so that the potential impact on the overall level of risk to Centrex could be identified and assessed as part of the approval process. The SMT reviewed business plans and associated risks to objectives and decided whether or not the level of risk was acceptable to the organisation, and if it was not, the proposed management of the risk was adequate. In addition, the Risk Management Committee reviewed risks arising during the year and decided whether the action taken was acceptable and in line with risk appetite.

Risks were identified at directorate and business unit level as part of the annual process for developing business plans. Risks were also identified for all key business projects. Risks were reviewed to identify any new risks or changes in risk levels at least every six months. Risk panels, comprising senior managers, were established within each directorate and met at least quarterly.

Directorate risk panels reported to the SMT on the levels of significant risk and the adequacy of controls via the directorates' quarterly assurance statements and via the Risk Management Committee. There were also periodic reports on risk management and controls assurance to the Audit Committee.

The annual internal audit plan was designed to ensure that sufficient work was done across the whole of Centrex to meet the needs of the Accounting Officer for assurance on risk. This included consideration of the controls necessary to manage risks on the Authority's risk register.

#### 5. Review of effectiveness

As Accounting Officer, my predecessors had responsibility for reviewing the effectiveness of the system of internal control. Their review of the effectiveness of the system of internal control was informed by the work of the internal auditors and the executive managers within Centrex who had 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. I have been advised by my predecessor on the implications of the result of the review of the effectiveness of the system of internal control carried out by my predecessor and by the Board and the Audit Committee.

The Audit Committee, comprised of non-executive Board members and chaired by a non-executive Board member, met four times during the year to receive reports prepared by the internal auditors and the Risk Improvement Manager. The final annual summary report of the Head of Internal Audit was presented to the meeting on 22 March 2007. In this report, covering 2006-07, he advised that he could provide *reasonable assurance* on the adequacy and effectiveness of the Authority's risk management and governance processes. This was because whilst his work had identified compliance and control weaknesses these were not of an overall significant nature and

acknowledged that the issue of the Finance and Governance Handbook had assisted in addressing the issues raised in an audit on corporate governance.

I have taken outstanding Centrex audit actions into NPJA, in particular the issues raised by internal audit in their reports on health and safety, business continuity, the billing policy, and some issues with fixed asset processes.

**Peter Neyroud**

Chief Executive and Accounting Officer

National Policing Improvement Agency

And

Accounting Officer

Central Police Training and Development Authority

10 July 2008

## **Central Police Training and Development Authority**

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

I certify that I have audited the financial statements of Central Police Training and Development Authority (the Authority) for the year ended 31 March 2007 under the Criminal Justice and Police Act 2001. These comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and Statement of Recognised Gains and Losses 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 Authority, Accounting Officer and auditor**

The Authority and Chief Executive as Accounting Officer are responsible for preparing the Annual Report, the Remuneration Report and the financial statements in accordance with the Criminal Justice and Police Act 2001 and directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of the Authority's and Accounting Officer's Responsibilities.

My responsibility is to audit the financial statements and the part of the Remuneration Report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Criminal Justice and Police Act 2001 and directions made thereunder. I report to you whether, in my opinion, the information, which comprises the Management Commentary, included in the Annual Report is consistent with the financial statements. I also report whether 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.

In addition, I report to you if the Authority has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by HM Treasury regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal control reflects the Authority's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of the Authority's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises the Forewords, Board Biographies and the unaudited part of the Remuneration Report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

#### **Basis of audit opinions**

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Authority and Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Authority's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from



material misstatement, whether caused by fraud or error, and that 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. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

### **Opinions**

In my opinion:

- the financial statements give a true and fair view, in accordance with the Criminal Justice and Police Act 2001 and directions made thereunder by the Secretary of State, of the state of the Authority's affairs as at 31 March 2007 and of its net expenditure for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Criminal Justice and Police Act 2001 and directions made thereunder; and
- information, which comprises the Management Commentary, included within the Annual Report, is consistent with the financial statements.

### **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.

### **Report**

I have no observations to make on these financial statements.

T J Burr  
Comptroller and Auditor General  
National Audit Office  
151 Buckingham Palace Road  
Victoria  
London  
SW1W 9SS  
17 July 2008

Centrex

**Statement of Accounts****INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 MARCH 2007**

		12 months to 31 March 2007	Restated 12 months to 31 March 2006
	Note	£000	£000
<b>Income</b>			
Fees and other income	2a	21,558	19,411
Police Training Authority Trust and other trusts		-	2
<b>Total Operating Income from Continuing Operations</b>		<b>21,558</b>	<b>19,413</b>
<b>Expenditure</b>			
Staff costs	3a	(46,412)	(50,603)
Other running costs	4	(33,011)	(45,132)
Depreciation and charges for write offs and disposals	5a	(7,669)	(6,775)
Unrealised loss on revaluation of Land and Buildings	5b	(1,750)	(22,598)
Unrealised loss of revaluation of other fixed assets	5b	(354)	(415)
<b>Net Expenditure before appropriations</b>		<b>(67,638)</b>	<b>(106,110)</b>
Interest received		226	217
Notional cost of capital		(1,841)	(1,666)
<b>Net resource expenditure</b>		<b>(69,253)</b>	<b>(107,559)</b>
Interest remitted to Consolidated Fund		(226)	(217)
Notional cost of capital reversed		1,841	1,666
<b>Net Expenditure for the year</b>		<b><u>(67,638)</u></b>	<b><u>(106,110)</u></b>

These Statements include figures in respect of Foundation Training, which ceased in May 2006. The amounts directly attributable to Foundation Training are shown in Note 6. All other income and expenditure arose from operations transferred to the National Policing Improvement Agency.

**STATEMENT OF RECOGNISED GAINS AND LOSSES FOR THE YEAR ENDED 31 MARCH  
2007**

	Note	12 months to 31 March 2007			Restated
		Centrex £000	Trust £000	Total £000	12 months to 31 March 2006 £000
Adjustment for prior year fixed assets depreciation		-	-	-	1,073
Unrealised surplus on revaluation of investments	9	-	2	2	19
Unrealised surplus/(loss) on revaluation of fixed assets by revaluation	14b	(12,000)	-	(12,000)	6,853
Unrealised surplus on revaluation of fixed assets by indexation	14b	546	-	546	1,895
Unrealised gain on revaluation	14b	35	-	35	-
Donation of donated assets to police force	14b	(31)	-	(31)	-
Revaluation of donated assets	14b	-	-	-	443
In year adjustment to fixed asset opening balance	14b	3,698	-	3,698	-
<b>Total recognised gains/(losses) in the period</b>		<b>(7,752)</b>	<b>2</b>	<b>(7,750)</b>	<b>10,283</b>

**BALANCE SHEET AS AT 31 MARCH 2007**

		31 March 2007		Restated 31 March 2006	
	Note	£000	£000	£000	£000
<b>Fixed assets</b>					
Intangible Assets	7	2,077		699	
Tangible Assets	8	66,000		73,688	
Investments	9	<u>345</u>		<u>343</u>	
			68,422		74,730
<b>Current assets</b>					
Cash at Bank	10	9,571		3,363	
Debtors and Prepayments	11	<u>6,635</u>		<u>6,275</u>	
			16,206		9,638
<b>Creditors (amounts falling due within one year)</b>	12a		(15,155)		(17,618)
<b>Net current assets/(liabilities)</b>			1,051		(7,980)
<b>Total assets less current liabilities</b>			69,473		66,750
Creditors (amounts falling due after more than one year)	12b		(479)		(451)
Provisions for liabilities and charges	20		(10,489)		(14,906)
<b>Total assets less liabilities</b>			<u><b>58,505</b></u>		<u><b>51,393</b></u>
<b>Reserves</b>					
Revaluation Reserve	14b		2,410		13,829
Donated Assets Reserve	14b		2,084		2,115
Income and expenditure reserve	14b		53,624		35,064
Trust Funds	14c		387		385
			<u><b>58,505</b></u>		<u><b>51,393</b></u>

The accounting policies and notes on pages 51 to 68 form part of these accounts

Peter Neyroud  
 Chief Executive and Accounting Officer  
 National Policing Improvement Agency  
 and  
 Accounting Officer  
 Centrex  
 10 July 2008

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH 2007**

		12 months to 31 March 2007	Restated 12 months to 31 March 2006
	Note	£000	£000
<b>Operating activities</b>			
Net Cash (outflow) from operating activities	18a	(65,386)	(76,552)
<b>Capital expenditure</b>			
Cash outflow to acquire intangible fixed assets		(487)	(499)
Cash outflow to acquire tangible fixed assets	18c	(17,644)	(19,745)
Cash inflow on disposal of assets		7,225	19
Net Cash (Outflow) before Financing		<u>(76,292)</u>	<u>(96,777)</u>
<b>Financing</b>			
Grant in aid for revenue expenditure	14b	64,060	79,386
Grant in aid for capital expenditure	14b	18,440	18,314
<b>Increase in Cash</b>	<b>18b</b>	<u><u>6,208</u></u>	<u><u>923</u></u>

## NOTES TO THE STATEMENT OF ACCOUNTS

### 1. ACCOUNTING POLICIES

#### (a) Accounting conventions

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 26, Schedule 3 of the Criminal Justice and Police Act 2001 (the Act).

The accounts meet:

- the accounting and disclosure requirements of the Companies Act 1985 to the extent that such requirements are appropriate to Centrex and are in line with the requirements of the accounts direction
- standards issued by the Accounting Standards Board
- disclosure and accounting requirements of HM Treasury, as set out in the Financial Reporting Manual (FReM) to the extent they are appropriate and in force for the year ended 31 March 2007
- the requirements of the accounts direction and the financial memorandum

Accounts for the Policy Training Authority Trust have been consolidated within the accounts of Centrex.

Under the terms of the Police and Justice Act 2006, Centrex was abolished on 31 March 2007, as set out in Section 3(a) of the Police and Justice Act 2006 (Commencement No. 2, Transitional and Savings Provisions) Order 2007, made 6 March 2007, and was replaced by the National Policing Improvement Agency (NPIA) with effect from 1 April 2007. The NPIA has taken ownership of all Centrex's functions, assets and liabilities from that date at book value, and it is on this basis that the statement of accounts has been prepared on a going concern basis.

#### (b) Change of accounting policy

With effect from the 2006-07 reporting period the FReM requires non-departmental public bodies to account for grants and grants in aid received for revenue purposes as financing because they are regarded as contributions from a controlling party which gives rise to a financial interest in the residual interest of NDPBs. This is a change of accounting policy from earlier periods when such items were recorded as income. The effect of this change on the certified 2005-06 accounts and the impact of the change on the results of the current year are shown in Note 14a. There is no impact on the net asset position of Centrex as a result of this change of policy.

#### (c) Tangible fixed assets

Fixed assets are valued on the balance sheet at modified historic cost or valuation. They are defined as assets that are acquired, or constructed, with the intention of being used on a continuing basis for a period of more than one year and with an original purchase cost equal to or more than £5,000, or as an asset other than furniture and fittings valued at less than £5,000 within a group of similar assets which are valued at more than £5,000. During the year an impairment review has been carried out on buildings assets.

Donated assets, consisting of art and antiques are included at the valuation for insurance purposes as prepared by Bonhams in May 2003 and updated in May 2006 and are not depreciated.

**(d) Intangible fixed assets**

The costs of purchasing major software licences are capitalised as intangible fixed assets. The costs of major software development and enhancement including related consultancy costs are capitalised as tangible fixed assets, although ongoing software maintenance costs are written off in the period in which they are incurred.

**(e) Depreciation**

Depreciation is provided on most fixed assets on a straight-line basis to write off the cost or valuation evenly over the asset's anticipated 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	5 to 7 years
Software licenses	3 years
Web development	3 years
Other equipment	5 to 10 years
Art and antiques	Not depreciated

Vehicles are charged on a 25% reducing balance basis.

**(f) Investments**

The Police Training Authority Trust has investments in unit trusts authorised as investments for charities. The units are valued at the mid-point of the buy and sell price quoted on the last trading day of March in each year. There were no acquisitions or disposals of investments during the year.

**(g) Stock**

There was no material stock held at the end of the financial period.

**(h) Fee income**

Fee income is recognised in the income and expenditure account, net of trade discounts and VAT, as and when the work is completed.

Where fees have been invoiced and the training or consultancy work 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 income and expenditure account as the work is completed.

**(i) Notional charges**

In accordance with the FReM a notional charge for assets and liabilities in the balance sheet (with liabilities attracting a negative charge) in the period is included in the income and expenditure accounts, along with an equivalent reversing notional income to finance the charge.

The charge for the period is calculated using the HM Treasury's discounted rate of 3.5 per cent applied to the mean value of assets and liabilities in the balance sheet (with liabilities attracting a

negative charge) over the financial year.

#### **(j) Notional costs**

Notional costs for services provided by the Home Office without charge have not been included in the accounts.

#### **(k) Operating leases**

Payments made under operating leases on equipment are charged to the income and expenditure account on a straight-line basis.

#### **(l) Pension scheme**

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. Centrex recognises the expected costs 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 Government Actuary and advised by HM Treasury. Contributions are charged to the income and expenditure account.

#### **(m) Value added tax**

Vocational training and examination services provided by Centrex are exempt from VAT. 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 status.

#### **(n) Insurance**

Centrex self-insures for all aspects of insurance, except for vehicle insurance and international travel insurance, which is purchased at market value and the cost accounted for directly to the income and expenditure account. The Home Office underwrite the risk associated with the self-insured element. A benchmarking exercise was completed during 2004-05. It considered the likely costs and risk associated with commercial insurance, as compared with self-insuring. The results of this exercise were discussed with the Home Office, who concluded that the existing self insurance arrangements should continue.

#### **(o) Research and development**

Research and development costs are written off in the year of expenditure, except the costs of NCALT web development, including the Managed Learning Environment, which from 2006-07 is to be capitalised.

#### **(p) Provisions**

Provision is made for early retirement, redundancy and property costs when any relevant programme is announced and a constructive obligation is created. The provision for conservation costs is based on a report of an unintrusive survey carried out by Gilmore Hankey Kirke dated June 2005.



## 2. INCOME FROM OPERATING ACTIVITIES

### (a) Fees and other income

	12 months to 31 March 2007	Restated 12 months to 31 March 2006
	£000	£000
Training and consultancy charges	15,701	15,966
EU grants	66	62
Reimbursements	4,076	2,078
Other income	1,715	1,305
<b>Total</b>	<b>21,558</b>	<b>19,411</b>

### (b) Fees and charges

Centrex's main function was to provide training to the police forces of England and Wales. For the most part that training was provided free of charge. Training and consultancy was also supplied to UK government departments and overseas police forces and governments, which was charged for on a full cost basis. The overall deficit was funded by grant-in-aid received from the Home Office.

Fees and charges for each of the training deliverables in 2006-07 were as follows. This information is provided for the purposes of reporting fees and charges information, not to comply with SSAP25.

Service:	2006/07 Full Cost £000	2006/07 Income £000	2006/07 Surplus/ (Deficit) £000	2005/06 Full cost £000	2005/06 Income £000	2005/06 Surplus/ (Deficit) £000	Note
Training Charges and Consultancy, of which:							
Probationer Training	1,447	16	(1,431)	11,473	188	(11,285)	(i)
Leadership Training	3,984	556	(3,428)	4,220	661	(3,559)	(i)
Specialist Training	12,125	8,972	(3,153)	11,497	7,882	(3,615)	(i)
International Training and Consultancy	3,221	4,214	993	2,985	3,941	956	(ii)
Doctrine	6,703	2,120	(4,583)	6,182	786	(5,396)	(i)
National Policing Support	5,978	419	(5,559)	5,384	497	(4,887)	(i)
Course Design & Development	3,113	426	(2,687)	3,326	577	(2,749)	(i)
Exams & Assessments	4,496	1,664	(2,832)	4,719	1,704	(3,015)	(i)
Applied Learning Techniques	2,753	101	(2,652)	4,663	68	(4,595)	(i)
<b>Total Training Charges and Consultancy</b>	<b>43,820</b>	<b>18,488</b>	<b>(25,332)</b>	<b>54,449</b>	<b>16,304</b>	<b>(38,145)</b>	
Non-Direct Costs	45,376	3,070	(42,306)	71,074	3,107	(67,967)	
<b>Total</b>	<b>89,196</b>	<b>21,558</b>	<b>(67,638)</b>	<b>125,523</b>	<b>19,411</b>	<b>(106,112)</b>	

- (i) These streams are partly funded from Grant-in-aid  
(ii) International training makes a contribution towards non-direct costs

## 3. EMOLUMENTS AND ASSOCIATED COSTS

a) Aggregate payroll costs, including seconded officers	12 months to 31 March 2007	12 months to 31 March 2006
	£000	£000
Civilian salaries and wages	20,169	21,290
Pension costs	3,716	3,676
Social security costs	1,677	1,702
Seconded-in officers salaries and wages	12,632	15,455
Contractors	4,843	3,875
Temporary	3,375	4,605
<b>TOTAL</b>	<b>46,412</b>	<b>50,603</b>
b) Aggregate number of employees	12 months to 31 March 2007	12 months to 31 March 2006
Seconded-in officers	172	330
Civilian staff	723	834
Contractors	119	107
Temporary	99	171
<b>TOTAL</b>	<b>1,113</b>	<b>1,442</b>

The reduction in numbers is principally caused by the cessation of Foundation Training activity in May 2006.

## 4. OTHER RUNNING COSTS

	12 months to 31 March 2007 £000	12 months to 31 March 2006 £000
Accommodation costs (including light and heat)	7,236	8,192
Audit fee	65	55
Consultancy	2,253	3,348
Information Technology	1,543	1,702
Housekeeping	5,752	7,176
Maintenance and equipment	4,115	4,869
Payroll services	33	47
Printing and stationery	1,294	1,495
Recruitment	218	485
Security	1,224	1,351
Staff training	877	1,224
Travel/vehicles costs	4,068	4,156
Telecommunications	1,899	2,114
Operating leases		
- Plant and equipment	-	29
- Other (including buildings)	1,367	1,522
Movement in bad debts provision	40	58
Movement in other provisions (see Note 20)	228	6,272
Other general expenses	799	1,037
<b>Total</b>	<b>33,011</b>	<b>45,132</b>

## 5. DEPRECIATION AND REVALUATION OF FIXED ASSETS

(a) Depreciation, amortisation and charges for write offs, impairments and disposals

	<b>Note</b>	12 months to 31 March 2007 £000	12 months to 31 March 2006 £000
Intangible assets	7	580	413
Tangible assets	8	3,634	6,320
Impairment of refurbished buildings	8	1,388	-
Write offs		1,898	-
(Profit)/loss on disposal at Net Book Value		169	42
<b>Total</b>		<b>7,669</b>	<b>6,775</b>

## (b) Revaluation of fixed assets

	Note	Cost £000	Depreciation £000	Net £000
Intangibles – indexation	7	(147)	62	(85)
Tangibles – revaluation	8	(13,715)	-	(13,715)
Tangibles – indexation	8	(102)	379	277
				<b>(13,523)</b>
Unrealised gains and losses (above historic cost) to statement of recognised gains and losses – indexation				546
Unrealised gains and losses (above historic cost) to statement of recognised gains and losses – revaluation				(11,965)
Unrealised losses (below historic cost) to income and expenditure account – indexation				(354)
Unrealised losses (below historic cost) to income and expenditure account – Land and Buildings revaluation				(1,750)
				<b>(13,523)</b>

**6. DISCONTINUED OPERATIONS**

These Statements include figures in respect of Foundation Training, which ceased in May 2006. The direct costs of Foundation Training in 2006-07, which are included in the Income and Expenditure statement above, were £1.635 million (£11.295 million in 2005-06).

All other income and expenditure arose from operations transferred to the National Policing Improvement Agency.

## 7. INTANGIBLE ASSETS

	Software Licences £000
<b>Cost</b>	
<b>At 1 April 2006</b>	<b>1,341</b>
In year adjustments	194
Additions	487
Transfers from assets under construction	1,136
Disposals	(32)
Adjustments on indexation	(147)
<b>At 31 March 2007</b>	<b>2,979</b>
<b>Amortisation</b>	
<b>At 1 April 2006</b>	<b>642</b>
In year adjustments	(223)
Charge in the year	580
Disposals	(35)
Adjustments on revaluation/indexation	(62)
<b>At 31 March 2007</b>	<b>902</b>
<b>Net Book Value at 31 March 2007</b>	<b>2,077</b>
<b>Net Book Value at 1 April 2006</b>	<b>699</b>

Software licences are amortised in a straight line over three years

## 8. TANGIBLE ASSETS

## (a) Assets – Cost &amp; depreciation reconciliation

	Land and Buildings	Dwellings	Vehicles	Plant and Machinery	Computing	Fixtures and Fittings	Antiques and Works of Art	Web Development	Assets Under Construction	Total Tangible
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Cost</b>										
Opening Balances as at 1 April 2006	57,285	4,144	1,926	2,832	5,138	31	2,144	-	5,496	78,996
In year adjustments	1,761	(1,761)	1	385	589	11	-	-	2,117	3,103
Additions	7,887	-	184	27	975	1	-	1,066	7,813	17,953
Disposals	(6,480)	(705)	(298)	(298)	(486)	(31)	(31)	-	-	(8,329)
Indexation	482	52	32	(101)	(567)	-	-	-	-	(102)
Revaluations	(13,715)	-	-	-	-	-	-	-	-	(13,715)
Write-offs	-	-	-	-	-	-	-	-	(1,898)	(1,898)
Transfers	-	-	(25)	16	9	-	-	-	-	-
Transfer from AUC	866	-	(6)	447	1,411	-	-	-	(3,854)	(1,136)
<b>Closing Balance as at 31 March 2007</b>	<b>48,086</b>	<b>1,730</b>	<b>1,814</b>	<b>3,308</b>	<b>7,069</b>	<b>12</b>	<b>2,113</b>	<b>1,066</b>	<b>9,674</b>	<b>74,872</b>
<b>Depreciation</b>										
Opening balance as at 1 April 2006	-	-	1,265	1,966	2,050	27	-	-	-	5,308
In year adjustments	-	-	(12)	(127)	(40)	1	-	-	-	(178)
Charge in the year	1,805	49	258	354	1,164	4	-	-	-	3,634
Impairment charge in the year	1,388	-	-	-	-	-	-	-	-	1,388
Disposals	-	(5)	(290)	(234)	(342)	(30)	-	-	-	(901)
Indexation	-	-	20	(69)	(330)	-	-	-	-	(379)
Transfers	-	-	(25)	17	8	-	-	-	-	-
<b>Closing Balance as at 31 March 2007</b>	<b>3,193</b>	<b>44</b>	<b>1,216</b>	<b>1,907</b>	<b>2,510</b>	<b>2</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,872</b>
<b>Net Book Value as at 31 March 2007</b>	<b>44,893</b>	<b>1,686</b>	<b>598</b>	<b>1,401</b>	<b>4,559</b>	<b>10</b>	<b>2,113</b>	<b>1,066</b>	<b>9,674</b>	<b>66,000</b>
<b>Net Book Value as at 1 April 2006</b>	<b>57,285</b>	<b>4,144</b>	<b>661</b>	<b>866</b>	<b>3,088</b>	<b>4</b>	<b>2,144</b>	<b>-</b>	<b>5,496</b>	<b>73,688</b>

#### (b) Valuation bases

Freehold land, buildings and dwellings for the whole of Centrex were valued together for balance sheet purposes as at 31 March 2006, in a report dated 12 May 2006 prepared by Donaldsons LLP.

That valuation resulted in a large write off due to the cost of accumulated building works not being reflected in the market values or existing use values. In view of that it was decided to have an updated valuation carried out for the Bramshill and Ryton sites as at 31 March 2007, which accounted for the large proportion of the works completed in 2006-07. The results of that valuation exercise were set out in a report dated 30 October 2007 prepared by DTZ (formerly Donaldsons LLP).

Bramshill, Harperley Hall, Harrogate and Ryton sites are valued on an existing use basis.

Ashford, Bruche and Cwmbran sites were valued for balance sheet purposes as at 31 March 2006 in a report dated 12 May 2006 prepared by Donaldsons LLP on an open market value basis because of their impending sales as a result of their discontinued use following the end of Foundation Training. The valuation reports were prepared using the *Appraisal Valuation Manual* issued by the Royal Institution of Chartered Surveyors. Cwmbran was sold during 2006-07. The Ashford valuation has reduced, because of the impact of certain restrictive covenants that are in place. Bruche was sold after the year end for the value included in the accounts.

Art and antiques at Bramshill were valued for insurance purposes in a report dated 10 April 2006 by Bonhams 1793 Ltd, Auctioneers and Valuers. The valuation broadly followed the guidelines set out by the International Valuation Standards Committee, but incorporated refinements proposed by the Fine Art and Antiques Faculty of the Royal Institution of Chartered Surveyors. The estimate was the opinion of Bonhams 1793 Ltd of the price of the item concerned if purchased from retail premises. As the majority of items inspected are not of recent manufacture, and many of the items are unique, the valuation was that of the secondhand replacement of a similar but not necessarily identical item, in a comparable condition, purchased on retail premises.

#### (c) In year adjustments

As a result of the above valuations a write off was included in the 2005-06 accounts to reflect the fact that improvements, that had been made in the various buildings assets held by Centrex, were not reflected in increased market value. During 2006-07 some work has been done to confirm the overall write off and some misclassifications in past treatment have been found, resulting in a write back in 2006-07 of assets under construction, plant and machinery, computing and fixtures and fittings and an adjustment to the opening balances for land and buildings and dwellings.

#### (d) Impairment review

An impairment review of building work carried out in 2006-07 has been carried out, resulting in a further write off.

## 9. FIXED ASSET INVESTMENTS

	Listed Investments £000
At 1 April 2006 at market valuation	343
At 31 March 2007 at market valuation	345
Unrealised gains	<b>2</b>

All of these investments are owned by the charitable trusts referred to in Note 21.

## 10. CASH AT BANK AND IN HAND

	31 March 2007 £000	31 March 2006 £000
Bank accounts	9,525	3,314
Cash in hand	3	7
Trust bank accounts	43	42
<b>Total</b>	<b>9,571</b>	<b>3,363</b>

## 11. DEBTORS

	31 March 2007 £000	31 March 2006 £000
Trade debtors	4,797	3,785
Provision for doubtful debtors	(143)	(103)
Prepayments	556	732
Tax including VAT	(5)	(35)
Accrued charges	1,427	1,892
Other debtors	3	4
<b>Total</b>	<b>6,635</b>	<b>6,275</b>

## 12. CREDITORS

## (a) Creditors (less than one year)

	31 March 2007 £000	31 March 2006 £000
Trade creditors and accruals	12,993	15,865
Taxes and social charges	1,126	1,261
Deferred income	995	403
Other creditors	41	89
<b>Total</b>	<b>15,155</b>	<b>17,618</b>



## (b) Creditors (more than one year)

	31 March 2007 £000	31 March 2006 £000
Contract retentions	479	451
<b>Total</b>	<b>479</b>	<b>451</b>

## 13. INTRA-GOVERNMENT BALANCES

	2006/07 Debtors: amounts falling due within one year £000	2006/07 Debtors: amounts falling due after more than one year £000	2006/07 Creditors: amounts falling due within one year £000	2006/07 Creditors: amounts falling due after more than one year £000
Balances with other central government bodies	1,904	-	1,313	-
Balances with police and local authorities	2,326	-	2,181	-
Balances with NHS Trusts	-	-	-	-
Balances with public corporations and trading funds	-	-	-	-
<b>Total intra government</b>	<b>4,230</b>	<b>-</b>	<b>3,494</b>	<b>-</b>
Balances with bodies external to government	2,405	-	11,661	479
<b>As at 31 March 2007</b>	<b>6,635</b>	<b>-</b>	<b>15,155</b>	<b>479</b>
	2005/06 Debtors: amounts falling due within one year £000	2005/06 Debtors: amounts falling due after more than one year £000	2005/06 Creditors: amounts falling due within one year £000	2005/06 Creditors: amounts falling due after more than one year £000
Balances with other central government bodies	2,072	-	1,845	-
Balances with police and local authorities	3,023	-	3,775	-
Balances with NHS Trusts	-	-	-	-
Balances with public corporations and trading funds	394	-	-	-
<b>Total intra government</b>	<b>5,489</b>	<b>-</b>	<b>5,620</b>	<b>-</b>
Balances with bodies external to government	786	-	11,998	451
<b>As at 31 March 2006</b>	<b>6,275</b>	<b>-</b>	<b>17,618</b>	<b>451</b>

**14. RESERVES**

(a) Impact of change in accounting policy (see Note 1b)

	At 31 March 2006 (as previously stated) £000	Impact of adopting the new policy £000	As at 31 March 2006 (restated) £000
<b>Net surplus/(expenditure) for 2005-06</b>	3,083	(109,193)	(106,110)
<b>Income &amp; Expenditure Reserve</b>	(23,379)	58,443	35,064
<b>Government Grant Reserve</b>	72,272	(72,272)	-

(b) Reserves movement in year

	Government Grant Reserve £000	Revaluation Reserve £000	Donated Assets Reserve £000	Income and Expenditure Reserve £000	Total £000
<b>At 31 March 2006</b>	<b>72,272</b>	-	<b>2,115</b>	<b>(23,379)</b>	<b>51,008</b>
Land & buildings revaluation surplus	(13,740)	13,740	-	-	-
Transfer from Government Grant Reserve	(89)	89	-	-	-
Transfer to Income and Expenditure Reserve	(58,443)	-	-	58,443	-
<b>Restated balance at 31 March 2006</b>	-	<b>13,829</b>	<b>2,115</b>	<b>35,064</b>	<b>51,008</b>
Indexation of fixed assets	-	546	-	-	546
Loss on revaluation of fixed assets	-	(12,000)	-	-	(12,000)
Gain on valuation of fixed assets	-	35	-	-	35
Paintings donated to police forces	-	-	(31)	-	(31)
Grant in aid received:					
Resource	-	-	-	64,060	64,060
Capital	-	-	-	18,440	18,440
In year adjustment to fixed asset opening balances	-	-	-	3,698	3,698
Transfer from Income and Expenditure Account	-	-	-	(67,638)	(67,638)
<b>At 31 March 2007</b>	-	<b>2,410</b>	<b>2,084</b>	<b>53,624</b>	<b>58,118</b>

## (c) Trust Fund (see Note 21)

	Income and Expenditure	Revaluation of investments	Trust Funds
	£000	£000	£000
<b>At 1 April 2006</b>	<b>323</b>	<b>62</b>	<b>385</b>
Income and expenditure Account	-	-	-
Unrealised surplus on revaluation of investments	-	2	2
<b>At 31 March 2007</b>	<b>323</b>	<b>64</b>	<b>387</b>

**15. LEASE OBLIGATIONS**

Centrex is committed to the following payments in future financial years in respect of operating leases expiring within:

	Buildings	Others	Total at 31 March 2007	Total at 31 March 2006
	£000	£000	£000	£000
One year	33	-	33	59
Two to five years	1,324	-	1,324	1,324
After five years	-	-	-	-
<b>Total</b>	<b>1,357</b>	<b>-</b>	<b>1,357</b>	<b>1,383</b>

**16. CAPITAL COMMITMENTS**

	31 March 2007 £000	31 March 2006 £000
Approved and contracted for	8,890	10,911
Approved but not contracted for	7,269	23,025

**17. CONTINGENT LIABILITIES**

Centrex had one material contingent liability at 31 March 2007. This is in respect of a possible income tax charge concerning the treatment of PAYE for contractors. NPIA is in discussion with HM Revenue and Customs. The potential liability is estimated to be £1.1 million.

**18. CASH FLOW STATEMENT****(a) Reconciliation of operating surplus to the net cash flow from operating activities**

		12 months ended 31 March 2007		Restated 12 months ended 31 March 2006
	£000	£000	£000	£000
Net Expenditure before Appropriations		(67,638)		(106,110)
Depreciation, amortisation and impairment (Note 5a)		5,602		6,733
Loss on sale of fixed assets (Note 5a)		169		42
Loss on write off of fixed assets (Note 5a)		1,898		-
Loss on revaluation and indexation (Note 5b)		2,104		23,013
(Increase) in debtors relating to operating activities		(360)		(2,070)
(Decrease) in creditors relating to operating activities	(2,435)		(3,471)	
Add decrease/less (increase) in capital accruals	(309)		1,930	
		(2,744)		(1,541)
(Decrease)/increase in provisions		(4,417)		3,381
<b>Net cash (outflow) from Operating activities</b>		<b>(65,386)</b>		<b>(76,552)</b>

## (b) Reconciliation of net cash flow to movement in net funds

	12 months ended 31 March 2007 £000	12 months ended 31 March 2006 £000
<b>Funds at start of year</b>	<b>3,363</b>	<b>2,440</b>
Increase in funds	6,208	923
<b>Net Funds at end of year (see Note 10)</b>	<b>9,571</b>	<b>3,363</b>

## (c) Reconciliation of cash outflow to acquire tangible assets

	12 months ended 31 March 2007 £000	12 months ended 31 March 2006 £000
Tangible fixed asset additions (see Note 8)	17,953	17,815
Add decrease/less increase in capital accruals (see Note 18a)	(309)	1,930
<b>Cash outflow to acquire tangible assets</b>	<b>17,644</b>	<b>19,745</b>

**19. RELATED PARTY TRANSACTIONS**

Centrex was a Non Departmental Public Body financed by grant-in-aid from the Home Office.

Grant in aid is shown in the Income and Expenditure Reserve.

The Home Office was regarded as a related party to Centrex. Centrex had various material transactions with the Home Office.

Centrex considered the police forces in England and Wales to be related parties because senior police officers and police authority members were appointed by ACPO and APA respectively to serve on the Centrex board.

During the period ending 31 March 2007, no other members of the Board or members of the key management staff have undertaken any material transactions with Centrex.

**20. PROVISIONS FOR LIABILITIES AND CHARGES**

	As at 1 April 2006 £000	Income and Expenditure Charge £000	Paid £000	As at 31 March 2007 £000
a) Compensation claims	116	22	(54)	84
b) Compensatory grant	254	(65)	-	189
c) Bramshill mansion works	9,134	-	(588)	8,546
d) Rationalisation	5,402	271	(4,003)	1,670
	<b>14,906</b>	<b>228</b>	<b>(4,645)</b>	<b>10,489</b>

At 31 March 2007, the above provisions consisted of:

- (a) Personal injury and employment claims valued using legal advice and where both the value and payment date is uncertain.
- (b) For amounts that are expected to be claimed by seconded-in officers to cover the tax paid during the year on accommodation allowances. The amount claimed depends on the individual tax rates of the officers affected. All of this provision will be paid to the seconding force within one year.
- (c) For 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 dated June 2005. The costs of the required works have been estimated, but due to the nature of conservation work must be uncertain.
- (d) To provide for the cost of the internal restructuring necessary to realise efficiency gains and cost reductions due to a greatly reduced budget. Additional provision has been made for the future pension payments as a result of voluntary redundancies prior to the formation of NPIA.

## 21. CHARITABLE TRUST

The Charities Commissioners for England and Wales under the power of the Charities Act 1993 granted a new 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.

## 22. POST BALANCE SHEET EVENTS

Carol Bernard CBE ceased to be the Chief Executive and Accounting Officer of Centrex with effect from 31 March 2007. She is succeeded as Accounting Officer by Peter Neyroud, Chief Executive of the National Policing Improvement Agency (NPIA), who assumed responsibility for the affairs of Centrex and the accounts for 2006-07 with effect from 1 April 2007.

The Bruche site, which was closed in May 2006 following the cessation of Foundation Training, was sold in December 2007 and the sale value has been reflected in these accounts.

As directed in the Police and Justice Act 2006, Centrex ceased to exist on 31 March 2007 and was replaced by the National Policing Improvement Agency with effect from 1 April 2007. The National Policing Improvement Agency has taken ownership of all of Centrex's functions, assets and liabilities from that date at book value, and it is on this understanding that the accounts have been prepared on a going concern basis.

In accordance with the requirements of FRS 21 post balance sheet 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.

There are no other material post balance sheet events relating to the year ended 31 March 2007.

## 23. FINANCIAL INSTRUMENTS

FRS 13, Derivatives and Other Financial Instruments, requires disclosure of the role which financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the nature of its activities and the way it is financed, Centrex was not exposed to the degree of financial risk faced by business entities. Moreover, financial instruments play a much more limited role in creating or changing risk than would be typical of listed

companies to which FRS 13 mainly applies. Centrex had very limited powers to borrow or invest funds. Financial assets and liabilities were generated by day to day operational activities and were not held to change the risks facing Centrex in undertaking its activities.

#### **Liquidity risk**

Centrex's net revenue resource requirements were largely funded by grant in aid from its sponsor department. Capital expenditure was also financed through grant-in-aid. Centrex was consequently not exposed to significant liquidity risks.

#### **Interest rate risk**

Centrex was not exposed to any interest rate risk. All surplus funds were placed on deposit with commercial banks at the prevailing deposit interest rate.

#### **Foreign currency risk**

Centrex's exposure to foreign currency was not significant.

### **24. FINANCIAL DERIVATIVES AND BORROWINGS**

Centrex has no borrowings and relies primarily on departmental grants from the Home Office for its cash requirements and is therefore not exposed to a liquidity risk. All material assets and liabilities are denominated in sterling, so it is not exposed to significant currency risk. None of its cash deposits are exposed to any significant rate risk.

### **25. STATEMENT OF LOSSES AND SPECIAL PAYMENTS**

The income and expenditure statement includes the following losses and special payments:

	Number of Cases	Amount £000
Losses	15	29
Special Payments	346	4,057
<b>Total</b>	<b>361</b>	<b>4,086</b>

Note: Special payments include payments for rationalisation shown at Note 20(d).





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