



Civil Nuclear Police Authority

Annual Report & Accounts 2019/20

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HC 498



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Annual Report & Accounts
2019/20

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The Griffin Park Tactical Training Centre at Sellafield – a centre of excellence delivering world-class firearms training

Chairman's Statement

The past year has seen a lot of change across the Civil Nuclear Police Authority (CNPA) and the Civil Nuclear Constabulary (CNC), including several new Executive Team appointments and new Police Authority Members. We also have a new Ambition as an organisation and we have continued to meet our Mission successfully delivering armed policing at civil nuclear sites across the country. As an infrastructure police force, we carry out a nationally vital and unique task and counter terrorism remains at the heart of everything we do.

Our Chief Constable Simon Chesterman has completed his first year as our new Chief Constable, Chris Armitt was appointed as his Deputy Chief Constable (DCC) and Louise Harrison from Merseyside Police was welcomed as his Assistant Chief Constable (ACC), in charge of Operations across the Constabulary.

We have welcomed Patsy Northern to the role of Corporate Services Director and appointed Richard Cawdron as Director of Governance, Compliance and Legal Services. Alongside Richard Saunders, Director of People and Organisational Development, and his DCC and ACC, Simon now has a strong and dynamic team supporting him in achieving our strategic objectives and making sure our Mission continues to be delivered safely.

I have also welcomed two new Independent Board Members with Sue Scane and Sir Craig Mackey joining us in July. They have already made an important contribution to our work and I look forward to working with them and the rest of our board throughout 2020/21. As part of our commitment to ensure we are working efficiently and effectively, we have reviewed our corporate governance and committee structures. A number of improvements have been made, including strengthening our governance and information governance team and ensuring our various committees are consistent in the way they work and feedback into the business. These changes will improve assurance and transparency for the Police Authority as a whole and means the general public, our stakeholders and our sponsoring government department can be assured we have robust governance structures in place.

With a strengthened Executive Team, we have developed a new Ambition, which sees us aiming to be recognised nationally and internationally as the leading organisation for armed protective security within the critical national infrastructure of the UK. This is a change on our previous Ambition, which centered around the protection of nuclear sites and materials, and recognises our drive and determination to offer our unique services to police other national infrastructure and events where possible. I look forward to continuing to work with my Board Members and the CNC Executive Team to drive this forward over the next year.

As the fourth largest armed police force in the UK, we continue to improve our capabilities to ensure we can meet any threat and not only do our officers receive world-class firearms training from highly trained National Firearms Instructors, we also offer the chance to specialise in dynamic search, intervention methods, enhanced carbine, police medic training and tactical care.

I continue to meet regularly with our sponsoring government department, the Department for Business, Energy and Industrial Strategy (BEIS) and we work closely with all our stakeholders across both the nuclear and policing sectors.



It was pleasing to have confirmation from BEIS that, although the number of AFOs may fluctuate alongside the nuclear sites we protect, the CNC will be needed to protect vital national infrastructure for many years to come and this will remain our core activity.

2020/21 will see many challenges and opportunities for us to focus on, including the official opening of our new Griffin Park Tactical Training Centre - a Centre of Excellence delivering world-class firearms training in one of the best equipped live fire training centres in Europe. We will also continue to develop our Ambition and organisational values to ensure we remain an employer of choice and implement the findings of our recent survey to ensure we have a happy and engaged workforce.

I am pleased to report that the CNC remains a highly trained, capable and forward-thinking organisation and we are committed to delivering our demanding role into the foreseeable future. I am proud that the CNPA will provide the support and governance necessary to ensure this vital Mission is delivered.

Vic Emery OBE

Chairman of the CNPA

Ambition Mission and Values for reporting period 2019/20



Our Ambition

The ambition of the Civil Nuclear Constabulary is “to be recognised nationally and internationally as the United Kingdom’s leading organisation for the provision of armed policing protective services”. Maintaining high levels of capability to protect civil nuclear material and the agility to mobilise significant numbers of armed officers to protect communities. Our focus remains operational, with front line operational delivery being supported by three other enabling strategic objectives ensuring that we maintain and develop operational capability, behave in an effective and efficient manner and deliver the People Strategy.

Our Mission

In partnership with the civil nuclear industry, national security agencies and regulatory bodies the CNC will deter any attacker whose intent is the theft or sabotage of nuclear material, whether static or in transit, or the sabotage of high consequence facilities. If an attack occurs, CNC will defend that material and those facilities and deny access to them. If material is seized or high consequence facilities are compromised, the CNC will recover control of those facilities and regain custody of the material.

CNC Values

- Proud** - We are proud to deliver high quality armed policing, we are committed to protecting the public and our core role in keeping the nations civil nuclear material safe.
- Agile** - We are match-fit and ready to respond whilst performing our core role and in supporting the UK’s armed surge capability. Remaining ready and agile is a whole team effort.
- Ambitious** - Our strengths lie in armed policing and world class firearms training. Our ambition is to be recognised nationally and internationally as the United Kingdom’s leading organisation for the provision of armed policing protective services.
- Inclusive** - Regardless of background everyone is equal and has a vital part to play in helping us achieve our ambition. Equality, inclusivity and fairness is at the heart of everything we do.

CNC at a glance



SECTION 1

Performance Report

Chief Executive Officer and Chief Constable's Overview

The Civil Nuclear Constabulary (CNC) remains an important component of the wider policing family. We are proud of our role in protecting the public by ensuring the security of civil nuclear material on the sites we protect, in transit across the UK and internationally on escort operations. With the threat posed by international terrorism remaining at Substantial, we are not complacent, our police officers and police staff work tirelessly to remain match fit to ensure that we are ready to deliver a robust response to anyone with malicious intent.



Over the past year we have been developing our Ambition "to be recognised nationally and internationally as the United Kingdom's leading organisation for the provision of armed policing protective services". The significance of our Ambition is our determination to deliver excellence in armed policing, whether we are performing our core role in securing civil nuclear material or supporting other police forces as part of the nation's armed policing reserve.

assessed levels of staff engagement through a survey and has established a series of formal mechanisms and both corporate and local actions plans to address the findings.

Within our Strategic Plan for 2020/23, our Ambition is underpinned by four strategic goals, focused on delivering the operation. Everything we do, whether front line armed policing or the services that enable this to happen, is seen as contributing to the overall operational effect. We are keen to develop our organisational culture and values as people who are ambitious, proud of what we do, agile and inclusive.

We have invested heavily in an occupational health provision, including mental health and wellbeing, and were proud to sign the Blue Light Time to Change pledge, committing to protecting our employees' mental health. Adopting the Trauma Risk Management (TRiM) provision has also ensured our employees will receive the support they need if they suffer any trauma at work.

A number of staff recruitment and retention initiatives have taken place throughout the year, including improving and shortening our recruitment pipeline and the launch of a much-improved CNC Jobs website. The CNC has

Our operation remains efficient and effective and I am looking forward to working with the Civil Nuclear Police Authority to provide the best possible service to the public and the companies who operate the sites we police.

Simon Chesterman QPM
Chief Constable and CEO

Business Model

Who are we	The Civil Nuclear Police Authority (CNPA) is a body corporate established by the Energy Act 2004 and an executive non-departmental public body of the Department for Business, Energy and Industrial Strategy (BEIS). The CNPA is headquartered at Culham, Oxfordshire.
What we do	The CNPA is charged, pursuant to the 2004 Act, with maintaining an efficient and effective Civil Nuclear Constabulary (CNC) and employs its police officers and police staff. The CNC provides an armed response capability for the UK's civil nuclear industry. The CNC operates from 10 units based at licenced nuclear sites throughout the UK and provides armed escorts for movements of nuclear materials within the UK and abroad. The Constabulary deploys armed officers in support of the Strategic Armed Policing Reserve and is ready to be called on to support national contingency operations if required.
How we do it	By meeting the standards set by the College of Policing (CoP), the Constabulary is licenced in all its firearms and training activities. The CNC works in partnership with the appropriate Home Office police force/Police Scotland at each site. Armed response capabilities required at each site are agreed with site operators in accordance with the Nuclear Industries Security Regulations 2003 and ratified by the UK regulator, the Office for Nuclear Regulation. Armed officers are deployed to meet these capabilities on a 24/7 basis. Our patrol strategy is designed to constrain the operating environment for anyone with malicious intent, to deter and disrupt their potential operations and to reassure the public close to nuclear sites.
Why we do it	The CNC works in partnership with site operators and carriers to protect the civil nuclear industry from terrorist attack and other malicious activity, whilst also deploying armed officers to the Strategic Armed Policing Reserve at times of national emergency.

Our future is closely related to the future of our customers. As the nuclear decommissioning process continues, the CNC may police fewer sites in the short to medium term, however the nature of the nuclear sector in the UK means new nuclear power stations may be built over the coming years and resourcing requirements may increase on existing sites. The CNC also has the ambition to be recognised as the leading organisation providing armed protective security, which means there may be further potential to expand our operational remit in the longer term, where this also brings mutual benefit to the core role.

Corporate Structure – CNPA and CNC Relationship

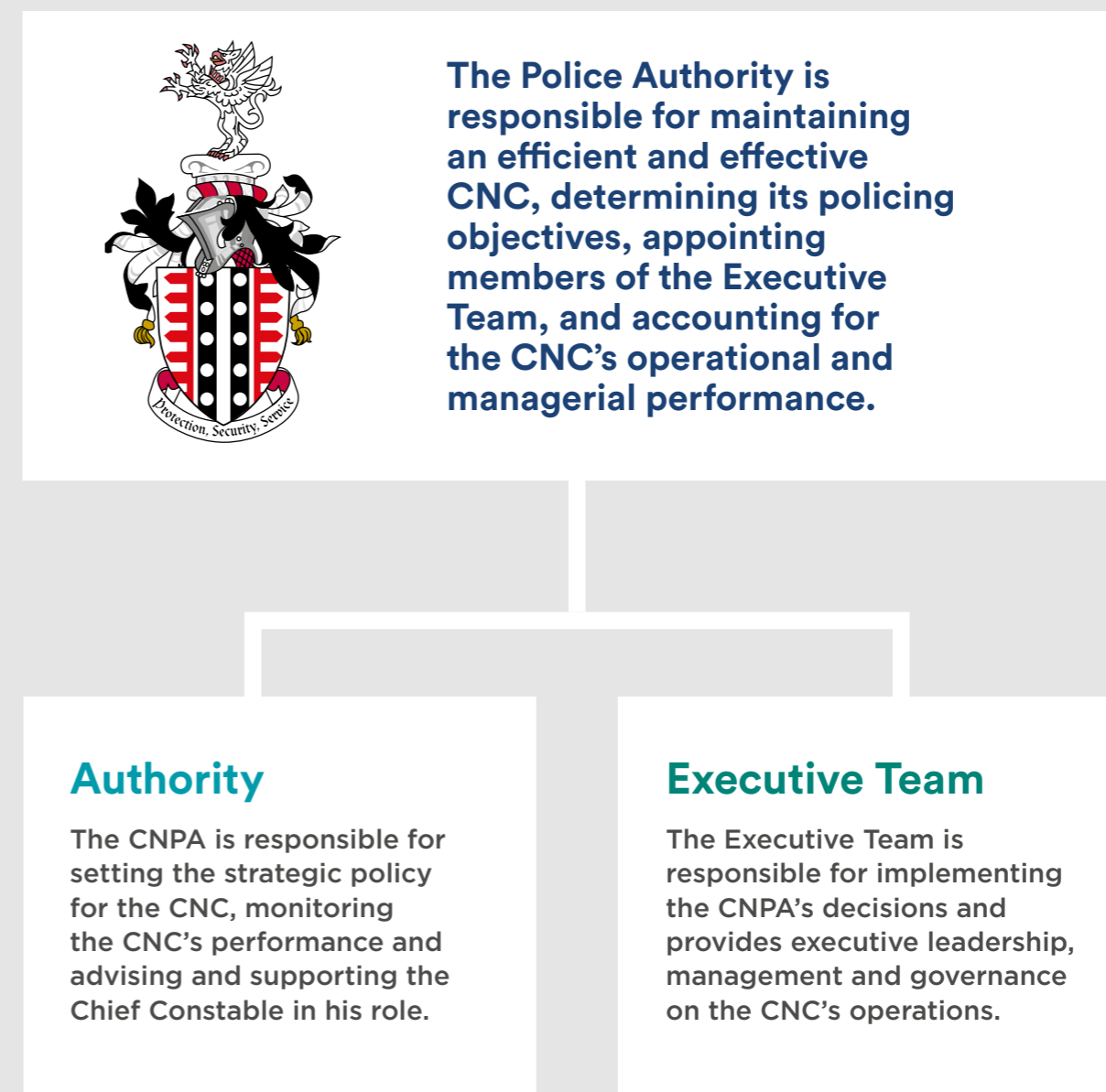


CHART SHOWING RELATIONSHIP WITH CNPA & CNC.

See page 35 for more information about our governance structure

Strategic Objectives

Each strategic objective is supported by up to four strategic priorities. Performance against these priorities is managed by the Executive Team and reported to the CNPA Board. The risk associated with these objectives are assessed and managed as set out in the following section:

Strategic Objective 1 Deter and respond	Deter and respond to NIMCA (Nuclear Industry Malicious Capabilities Planning Assumptions) ¹ defined threats to nuclear sites, escorted materials and threats to other critical national infrastructure.
Strategic Objective 2 Develop and maintain	To develop and maintain our capability as a lead organisation for the delivery of armed policing protective services in the UK.
Strategic Objective 3 Efficiency and effectiveness	To optimise the efficiency and effectiveness with which we deliver our services and maintain the confidence of our stakeholders.
Strategic Objective 4 Attract, develop and retain	To attract, develop and retain the best people for our profession and lead them to achieve high performance in an inclusive, healthy, fit and safe environment.

Strategic Risks and Uncertainties

In common with all organisations, the CNPA faces internal and external factors and influences that make it uncertain whether or when it will achieve its objectives. The effect of this uncertainty on objectives could be either a risk or an opportunity. All activities that the CNPA undertakes involve risk and opportunity. We manage these risks and opportunities by identifying and analysing them and then evaluating whether action should be taken so that the risk or opportunity falls within our tolerance for risk, or our appetite for opportunity.

¹ NIMCA became the Design Basis Threat (DBT) in November 2019. Future Annual Report and Accounts will reflect this change.

Risk Management Process

The key to managing the uncertainties is a strong and robust risk management process which aligns to the key strategic objectives. For the CNPA this can be summarised as follows:

Organisation

A cross-functional network of risk owners identifies, monitors and manages risks within their respective functional areas. A central risk team consolidates and reports on risk information to the Audit Risk and Finance Committee (CNPA committee), the Executive Team and other internal committees such as the Firearms Standing Committee.

Process

We have an embedded risk management approach that supports and ensures robust business decision-making. The standardisation of risk management processes across directorate/ functions supports a consistency in our approach to the management of risk, facilitating its use and enhancing its effectiveness. However, a review will be undertaken during the next 12 months to ensure the process remains effective and meets the organisational needs. This will include a review of the risks to align with the published three-year strategic plan for 2020/23 onward and reviewing all the supporting documents within the risk management framework – strategy, policy and appetite statement.

System and control

We have embedded a common risk management system, together with training and approaches to engender cross-functional/directorate consistency of risk identification, assessment, monitoring and reporting. This ensures that risks are appropriately captured across the organisation.

Report and improving

Our risk reporting is structured to inform the appropriate internal and external stakeholders promptly to aid the decision-making process. Reporting also allows us to effectively categorise risks (also see risk appetite below) so that appropriate committees discuss relevant risks.

Our risk management process is constantly developing as the organisation matures in its risk management approach and is seeking to adapt over time to become more efficient and effective as the organisation changes.

Risk appetite statement

The concept of a “risk appetite” (as defined by HM Treasury Orange Book) is key to achieving effective risk management. The concept may be looked at in different ways depending on whether the risk (the uncertainty) being

anticipated is a threat or an opportunity. The risk appetite for the CNPA can be defined as:

“Risk appetite is the amount of risk that one is prepared to accept, tolerate, or be exposed to at any point in time.”

In setting and reviewing the risk appetite statement the question that has been considered is how much and what type of risk the CNPA is generally prepared to accept to achieve its strategic, operational and financial objectives.

Monitoring and Review

Proposals for new projects, financial commitments, policies and strategies will explicitly include confirmation of where they fall within the Board’s risk appetite, through the standard reporting format. The collective financial impact of the CNCs commitments will be monitored through reports to the Planning, Performance and Risk Group, The Chief’s Management Group and Audit, Risk and Finance Committee (ARFC).

The Board via the ARFC satisfies itself that the risk appetite of the CNC is being actively adhered to, considered and applied through at least an annual review of risk management.

This statement will be subject to annual review by the Board unless a change in the operating environment indicates an earlier review is needed.

Key Strategic Risks for the CNPA

The identification, evaluation, management and monitoring of the most significant risks that face the CNPA and could threaten the achievement of our strategic objectives are the responsibility of the CNPA Board. These risks are reviewed on a regular basis together with risk mitigation actions. The strategic risks and uncertainties facing the CNPA that have been identified via the processes previously described, together with their mitigation through existing controls and actions were as follows:

FAILURE TO DEFEAT A TERRORIST ATTACK - Strategic Risk (SR) 1

Risk	Mitigation
The CNC lacks the capability and capacity to defeat a terrorist attack leading to the theft of nuclear material or a radiological release and consequent injury and loss of life to members of the public and financial loss to the nuclear industry.	<ul style="list-style-type: none"> Recruit AFOs to establishment levels Recruit officers for deployment to site security control rooms Deploy initial and full recovery capability at Sellafield and Dounreay Increase numbers of firearms officers qualified as operational firearms commanders Rigorous exercise programme All deployed officers are trained, equipped and qualified to national standards Improved response and deployment through new Incident Management System Fully integrated national intelligence framework and bespoke command and control structure for each operation Robust initial and ongoing vetting process and procedures for police officers and staff Policies, procedures and support to recognise vulnerability in the workforce to prevent the likelihood of actions causing personal or collective harm Robust police officer and staff retention process Robust multi agency planning framework

FAILURE OF TRANSFORMATION PROGRAMMES - SR 2

Risk	Mitigation
The CNC fails to transform its front line operations and provide appropriate resources and capabilities to the front line and comply with government expectations and transform its back and mid office functions to support the operational front line.	<ul style="list-style-type: none"> Managing high value and high risk programmes and projects using recognised programme and project management method Individual programme and project plan together with risk and governance management for each project Large projects/programmes have project boards Monthly reporting to project and programme boards and Executive Team Applying assurance mechanisms to high value and high risk projects and programmes (e.g. Gateway reviews)

FAILURE IN EMPLOYER'S DUTY OF CARE - SR 4

Risk	Mitigation
The CNC fails in its duty of care responsibilities, causing death or serious injury.	<ul style="list-style-type: none"> Successful delivery of the annual health and safety plan and programme of health and safety audits Compliance with HSE safe system of work, working time directive and driving policy Policies, procedures and support to recognise vulnerability in the workforce to prevent the likelihood of actions causing personal or collective harm Fitness testing of all officers to meet College of Policing standards

FAILURE TO MATCH STRATEGIC DEMANDS WITH AVAILABLE RESOURCES - SR 5

Risk	Mitigation
Mismatch between strategic demands and available resources leads to a shortfall in resources required (people and money) and resources available (people and money).	<ul style="list-style-type: none"> Governance processes put in place for each major strategic initiative, change programme and change project Balancing workloads through strict prioritisation by the Executive Team to match scarce resources to business needs Management and operational structures reviewed to ensure they are appropriate to support delivery of the strategic priorities Executive Team sponsorship of strategic initiatives with programmes and projects headed by an Executive level senior responsible owner The CNPA Board input and challenge to strategy and budget Realistic budgets and delivery plans reviewed quarterly

INABILITY TO TRANSITION TO MODERN WORKFORCE - SR 6

Risk	Mitigation
The CNC is unable to transition to a modern workforce and reduces its operational effectiveness and/or increases its costs.	<ul style="list-style-type: none"> Fitness testing of all officers to meet College of Policing standards Deliver pensions work stream of People Programme Deliver modern police officer Terms and Conditions of Service (TACOS) Secure funding for capability payments Compliance with CNC programmes' and projects' policies and procedures Explore options for employees to make additional contributions to enable earlier drawdown of pension Explore options with the Cabinet Office for individual voluntary exit Explore options within TACOS negotiation parameters to enable some elements of compensation to be baked into offer

FAILURE TO SAFEGUARD THE DELIVERY OF ASSURED DIGITAL SERVICES ACROSS CNC - SR 7

Risk	Mitigation
The CNC fails to safeguard the delivery of assured digital services across the organisation leading to exploitation of vulnerabilities, damage to its reputation and opening the organisation up to potential litigation and regulatory fines.	<ul style="list-style-type: none"> Achieve Information Assurance Management Maturity level 3 Implement Centre for Internet Security (CIS) recommended critical security controls Cyber security awareness training for senior staff Retain accreditation for Public Services Network Compliance with IT security policy and procedures Compliance with Her Majesty's Government and Office for Nuclear Regulation Security Policy Frameworks

FAILURE TO DELIVER TO BUDGET TARGETS - SR 8

Risk	Mitigation
The CNC fails to deliver to its budget and efficiency savings targets leading to higher charges to the nuclear operating companies.	<ul style="list-style-type: none"> Regular review of performance through monthly financial reports Preparation of quarterly rolling forecasts permitting a rebalancing of budgets and reprioritisation of deliverables Annual horizon scanning of future costs Implementation of integrated finance, planning and performance framework Delivery against annual efficiency savings target and identify new areas for cost reduction Specific work stream within Sellafield Training Facility project to identify cost savings to cover any cost increases from operating the new facility

CNC FAILS TO MAINTAIN GOOD COMMUNICATIONS AND RELATIONSHIPS WITH ITS STAKEHOLDERS AND SPONSORING DEPARTMENT - SR 9

Risk	Mitigation
The CNC fails to maintain good communication and relationships with stakeholders and its sponsoring department.	<ul style="list-style-type: none"> Appropriately designed and applied handling strategies for key stakeholders Establish and deliver an agreed strategic plan with clear and measurable goals Communication and Engagement Strategy 2018/21 with ongoing annual delivery plan in place Compliance with BEIS/CNPA Framework Document in all dealings with sponsoring department Memorandum of Understanding (MOU) to codify CNC dealings with sponsoring department Compliance with all government spending controls and approval mechanisms Compliance with Health and Safety Executive (HSE) safe systems of work Compliance with College of Policing/CNC firearms policies and procedures

CNC FAILS TO MEET THE CHALLENGE ON RECRUITMENT OF CNC OFFICERS – SR 10

Risk	Mitigation
The CNC fails to recruit enough police officers to provide agreed levels of coverage at all the key sites and in delivering national commitments.	<ul style="list-style-type: none"> • Annual Assessment Centre Plan • Development and implementation of a bespoke CNC transferee course for policing family transferees • Development of a career engagement plan with the British Forces Resettlement Services and the Career Transition Partnership to encourage consideration of the CNC as the next employer • Ongoing social media presence to drive traffic to the CNC • Additional resource allocated for proactively progressing candidates through the recruitment process in order to meet the demands for the next Initial Foundation Course (IFCs) • Profiling the CNC model candidate and development of attraction strategies • Strategic Workforce Planning and monitoring of workforce requirement and future needs • Resourcing plan for the recruitment and assessment team is linked to budgets and financial planning forecasts

CNC FAILS TO MITIGATE THE IMPACT OF BREXIT – SR 11

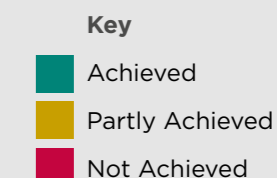
Risk	Mitigation
That Brexit will cause significant disruption and prevent the CNC from delivering its key objectives.	<ul style="list-style-type: none"> • Advance purchase of clothing and equipment at pre-tariff prices • Build increased delivery timeframes into plans to mitigate the impact on expected delivery dates • Build strategic stocks of high volume supplies essential to the CNC discharging its statutory duty • Gold Strategy prepared, and Gold Commander identified • Gold, Silver and Bronze Commanders in place as part of the Strategic Armed Policing Reserve • Quarterly re-forecasts to allow re-prioritisation and re-allocation of budgets across the CNC organisation to manage cost increases/cost pressures

CNC FAILS TO RETAIN CNC OFFICERS – SR 12

Risk	Mitigation
The CNC fails to retain enough police officers to provide agreed levels of coverage at all the key sites and in delivering national commitments.	<ul style="list-style-type: none"> • Transparent cessation strategy providing options for transfer when a site closes • Effective internal transfer system open to all officers • Effective collaboration with Ministry of Defence Police (MDP) to create a joint strategic workforce plan

Performance Analysis

Key Performance Indicators



Performance against key deliverables contained in the CNPA's Strategic Plan 2018/21 is provided overleaf. A number of activities are deliverable over two or three years and these are shown as Partly Achieved where specific milestones have been delivered in the reporting period. Where progress against a specific target/milestone has been delayed against targets a note at the bottom of the tables has been included to explain the reasons and the impacts. The performance rating provided overleaf is against their 2019/20 milestones.

Reference Number	Critical Success Factor (CSF)	Performance Commentary 2019/20
S01 Deter and respond		
SO1 - 1	Maintain 24/7-armed response at civil nuclear sites	High levels of deployability achieved planned/target numbers of Authorised Firearms Officers (AFO).
SO1 - 2	Enhance and sustain AFO deployment	Achieved compliance with nuclear site security plans.
SO1 - 3	Provided armed escorts for movements of nuclear material	Successfully completed delivery of planned escort missions.
SO1 - 4	Effective armed surge capability positioned in the national infrastructure	Successfully delivered appropriate response to various national operational requests.
S02 Develop and maintain		
SO2 - 1	Enhanced role-specific recovery capability	Role profiles have been developed, agreed and signed off by Firearms Standing Committee (FSC), together with officers being trained to use new equipment. Partly Achieved: There have been delays in the opening of the new firearms training facility (now due to fully open July 2020).
SO2 - 2	Fit for purpose command and control arrangements	Partly Achieved: Work is ongoing on the transition to Emergency Services Network and a new unified command and control centre, but both have been impacted due to external project delays.
SO2 - 3	Nationally recognised for delivery of firearms training, including realistic testing and exercise procedures	Good progress has been made on delivery of nationwide Response Model Testing. Partly Achieved: Utilisation of Griffin Park Tactical Training Centre has been limited so far due to building completion delays (now due to fully open July 2020).
SO2 - 4	Continue to protect the UK from terrorism as part of the Strategic Armed Policing Reserve	CNC continues to be ready to respond to requests and through training and tactics, has maintained national interoperability capability.
SO2 - 5	Enhanced our tactical capability through greater use of technology to support armed operations and training	CNC has continued to provide advanced driver training. CNC has deployed new technology to support tactical engagement and recovery operations. Partly Achieved: It has been assessing options for wearable video technology which will continue into 2020/21.

S03 Efficiency and effectiveness		
SO3 - 1	Delivering high quality and effective business support services	Business services continue to be delivered in line with service standards and regulatory requirements.
SO3 - 2	Transform our commercial delivery and business efficiency	CNC has delivered against government commercial operating standards, together with delivery of over £1.5m of efficiency savings in-year. Partly Achieved: The CNC (and its other three partners) have had challenges with its shared services due to issues with the implementation of an Enterprise Resource Planning (ERP) system. Work on recovery plans for this area has made progress and will continue into 2020/21.
SO3 - 3	Excellent information assurance and cyber security	Work continues on the delivery of cyber security and information assurance three year strategy and delivery plan. Partly Achieved: We are part way through the three year programme.
SO3 - 4	Successful internal collaboration and partnership working	CNC has delivered efficient and effective financial management and seeks to optimise use of technology. Partly Achieved: Due to operation of shared service centre and challenges around benefits realisation from change programme and projects which has in year been subject to a re-focusing of change and governance arrangements. These new arrangements will support changes in 2020/21.
SO3 - 5	High levels of stakeholder confidence and on time delivery, every time	CNC has delivered sound financial management and stewardship and has maintained strong stakeholder confidence. Partly Achieved: Estates review will continue into 2020/21
S04 Attract, develop and retain		
SO4 - 1	Delivery of exemplary professional people services	People Strategy continues to be delivered on plan with a refresh due in 2020/21.
SO4 - 2	Development of an inclusive and engaged workforce	Partly Achieved: The CNC continues to work to understand and improve the gender pay gap. Work has been delivered around inclusive attraction, recruitment, retention, award and recognition procedures.
SO4 - 3	Attract and retain a sustainable workforce	Partly Achieved: During 2019/20 there were substantial issues around police officer recruitment and retention. Significant progress has been made in improvement in the recruitment of new police officers and work continues on the retention plans in 2020/21.
SO4 - 4	Effective reward and recognition frameworks in place to support the full employee life cycle	There are robust retention, reward and recognition procedures in place for police officers. Police staff recognition procedures due to be reviewed in 2020/21.
SO4 - 5	Development and promotion of a healthy, fit, and safe workforce	Occupational Health and Wellbeing provision has been further developed to include appropriate provision of mental health services.
SO4 - 6	Development and support to achieve potential promoting excellence in leadership	Partly Achieved: The qualifications framework and talent management programme, whilst having been established, will be further developed in 2020/21.

Impact of EU Exit

During 2019/20, whilst the CNPA worked with partners in planning for the EU Exit that occurred on 31 January 2020, there was little direct impact to the operations of the Constabulary. To prepare there were some small increases in inventory on items such as ammunition and uniforms, but these were immaterial amounts.

Impact of COVID-19

CNPA has worked closely with partners and government to ensure that robust plans and responses were in place to deal with this emergency. As this occurred towards the end of the financial year there have been minimal impacts on either operational performance,

training delivery or costs to the organisation. Much of the planning and contingency measures that were put in place will now have a greater impact in the 2020/21 financial years and these will be reported in the 2020/21 Annual Report and Accounts.

Non-Financial Information Statement

The CNPA's aim is to comply fully with the non-financial reporting requirements contained in the Government's Financial Reporting Manual (Non-financial reporting regulations 2016). The table below, and the information it refers to, is to help users to understand our position on key non-financial matters.

Reporting requirement	Policies and standards that govern our approach	Additional information or risk management
Environmental statement		Sustainability report, page 28
Employees	Equality and diversity policy Equality, diversity and inclusion strategy (including online training) Equality support groups Health, safety and wellbeing	Employees section, page 62 Health and safety, page 36 Wellbeing section, page 64
Human rights	Human rights and equality impact assessments (part of equality and diversity policy) Data privacy policy Information and cyber security policy	Employees section, page 62 Information and cyber security, page 37
Anti-corruption and anti-bribery	Anti-fraud, anti-bribery and anti-corruption policy Fraud response plan Code of business conduct Code of Ethics for policing	Anti-fraud, anti-bribery and anti-corruption policy, page 38
Description of strategic business risks and impacts of business activities		Strategic risks and uncertainties, page 15 Risk management, page 14
Description of business model		Business model, page 12
Non-financial key performance indicators		Key performance indicators, page 19 Key staff indicators, page 58

Financial Overview

The majority of the CNPA's funding is through income from Site Licence Companies (SLCs). The CNPA continues to make efficient use of our funding and identify savings more effectively. We encourage all our people to deliver value for money and to be accountable for public funds. During 2019/20, we delivered improvements to management information resources to support increased financial management acumen and transparency by delivering a new financial management reporting tool and increased information to budget holders. There have been changes to the way financial information is presented to the Executive Team, the CNPA Board and to budget holders across the organisation. The following table sets out how CNPA's actual income has changed over the last six years (This table is not adjusted for inflation/time value of money).

Key Drivers of Financial Performance

The CNC is mandated by the Energy Act 2004 to police specific sites belonging to site licence companies (SLCs - our customer base) and to escort materials in transit and in situ. The key drivers of our financial performance are

therefore very closely linked to the strategic priorities of our customer base.

Our customer base has not changed in recent years, but we proactively respond to changing customer requirements as necessary. All policing provision results from regular close consultation with our SLCs and agreements formalised with them. Similarly, if additional policing is required by one or more SLC, this is also formally negotiated, and our policing provision ramped up in line with specified requirements.

A key risk for the CNPA was to manage the impact of a higher attrition rate in 2019/20 (loss of officers to other organisations) and a challenging labour market. Whilst work is ongoing to establish agreements with the other organisations, to ensure the CNC has enough new officers, but also retains officers at key sites, additional training courses will address the critical issue of attrition.

The Constabulary project to move firearms training for northern sites to a new firearms training facility in Cumbria has experienced continuing delays during 2019/20, and commencement of training was deferred to 2020/21. This resulted in lower costs since full running costs for the facility were not incurred.

A SLC project for a Main Site Command Facility (MSCF) has been delayed from the planned 31



October 2019 initial go live. The operational go live date is still very fluid, with a phased go-live over 2020/21. Plans are in place to prepare for the early phase of the go live and the first tranche of control room operators started at the beginning of March, however costs incurred in 2019/20 are lower than expected due to delays in training the control room operators. The CNC continues to work closely with the SLC on project changes to ensure we can deliver its elements of the project.

Sometimes costs are driven by government initiatives (and therefore outside the control of the CNC), such as the Emergency Services Network project. Significant projects like this, covering multiple years and costing multiple millions, are capital-funded by the department for Business, Energy and Industrial Strategy (BEIS) and charged to SLCs as depreciation upon implementation of the project. The impact of this project over 2017/18, 2018/19 and 2019/20 has been volatile due to project delays, and the ongoing annual depreciation impact is yet to be determined.

The consequences of these delays and changes resulted in the CNPA spending less than was originally approved by the CNPA Board for 2019/20 and reductions in income and expenditure were managed and agreed with the SLCs through the quarterly re-forecasting process.

Financial Outturn

The financial objective for the CNPA is to achieve a breakeven position, and the detailed financial statements are set out in this report in section 3. For standard operations this objective was achieved, however the CNPA has reported an operating deficit of £456,000 for the year ended 31 March 2020, for specific technical reasons which are due to the following:

This deficit includes exit payments incurred by the CNPA of £259,000. These payments are reimbursable by BEIS through grant-in-aid and recognised in the CNPA's financing reserves in 2019/20. This is shown in the Statement of Changes in Taxpayers' Equity.

The provision held by the CNPA to cover pension payments (early departure costs provision in table below) to former employees who have retired early was increased by £168,000 in the year. This includes the creation of a new provision for an individual taking early retirement, revising indexing rate and unwinding the discount due to changes in forecast rates for the Consumer Index that underpin future pension payments for employees who have received voluntary early retirements from sites that the CNC no longer police. These funds are recovered through grant-in-aid as incurred.

Operating Costs

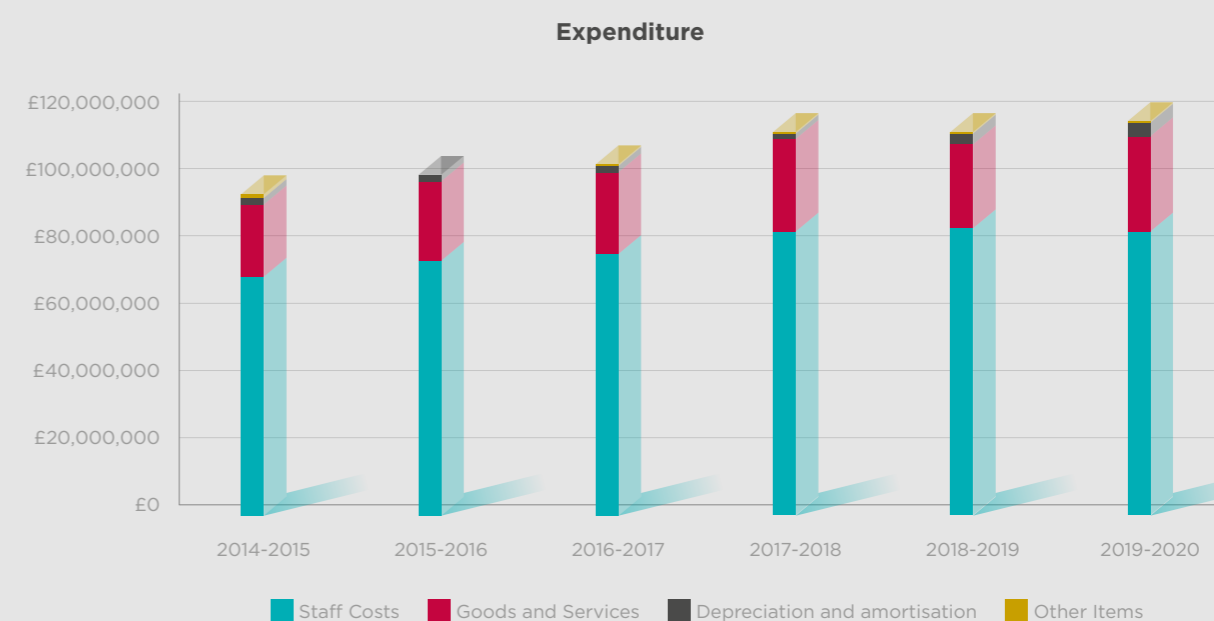
Expenditure for the year ended 31 March 2020 was £116,730,000 (2018/19: £113,304,000). The increase in expenditure included an increase of £484,000 in staff costs, including a pay award for police officers and staff offset by a reduction in overtime and increased attrition during the year. However, this trend has started to reverse with an improvement in the recruitment of new police officers.

Other expenditure increased by £2,942,000 as 2018/19 costs were increased for:

- Accommodation costs - Most of the increase in costs relates to the new firearms training facility in Cumbria with costs for both facilities management and energy costs being incurred for the first time
- Professional services and legal fees - These fees have increased significantly in year due to ongoing project work to support the completion of the new firearms training facility in Cumbria together with specialist consultancy support on the Strategic Plan which also included work on the IT strategy and future direction of the CNC shared service centre. Increases in legal costs were due to several Employment Tribunal cases
- People services - Work on improvements to police officer recruitment and other difficult to recruit posts has increased recruitment costs compared to 2018/19. There has also been additional specialist training provided to police officers which included new driver training

This was offset in part by a decrease in costs due to changes in the delivery of training that has reduced hotel costs and transport related costs due to policy changes and reduced fleet charges.

The table below provides information on key areas of actual expenditure and shows the changes over the last six years. (This table is not adjusted for inflation/time value of money).



Financial position

Assets	Balance 2018/19	Balance 2019/20	Increase (Decrease)
Carrying value of property, plant and equipment	£9,086,000	£8,453,000	(£633,000)
Assets and assets under construction additions totalled £2,016,000 which included £855,000 for transport related assets including the purchase of 29 vehicles; £460,000 for plant and machinery which included weaponry and gym equipment; £130,000 for fixtures and fittings including armoury fittings and fuel tank and £571,000 on IT equipment, which included purchase of new IT user hardware/network infrastructure, and hardware relating to command and control and intelligence systems. Assets with an original cost value of £477,000 and a current net book value of £25,000 were disposed of during 2019/20, these included disposal of operational equipment. Depreciation of £2,604,000 was charged to the Statement of Comprehensive Net Expenditure.			
Carrying value of intangible assets	£4,784,000	£5,216,000	£432,000
Intangible asset additions of £1,477,000 comprised the work to implement and developed the new Oracle Cloud Applications business system and work relating to the preparation for the new emergency services communication network. Assets with an original cost value of £29,000 and a current net book value of £Nil were disposed of during 2019/20. Amortisation of £1,065,000 was charged to the Statement of Comprehensive Net Expenditure.			
Trade and other receivables due within one year	£12,990,000	£13,114,000	£124,000
Trade and other receivables due after one year	£262,000	£220,000	(£42,000)
Inventories	£2,273,000	£2,987,000	£714,000
Cash at bank	£9,592,000	£11,381,000	£1,789,000
Liabilities	Balance 2018/19	Balance 2019/20	Increase (Decrease)
Trade and other payables due after one year	£9,237,000	£7,818,000	(£1,419,000)
This decrease is due to the release of capital grants offset by the purchase of new assets funded by capital grants.			
Trade and other payables due within one year	£14,002,000	£17,545,000	£3,543,000
This increase is due to an increase in the value which has been accrued for goods and services received but not billed.			
Provisions – non-current	£1,173,000	£1,189,000	£16,000
Provisions – current	£392,000	£432,000	£40,000

Future Funding Requirements

Approximately 73 per cent of the CNPA's annual expenditure is on staff costs. Changes are planned to public sector pensions that could result in higher employer pension charges, however there is uncertainty around the timing and overall impact. The CNPA is working closely with partners and BEIS to understand the potential impacts and potential funding implications.

Budget Revision Process

The CNPA's financial resources are reviewed at least each quarter by the Executive Team and the CNPA Board. The quarterly reviews provide an opportunity for the Board to revise the budget to ensure that the financial resources available to the CNC are consistent with the achievement of its strategic objectives.

Adoption of Going Concern Basis

The CNPA Board approved a revenue expenditure budget of £118.8m and a capital expenditure budget of £5.6m for 2020/21. The provision of policing services generates income and there is the continued need for those services for the foreseeable future. Accordingly, the CNPA Board continues to adopt the going concern basis in preparing the financial statements.

Sustainability Report

This section provides information relating to the CNPA's carbon consumption and use of finite resources. There are some limitations to our ability to record data as, for example, many of our operating locations and services are shared. However, broad trends have been identified with an explanatory narrative. In June 2019, the CNPA took partial occupation of its Griffin Park Tactical Training Centre. Inclusion of figures from this site have had a significant impact on this year's report and will continue to do so in future years. Griffin Park is a modern building with innovative technology to monitor and mitigate unnecessary energy use. Once fully operational, the CNPA will report on steps taken to moderate energy use.

In the previous year's annual report, Scope 3: Official Business Travel was CNPA's largest source of carbon emissions. Due to a reduction in business travel and inclusion of Griffin Park, this has been overtaken by Scope 2 emissions relating to building energy.

The CNPA has been granted exemptions from the Greening Government Commitment's reduction targets for delivering sustainable operations and procurement. It does not have a significant impact on biodiversity and is not required to prepare a biodiversity action plan, as all its estate is office-based. This exemption is currently being re-evaluated by the Department for Environment, Food and Rural Affairs.

The majority of the CNPA's policing operations are undertaken on licenced nuclear sites. The CNPA is provided with accommodation and

utility services at these sites, which are the responsibility of the Site Licence Company. The CNPA's environmental impact on these sites is not measured and is outside the scope of this report.

The CNPA's headquarters and training school are located at the Culham Science Centre. It rents office space from the UK Atomic Energy Authority (UKAEA), which is an executive non-departmental body (NDPB) of the Department for Business, Energy and Industrial Strategy (BEIS). The UKAEA does not individually meter its tenants' energy, waste and finite resource consumption. Consumption and cost are apportioned to each tenant on the basis of the floor area it occupies rather than on usage incurred. Similarly, the CNPA occupies offices at Summergrove Halls, Cumbria and the Lord Roberts Centre, Bisley, Surrey. In these premises, an all-inclusive charge is paid, and we are unable to separately identify energy use. We are unable to confirm whether any increases or decreases in consumption are due to the CNPA or to other co-located organisations.

The following tables and commentaries provide details of the CNPA's greenhouse gas emissions, waste disposal, water, electricity and gas consumption at its Oxfordshire headquarters, training school and firearms training venues up to 31 March 2020. Emissions from fleet and business travel across the estate are indicated in scope 1 and 3.

Greenhouse Gas Emissions

Greenhouse gas emissions		2015/16	2016/17	2017/18	2018/19	2019/20
Non-financial indicators (CO2e in tonnes)	Scope 1 emissions (vehicle fleet)	683.88	518.94	434.88	490.72	438.98
	Scope 2 emissions (energy)	311.93	271.85	294.59	279.97	1025.35
	Scope 3 emissions (official business travel)	1,120.61	1,062.62	1,321.83	1,149.59	930.74
Financial indicators (£000)	Carbon Reduction Commitment gross expenditure	CNPA does not participate in this scheme				
	Expenditure on accredited offsets	CNPA does not participate in this scheme				
	Total expenditure on official business travel (excluding accommodation costs and subsistence)	2,314	2,266	2,296	2,074	1,649

Controllable Impacts

The CNPA's scope 1 emissions include mileage and consequent CO₂ emissions from our operational vehicle fleet, which are linked to our patrol strategy and are driven by operational need, rather than environmental impact. There is a decrease in emissions from the vehicle fleet. Recorded mileage is lower and the indicators used to calculate emissions have reduced due to improvements in the automotive industry.

Scope 2 emissions include energy use from our Culham HQ building, dedicated buildings and ranges at Bisley Camp and Griffin Park Tactical Training Facility.

The inclusion of Griffin Park data has had a significant impact on the CNPA's carbon output. This building is by far the largest property in the CNPA's portfolio. As firearms training has historically been undertaken on the Sellafeld site, all carbon data relating to this activity would have been included in the NDA's energy data. These are not entirely new emissions. However, in comparison to the rest of the CNPA estate, Griffin Park will be a significant driver of our building energy emissions.

Scope 3 emissions include all business mileage relating to personal vehicles used for work purposes as well as hire cars, domestic flights and rail use. There are several positive drivers behind the reduction in emissions from this area:

- Hire car use has decreased due to changes in refresher training. Frequency has reduced from four to three times a year and training has been re-arranged so many units do not have to travel as far
- Business travel is reducing as capability for online meetings increases
- Recorded own-vehicle mileage has decreased due to a change of terms and conditions in September 2018 whereby officers are no longer eligible to claim home to work mileage related to overtime
- A different carbon multiplier has been applied to flights as 100 per cent of journeys are now economy class

The impact of Covid-related travel restrictions has impacted March 2020 business travel and will likely feature in next year's figures as this may present the CNPA with an opportunity to reset expectations/requirements around some areas of business travel needs.

Influenced Impacts

The CNPA encourages its employees, through periodic awareness campaigns, to minimise travel and utilise alternatives such as videoconferencing, teleconferencing and Skype. Employees are further encouraged to use more environmentally friendly modes of transport where practicable.

Waste

Waste		2015/16	2016/17	2017/18	2018/19	2019/20	
Non-financial indicators (tonnes)	Total waste	4.99	6.71	5.67	3.46	7.8	
	Hazardous waste total	0.19	0.37	0.17	0.66	-	
	Non-hazardous waste	Landfill	-	-	-	-	3.4
		Reused/recycled	4.80	6.34	5.49	2.81	4.4
	Incinerated/energy reused	Not available					
Financial indicators (£000)	Total disposal cost	4.4	6.1	4.9	3.5	22.4	
	Hazardous waste - total disposal cost	Not reported. Included in total disposal cost					
	Non-hazardous waste - total disposal cost	Landfill	Not reported. Included in total disposal cost				
		Reused/recycled	Not reported. Included in total disposal cost				
	Incinerated/energy reused	Not available					

Controllable Impacts

Figures include for the first time this year Griffin Park and Aldershot Barracks Training Centres. Limitations on our ability to report on other sites, specifically our Headquarters at Culham mean that these figures have risen disproportionately when compared to last year and the wider estate. The financial indicator has grown significantly, this is purely due to the new Griffin Park training centre. The waste costs are part of the overall facilities management costs. When Griffin Park is fully operational, these figures will rise again, however the CNPA will have tighter control over waste streams and the capacity to segregate waste appropriately.

At Culham HQ, the CNPA recycles waste using the UKAEA recycling scheme. This recycles office paper, newspapers, magazines, small cardboard items, drink and food cans, plastic bottles, plastic cups and domestic glass bottles/jars. However, these are not captured in the above figures as UKAEA do not separate the CNPA's waste.

The CNPA recycles computer equipment, furniture, office equipment, electrical items, batteries and print cartridges. All items that must be recycled, comply with EU waste and environmental directives and nothing is sent to landfill. The CNPA also recycles 100 per cent of its used ammunition cartridges. Police clothing and equipment is disposed of through a secure disposal route and recycled where possible.

Influenced Impacts

The CNPA encourages its employees to recycle where possible providing facilities to segregate waste appropriately.

Water

Finite resource consumption			2015/16	2016/17	2017/18	2018/19	2019/20
Non-financial indicators (m ³)	Water consumption	Supplied	2,252	1,470	1,243	1,358	1,901
		Abstracted	-	-	-	-	-
Financial indicators (£000)	Water supply costs		2.5	1.5	1.3	1.8	3.0

Controllable Impacts

Our main direct impacts for water consumption are office and training areas. This relates to toilets, showers and kitchen facilities that are necessary to satisfy legislative and regulatory requirements. As noted previously, the CNPA's water consumption is not metered and scope to reduce its usage is limited to employee awareness campaigns.

Influenced Impacts

The CNPA does not currently have any indirect influence on water consumption.

Costs and usage increases all relate to our Culham Headquarters site where there has been an overall increase across all tenants on the Culham Science Centre site. Our water supply is billed on an apportioned basis and overall increase is unlikely to be a direct result of CNPA usage.

Electricity and Gas

Finite resource consumption			2016/17	2017/18	2018/19	2019/20
Non-financial indicators (kWh)	Energy consumption	Electricity - non-renewable	428,521	456,792	529,094	926,135
		Electricity - renewable	-	-	-	-
		Gas	517,828	727,615	707,935	3,985,103
		LPG	-	-	-	-
		Other	-	-	-	-
Financial indicators (£000)	Total energy expenditure	62	81	105	294	

Controllable Impacts

The inclusion of Griffin Park data has led to an increase in energy usage, cost and emissions. This is expected. Once fully operational, we will be able to monitor to and react to energy usage. However, as the building is still in mobilisation stages with partial occupation and intensive testing underway, it is not possible to identify any specific trend impacts this year.

On our other sites, our main direct impacts for energy consumption are in office and training areas. The CNPA's energy use is on an apportioned basis and, like water usage, scope to reduce consumption is limited to employee awareness campaigns. It is unclear whether change is down to the CNPA or another tenant's activity.

At the time of writing, data from Culham includes last year's consumption for the final quarter. This is due to restrictions in accessing the meters due to Covid-19 shutdown.

Influenced Impacts

The CNPA does not currently have any indirect influences on electricity and gas consumption.

Simon Chesterman QPM

Chief Executive Officer and Chief Constable
2 July 2020



SECTION 2

Accountability Report

Corporate Governance Report - Directors' Report

CNPA Board Members and Board Members' Interests

For the purposes of this Annual Report and Accounts, the term 'directors' is interpreted to mean executive and non-executive members of the CNPA Board who have the authority or responsibility for directing or controlling the CNPA's major activities during the year. This means those who influence the decisions of the CNPA as a whole, rather than the decisions of individual directorates or departments within the organisation.

The Board Members who served during the period are listed below:

Vic Emery OBE (Non-Executive)	Chairman and Independent member (appointment commenced 12 October 2016) and Chairman of the Senior Appointments Committee
Chris Armitt QPM	Capability Director and Deputy Chief Constable (appointment commenced 1 October 2019) (previously T/Capability Director/DCC)
Mike Calloway	Industry Member (appointment commenced 9 July 2018) and member of the Audit, Risk and Finance Committee and the People Committee
Richard Cawdron	Director Governance Compliance and Legal Services (appointment commenced 1 December 2019)
Simon Chesterman QPM	Chief Executive Officer and Chief Constable (appointment commenced 1 April 2019)
Louise Harrison	Operations Director and Assistant Chief Constable (appointment commenced 17 February 2020)
Paul Kernaghan CBE QPM (Non-Executive)	Independent and Police Advising member; member of the Senior Appointments Committee (appointment ended 3 February 2020)
Sir Craig Mackey QPM (Non-Executive)	Independent member (appointment commenced 24 June 2019); member of the Senior Appointments Committee and the People Committee
Mark Neate (Non-Executive)	Industry member (appointment commenced 7 April 2016) and member of the Audit, Risk and Finance Committee



POLICE

Patsy Northern	Director of Corporate Services (appointment commenced 20 January 2020)
Neelam Sarkaria (Non-Executive)	Independent member (appointment commenced 10 October 2016); Chair of the Audit Risk and Governance Committee to September 2019; Chair of the People Committee and member of the Senior Appointments Committee
Richard Saunders	Director of People and Organisational Development (appointment commenced 1 June 2018)
Sue Scane (Non-Executive)	Independent member (appointment commenced 8 July 2019) and Chair of the Audit, Risk and Finance Committee
Paul Winkle (Non-Executive)	Industry member and member of the Audit, Risk and Governance Committee (appointment ended 29 January 2020)
Rebecca Weston (Non-Executive)	Industry member (appointment commenced 25 March 2019) and member of the People Committee
Duncan Worsell	Temporary Operations Director and Assistant Chief Constable (appointment ended 4 March 2020)

Register of Interests

The CNPA maintains a register of interests to ensure potential conflicts of interest can be identified and addressed in advance of Board discussions. Where potential conflicts exist, they are recorded in the Board minutes, along with any appropriate action to address them. During 2019/20 none of the Board Members held any interests which may have conflicted with their Board responsibilities and no Board Member had any other related party interests.

Health and Safety

Our health and safety policy and procedures comply with all relevant legislation and are reviewed as appropriate. The number of reported incidents for the last three years are detailed below:

2019/20	160
2018/19	228
2017/18	168

The total number of injury incidents reported during 2019/20 is a 30 per cent decrease on the previous year. The increase in reported incidents in 2018/19 was primarily due to an increase in

the type and intensity of the realistic dynamic training scenarios required to simulate achieving the CNC Mission.

During 2019/20, 18 incidents were reported under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) with all reports in the over seven days lost time category. This is a 10 per cent decrease on last year. All RIDDOR incidents have been subject to a full investigation and lessons learned processes. 68 incidents occurred during realistic dynamic training scenarios to simulate achieving the CNC Mission, which is a 15 per cent decrease on the previous year. Analysis of the other 92 incidents has not revealed any patterns or trends, having all occurred at different locations and under different circumstances.

All CNC police officers, and a small number of police staff, are designated as 'monitored workers' and are tested for exposure to radiation. Over 83 per cent of our monitored workers did not receive a measurable exposure during 2019. The remaining workers had an individual average radiation dose of 0.01 millisievert (mSv), which is the same average level as the previous year and is below the industry significant exposure level of 1mSv. This compares to the average UK natural dose of 2.7mSv per year or a single dental x-ray of 0.02mSv.

Information and Cyber Security

This has been a year of change and consolidation for information assurance and cyber security. Both the Senior Information Risk Owner (SIRO) and the Head of IT consolidated their positions. The SIRO reviewed and updated the assurance activities of his Information Risk Group and Information Governance Committee whilst the Head of IT continued to work with external agencies to deliver appropriately assured and resilient digital services. The new Director of Corporate Services has instigated improvements to the governance framework for strategic risks relating to information assurance to provide better visibility and enable more effective management of those risks. Additionally, the new Cyber Analyst has re-invigorated the CNCs drive to embed the Centre for Internet Security 20 Critical Security Controls.

The CNPA's approach to information assurance and cyber security is identified in Strategic Objective 3, which has been subject to regular review by the CNPA Board throughout the year. This year, the CNC has migrated its data storage from an on-premise solution to a cloud solution, delivering a cost-effective, resilient service. Additionally, we have been using the outcomes of regular IT Health Checks to work

with the Home Office National Information Risk Management Team to further improve the security and resilience of our services. CNC has been consulting with ONR in order to develop its own local guidance on the management of sensitive nuclear information. Education continues to be at the centre of our cyber strategy, and we exploit online training and run internal communications campaigns to educate and inform our employees of the cyber threat.

Looking forward, the SIRO has introduced a Cyber Security & Information Assurance Review following an independent review of information assurance and cyber security in December 2019. The SIRO has drawn together an internal project team to ensure that recommendations made are implemented and then ensure that CNC continually reviews and improves its approach to cyber security. This work will both inform and support the development of a new operating model for Digital Services as it prepares to recomplete elements of core services in 2020/21.

Security Breaches and Security Incidents

The following table summarises the number of security breaches and security incidents since 2015/16.

Nature of incident	2015/16	2016/17	2017/18	2018/19	2019/20
Loss of assets; electronic equipment; and devices or paper documents from secured CNC premises	-	-	-	-	-
Loss or theft of protectively marked electronic equipment, devices or paper documents from outside secured CNC premises	5	1	2	6	1
Insecure disposal of inadequately protected electronic equipment, devices or paper documents	-	-	-	-	-
Unauthorised disclosure through insecure transmission of protectively marked documents	6	4	9	10	9
Compromise of personal data	-	-	3	6	12
Other 'low level' breaches/incidents	10	13	9	5	3
Total	21	18	23	27	25

Whilst there is a slight downward trend in 2019/20, and again, all the security breaches and security incidents were of a minor nature, there was a sharp increase in the compromise of personal data.

The compromise of personal data has mainly occurred through the sending of incorrectly addressed e-mails that have resulted in the potential for personal information to be seen by third parties. Further training and guidance have been provided to remind staff of the importance of ensuring mail and emails are correctly addressed.

Other incidents are due to the loss of warrant cards, site passes and firearms authorisation cards.

Anti-Fraud, Anti-Bribery and Anti-Corruption Policy

The CNPA requires all Police Authority members, employees, and representatives, such as contractors, consultants and agents to act honestly and with integrity and to safeguard the public resources for which they are responsible and in accordance with our Code of Business Conduct and national Code of Ethics for policing. The CNPA will not accept any level of fraud, bribery or corruption; consequently, any case will be thoroughly investigated and dealt with appropriately. The CNPA is committed to ensuring that opportunities for fraud, bribery and corruption are reduced to the lowest possible level of risk. To achieve this there are comprehensive policies and all Police Authority members, employees and representatives are required to undertake training.

Financial Risk Management

Information on the CNPA's financial risk management objectives and policies and its exposure to credit risk, liquidity risk and market risk is disclosed in note 8 to the financial statements.

Events after the Reporting Period

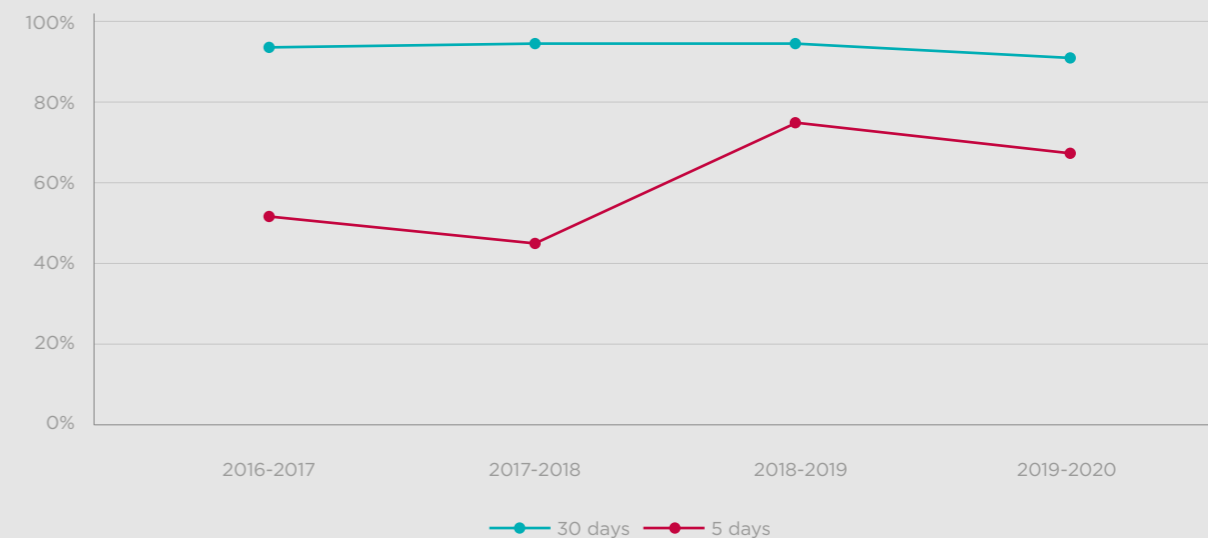
Events after the reporting period are disclosed in note 20 to the financial statements.

Payment of Suppliers

The CNPA's policy is to pay all its suppliers within contracted payment terms or, without specifically agreed terms, within 30 days of receiving a valid invoice. In 2019/20, the CNPA paid 91 per cent of its invoices on time. The CNPA has sought to comply with central government's commitment to pay suppliers within five working days from receipt of a valid invoice wherever possible. For the year to 31 March 2020, the CNPA paid 67 per cent of its invoices within five working days against a target of 90 per cent.

These results have dropped on the previous year following the implementation of a new finance system. There were several reasons for the deterioration in performance including outstanding issues with the new system which are causing delays in processing invoices and underlying business process issues. To address these issues during 2019/20 we initiated a project with staff from across the Constabulary and the shared service centre to identify key issues and what resolutions could be put into place to improve the purchase to pay process. During 2020/21 we will continue with this work to improve the purchase to pay process including improving the processes and any system improvements which are economical to introduce.

Payment Time



Pension Arrangements

Further information on pensions is disclosed in the Remuneration Report and in notes 1.9 and 5 to the financial statements.

Auditor

The financial statements have been audited by the Comptroller and Auditor General. The cost of the statutory audit was £57,000 (2018/19: £48,000). This increase is as a result of extra work required due to the implementation of a new integrated business system at the start of 2019/20. The external auditors received no remuneration during the year for the provision of non-audit services.

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

Under the Energy Act 2004, the Secretary of State (with the consent of HM Treasury) has directed the Civil Nuclear Police Authority (CNPA) to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of CNPA and of its income and expenditure, Statement of Financial Position and cash flows for the financial year

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

- Observe the Accounts Direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- Make judgements and estimates on a reasonable basis
- State whether applicable accounting standards as set out in the FRoM have been followed, and disclose and explain any material departures in the accounts
- Prepare the accounts on a going concern basis
- Confirm that, as far as he is aware, there is no relevant audit information of which the CNPA's auditor is unaware; and that he has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the CNPA's auditor is aware of that information
- Confirm that the annual report and accounts as a whole is fair, balanced and understandable and takes personal responsibility for the annual report and accounts and the judgements required for determining that it is fair, balanced and understandable

The Accounting Officer of the Department for Business, Energy and Industrial Strategy (BEIS) has designated the Chief Executive Officer and Chief Constable as Accounting Officer of the CNPA. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the CNPA's assets, are set out in Managing Public Money published by HM Treasury.

Governance Statement 2019/20

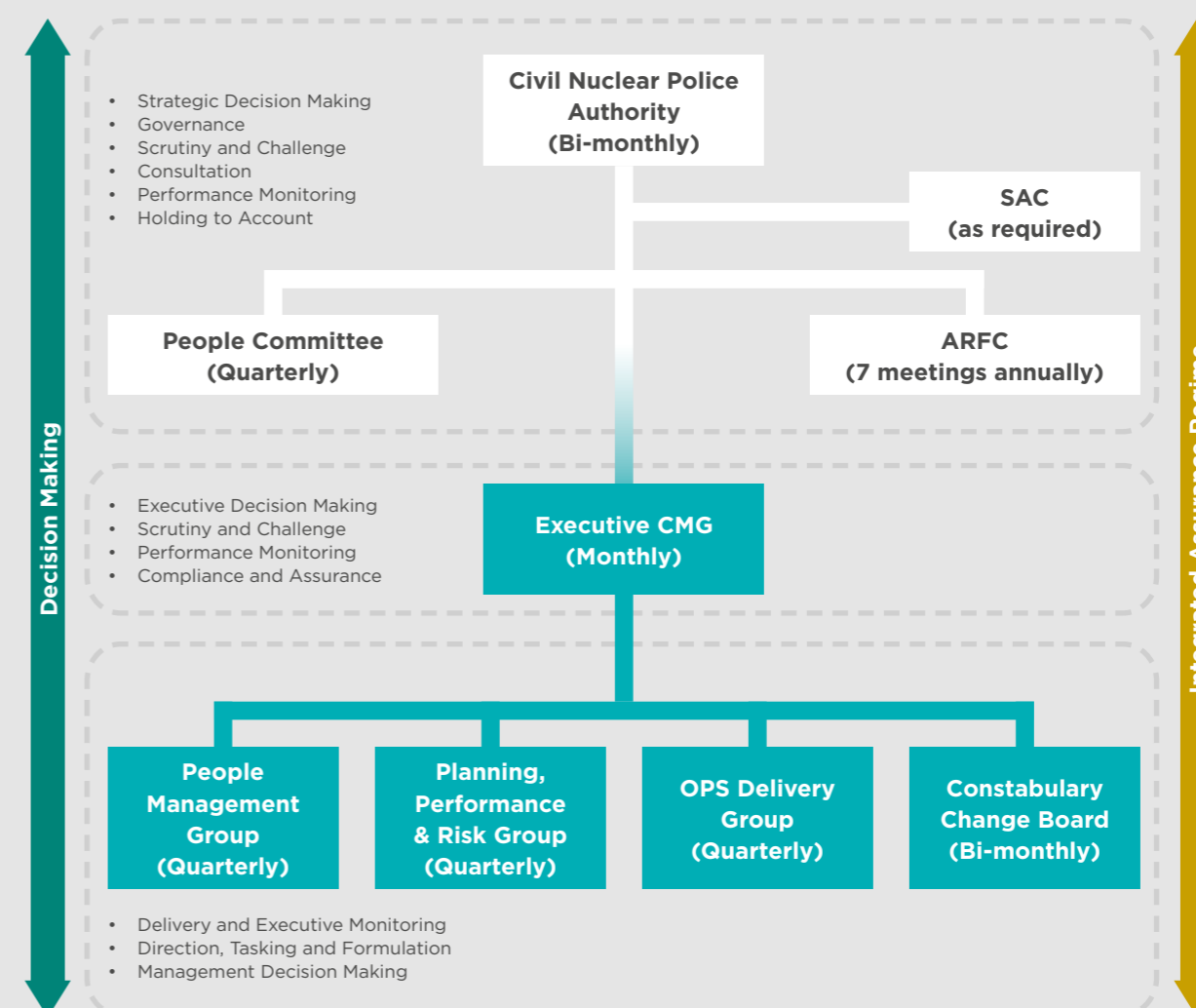
Introduction

As Accounting Officer, and working with the Civil Nuclear Police Authority (CNPA), I have responsibility for maintaining effective governance and a sound system of internal control that supports the achievement of the CNPA's policies, aims and objectives, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me by the CNPA's sponsoring department, the Department for Business, Energy and Industrial Strategy (BEIS).

The Governance Framework

The CNPA operates within the terms of a Framework Document agreed with BEIS. This sets out the purpose of the CNPA, the core elements of the relationship with BEIS and the framework within which the CNPA will operate and the mechanism by which meaningful oversight of strategy and performance will be exercised. I am supported in my role as Accounting Officer by the Police Authority and its Committees and an Executive Team.

The following depicts the CNPA and CNC's formal governance structure and the decision-making process:



In terms of specific responsibilities against each of the governance forums, they are laid out below:

The Authority

The Police Authority is responsible for:

- Securing the maintenance of an efficient and effective Civil Nuclear Constabulary (CNC) and determining its policing objectives
- Appointing members of the Executive Team and employing members of the CNC
- Accounting for the CNCs operational and managerial performance to the Secretary of State and to the public
- Setting the strategy, policy, resource and performance management framework for the CNC
- Monitoring the CNC's overall performance against the agreed strategies and agreeing remedial action if needed
- Supporting and advising the CEO/Chief Constable in the exercise of his functions

Note: The Authority's members are appointed by the Secretary of State and are independent of the CNCs management.

Sub-Committees

People Committee

The committee is responsible for:

- Oversight of the CNC's People Strategy, policy and practice
- Monitoring and scrutinising how the people strategies contribute to improved organisational performance
- Reviewing, scrutinising and approving organisational change business processes, proposals and requirements
- CNC's adherence to good practice HR governance

Senior Appointments Committee

The committee is responsible for:

- Recommending appointment of members of the senior management team
- Oversight of senior management team performance, personal development and remuneration

Audit, Risk and Finance Committee

The committee is responsible for:

- Scrutiny of internal controls
- Monitoring and scrutinising all strategic audit matters relating to the Authority and CNC
- Monitoring and scrutinising the management of high-level risks and monitoring CNC risk management processes
- Scrutiny of the CNPA's governance arrangements
- Monitoring and scrutinising the quality and reliability of CNC financial reporting
- Assuring the CNPA of its responsibilities to secure efficiency and effectiveness
- Tracking progress against the Annual Audit Plan, relevant strategies, plans and processes specified by the Annual Audit Plan
- Reviewing, scrutinising and reporting to the Authority on the comprehensiveness, reliability and integrity of assurances given to meet the Authority's and the Accounting Officer's assurance needs

Chief's Management Group

- Meets monthly to ensure the roles and responsibilities of the Chief Constable/Chief Executive/Accounting Officer are being sufficiently discharged
- Examines, assesses, evaluates and provides direction and challenge on all major business and operational policing issues affecting the business and operation of CNC (internal and external)
- Responsible for implementing the CNPA's strategic direction and decisions
- Sets the strategic tone and direction for the Constabulary as flowed down from the CNPA
- Acts as the senior decision-making forum for the Constabulary, particularly for matters that require:
 - Business case review and approval
 - Substantial financial investment
 - Policy amendment or creation
 - Recommendation to the Civil Nuclear Police Authority (CNPA) or Senior Appointments Committee (SAC) or CNPA People Committee
- Considers update reports from the Constabulary Executive and provides approval or issues further instruction as appropriate
- Considers high level risks and actions to mitigate risk
- Provides an audit trail on key decisions
- The meeting should also have space for discussions on key subjects with a strategic content

Note: The team is led by the CEO/Chief Constable and the membership is made up of the Capability Director/DCC, Operations Director/ACC, Director of Corporate Services, Director of People and Organisational Development and the Director of Governance, Compliance and Legal Services. Head of Finance (CFO), Head of Human Resources, Head of Governance and Assurance and the three Divisional Commanders.

The Police Authority

The role of the Police Authority is defined by the Energy Act 2004.

The Authority's Members are appointed by the Secretary of State and are independent of the CNC's management.

The Authority's principal duty is to secure the maintenance of an efficient and effective CNC.

The Authority has oversight of the CNC, which it exercises through the CNPA Authority meetings and matters delegated to its committees. It appoints members of the Senior Management Team (also referred to as the Executive Team) and employs its officers and staff. It challenges and supports the Executive Team and scrutinises its proposals and performance, particularly in relation to the development of the three-year strategy; delivery of the approved annual plan and budget, including performance against

output metrics; and the annual report on the CNPA's activities. In addition, the CNPA takes an overview of corporate risk and works with the Executive Team to set the organisation's risk appetite.

The CNPA Chair is responsible for leading the Authority and ensuring that it is effective in discharging its role. The Chair is supported by independent non-Executives and non-Executives drawn from senior roles within the nuclear industry (site licencing companies), all of whom are chosen to ensure an appropriate mix of skills and experience to inform the strategic thinking of the CNPA.

The Authority met six times in 2019/20. It received and endorsed the revised Terms of Reference of the Authority; the Audit, Risk and Finance Committee (ARFC); the Senior Appointments Committee (SAC); and the 2018/19 Annual Reports of the ARGC (now ARFC) and the SAC.

The CNPA received the recommendations of the SAC in relation to executive succession planning, extension of executive contracts, executive appointments and recruitment; incremental pay progression and pay awards for the Executive Team and committee membership.

The CNPA also approved the creation of a People Committee and its associated Terms of Reference in order to take objective oversight and scrutiny of the CNCs strategic human resources and people matters.

Audit, Risk and Finance Committee

The Audit, Risk and Finance Committee (ARFC) (Audit Risk and Governance Committee to September 2019) is chaired by an independent non-Executive Board Member.

The ARFC is the primary reporting forum for internal and external audit.

The committee met seven times in 2019/20 including as a scrutiny panel to review the draft annual report and accounts in accordance with governance best practice.

Senior Appointments Committee

The Senior Appointments Committee (SAC) is chaired by the CNPA Chairman.

The SAC held four meetings in 2019/20.

In this year, the SAC oversaw senior leadership, development and succession planning.

The SAC reviewed executive performance against objectives and executive pay awards and the mechanisms for their future determination, with reference to the recommendations of the Review Body on Senior Salaries and the Government's pay cap.

It considered and recommended the recruitment and appointment of three members of the Executive Team: the post of Corporate Services Director, a new Capability Director/Deputy Chief Constable and new Operations Director/Assistant Chief Constable.

People Committee

The People Committee is chaired by an independent non-Executive Board Member.

This newly formed Committee met twice in 2019/20.

At its inaugural meeting, committee members focused on determining the information requirements to ensure the right information, at the appropriate level was brought forward to the Committee to ensure transparency, appropriate level scrutiny and engagement.

The People Committee scrutinised the CNC Business Case for the 2019 Staff Pay Remit and discussed a review of the CNC's police staff pay and grading structure. It also commissioned the work to begin on the refresh of the CNC People Strategy 2020/23.

The Executive Team

I am supported by an Executive Team of five: Deputy Chief Constable/Capability Director; Assistant Chief Constable/Operations Director, Director of People and Organisational Development, Director of Corporate Services and Director of Governance, Compliance & Legal Services.

Executive management and governance of operational and business activities is undertaken through the Chief's Management Group (CMG). The team meets monthly to monitor, review and give executive-level direction for major business and operational issues and to enable co-ordination across the organisation for the delivery of key strategic and operational objectives.

I also hold a Weekly Review meeting for the Executive to meet and discuss any operational, tactical and/or management matters that are emerging or urgent as well as sharing information about their movements and objectives for the forthcoming week.

During 2019/20, the Executive Team met at the CMG seven times, including one extraordinary meeting. This is a key forum for business decision-making, prioritisation and performance monitoring, it acts as a gatekeeper to the Board, underpinning the quality of information and direction of strategic discussion in that forum.

CNPA Activities in 2019/20

The Authority held its 1 August 2019 meeting at Dounreay, Caithness to give Members the opportunity to visit the Dounreay site. Members were given an overview of firearms training and a short tour of the main site and training facilities.

It is standard practice to ensure that the CNPA visit at least one operational site a year to allow Members direct sight of front-line operations.

Governance Improvement

The CNPA has sought to strengthen its overall corporate governance and independent oversight, as well as reviewing its delegated authorities and decision-making processes. Over the last twelve months, the CNPA has implemented a series of governance improvements in response to recommendations from BEIS to their Public Body Boards and feedback from an internal audit by RSM on governance and risk management (March 2019).

The output of this governance improvement initiative saw the following changes being implemented over 2019/20:

1. Members agreed to disband the 'CNPA Board Committee' of the Civil Nuclear Police Authority and reassert the 'Authority' as the primary oversight and governance body of the CNC. This has better defined where accountability lies throughout the CNPA and the CNC and allows the CNPA to carry out its functions in a way which is proportionate, accountable and transparent, is consistent with the principles of good governance and also constitutes best practice. This decision also brings the structure back in line with the BEIS/CNPA Framework
2. Establishment of a People Committee
3. Re-formatting the 'Audit, Risk and Governance Committee' into the 'Audit, Risk and Finance Committee' to allow more focussed scrutiny and oversight of the Constabulary's finances and assurance against HM Treasury 'Managing Public Money' document and the BEIS/CNPA MoU and Framework

4. Reviewed and refreshed the structure and format of CNPA and committee meetings and associated Terms of Reference to ensure alignment to good practice governance
5. Introduction of a corporate calendar of governance meetings to allow for adequate planning and timely submission of papers and decisions. The Corporate Governance Calendar sets out the key activities and deadlines associated with delivery of the formal governance structure of the CNPA. It also allows the Members and the Executive to be aware of, and to ensure that, governance and performance reporting obligations are met in a timely manner. The calendar highlights when each activity or deadline is due and complies with the Terms of Reference of each meeting
6. Embedded standardised templates of Minutes, Papers, Agendas and Decision Logs across the CNPA and CNC
7. Reviewed and (work ongoing) revised the Scheme of Delegation for CNPA/CNC to ensure clear decision-making and accountability

Following this amendment of the governance meeting structure by the CNPA, a corresponding revision of the CNC meeting structure was also carried out to support the CNPA meetings structure, to ensure alignment and to demonstrate a clear decision-making route.

The board is satisfied with the flow of information between the Board and its committees and the quality of data received. Board papers are approved by the Chief's Management Group and sponsored by the relevant director.

Evaluation of Authority Performance

The Authority reviews its performance biennially. A review took place during the last half of the reporting year and a draft Authority Effectiveness Review Report was published in March 2020. This draft report summarised that there was significant evidence from the survey results and interviewees to support the widely held view that the CNPA board is on a positive journey of maturing and improving its effectiveness.

The Authority also reviews its performance at the end of each Authority meeting and Members are subject to annual performance reviews with the CNPA Chair.

Multi-Force Shared Service

The CNPA and CNC signed a Collaboration Agreement with the Multi-Force Shared Service (MFSS) for the provision of back office transactions processing functions for HR, Finance and Procurement from April 2016.

The Collaboration Agreement gives the CNPA and CNC joint control of the MFSS together with the other partner organisations to the agreement.

Governance and oversight of MFSS is exercised by its Shared Service Joint Committee (SSJC) which also sets the strategic direction of the MFSS. It usually meets three to four times per year but holds additional extraordinary meetings when required to deal with specific issues.

The Chair of the Joint Committee is rotated among partner organisations.

I am a member of the Joint Committee together with the Chair of the CNPA, as are the Police and Crime Commissioners and Chief Constables of the other partner forces.

Compliance with the Corporate Governance Code

The CNPA has complied with the Code of Good Practice for corporate governance in central government in so far as it is relevant and practical for an Arm's Length Body of its size and complexity.

I confirm that the CNPA is compliant with the MacPherson recommendations for quality assuring analytical models and the recommendations from the Alexander review of the tax arrangements for public sector employees.

I have not received any Accounting Officer directions in 2019/20.

Attendance at Police Authority; Board and Committee Meetings in 2019/2020

Members	Authority (2 in year) non-Executives only ⁽¹⁾	Board (6 in year) ⁽¹⁾	Audit Risk and Finance (7 in year) ⁽²⁾	Senior Appointments (4 in year)	People (2 in year) ⁽³⁾
Vic Emery (Chairman) (NE)	2/2	6/6	⁽⁴⁾	4/4	⁽⁴⁾
Mike Calloway (NE)	1/2	5/6	7/7	⁽⁴⁾	2/2
Paul Kernaghan (NE) <i>(Appointment ended 3/2/20)</i>	2/2	5/5	1/1	3/4	⁽⁴⁾
Sir Craig Mackey (NE) <i>(Appointed 26/6/2019)</i>	2/2	4/5	⁽⁴⁾	1/1	1/2
Mark Neate (NE)	2/2	5/6	2/3	⁽⁴⁾	⁽⁴⁾
Neelam Sarkaria (NE)	1/2	5/6	3/4	3/4	2/2
Sue Scane (NE) <i>(Appointed 8/7/2019)</i>	2/2	5/5	3/3	⁽⁴⁾	⁽⁴⁾
Paul Winkle (NE) <i>(Appointment ended 29/1/2020)</i>	2/2	4/5	5/6	⁽⁴⁾	⁽⁴⁾
Rebecca Weston (NE)	2/2	5/6	⁽⁴⁾	⁽⁴⁾	2/2
Chris Armit	⁽⁴⁾	4/6	⁽⁴⁾	⁽⁴⁾	2/2 ⁽⁵⁾
Simon Chesterman	⁽⁴⁾	6/6	6/7	3/4	0/2 ⁽⁵⁾
Louise Harrison <i>(Appointed 17/2/2020)</i>	⁽⁴⁾	1/1	⁽⁴⁾	⁽⁴⁾	⁽⁴⁾
Richard Cawdron <i>(Appointed 1/12/19)</i>	⁽⁴⁾	2/2	⁽⁴⁾	⁽⁴⁾	⁽⁴⁾
Patsy Northern <i>(Appointed 20/1/2020)</i>	⁽⁴⁾	2/2	1/1	⁽⁴⁾	1/1
Richard Saunders	⁽⁴⁾	6/6	⁽⁴⁾	3/4	2/2
Duncan Worsell <i>(Appointment ended 4/3/2020)</i>	⁽⁴⁾	4/5	⁽⁴⁾	⁽⁴⁾	⁽⁴⁾

- On 1 August 2019 CNPA members approved the amalgamation of the CNPA Board Committee of the CNPA with the 'Authority' meetings, with the 'Authority' as the primary oversight and governance body of the CNC
- A People Committee was established following the Authority meeting on 1 August 2019 to take objective oversight and scrutiny of the CNCs strategic human resources and people matters
- Previously the Audit Risk and Governance Committee; its terms of reference were broadened from September 2019 to include finance
- Not members of the committees
- The CC or the DCC may attend

Risk Management and Control

Risk Management

The CNPA has a strategic risk register that includes all strategic risks, which are defined as risks to the achievement of the strategy and business plan, but also includes other significant programme, project or operational risks that should be brought to the attention of the Executive Team, Audit, Risk and Finance Committee (ARFC) and the CNPA. The key risks and uncertainties facing the CNPA are presented in the Performance Report section of this annual report and accounts.

The nature and status of key corporate risks are reported to the ARFC along with the mitigating actions being taken.

Completeness of the Corporate Risk Register and identification of new potential risks at an early stage is supported through risk workshops; horizon scanning and identifying potential risks to ARFC and the Authority; and a review against Authority minutes to confirm that the issues and uncertainties attracting Authority interest are captured on the risk register.

Risk Management Assurance

The ARFC challenges the Executive Team to provide the assurance it needs over risk management.

The risk register is a standing agenda item at the Audit, Risk and Finance Committee and the Chief's Management Group. An assessment of the Strategic Risk Register and uncertainties facing the CNPA are presented as a standing item to the Authority.

Risk Appetite

Risk appetite is defined as the level of risk that the CNPA is willing to face to achieve its objectives, whilst continuing to provide the required level

of assurance to stakeholders that assets are safeguarded. The CNPA has a low risk appetite, which demonstrates clearly to stakeholders that the CNPA will not expose them to unnecessary risk. The only element that will prevent the continued pursuit for risk mitigation to tolerable levels is the availability of resources that may be required to achieve the desired level of risk control.

Statement of Information Risk

The CNPA must maintain the confidentiality, integrity and availability of its information to operate effectively, efficiently and securely.

The CNPA is required to comply with the Cabinet Office (CO) and the Office for Nuclear Regulation's (ONR) Security Policy Frameworks for information security. ONR's framework follows broadly that of the Cabinet Office but sets standards for the protection of sensitive nuclear information that are necessary to protect licenced nuclear sites and material in transit.

The CNPA is also seeking to protect itself against cyber-attacks and is applying the 20 CIS Critical Security Controls. This is being implemented through the rolling programme of cyber security and information assurance improvements.

I am responsible for ensuring that information risks are assessed and mitigated to an acceptable level.

I am supported in the discharge of this responsibility by the Executive-level Senior Information Risk Owner, the IT and Security departments and a network of Information Asset Owners who cover all the information assets held. Details of how this function is provided in the following section.

The Information Risk Group and the Information Governance Committee

The purpose of the CNC's Information Risk Group (IRG) is to analyse, consider and mitigate

information risks raised where possible. This includes, but is not limited to, compliance with Her Majesty's Government (HMG) and Regulatory Legislation, effective risk mitigation, incident management and management of project level information risks raised through the Portfolio Management Office (PMO).

The IRG is chaired by the Head of Information Governance and meetings are held monthly or bi-monthly according to need.

The purpose of the Information Governance Committee (IGC) is to report emerging risks identified by members of IRG, raised by Information Asset Owners (IAOs) and analysed at IRG to the Senior Information Risk Owner (SIRO) for further consideration and to determine the appropriate strategy to: treat, tolerate, terminate or transfer.

The IGC sits above the IRG and is chaired by the SIRO who receives guidance from the Head of IT, Head of Security, Information Assurance Manager and Head of information Assurance/Data Protection Officer on operational level risks and determines the appropriate course of action.

Meetings of IGC are held at least quarterly to coincide with Board meetings and to allow the SIRO to report. They can also be called on an ad hoc basis by either the SIRO or by IGC according to need.

The SIRO at IGC signs off the Information Security Policies drafted, agreed and approved at IRG.

Personal Data-Related Incidents

There was one personal data-related incident reported to the Information Commissioner's Office in 2019/20 (2018/19: zero). The ICO decision was that no further action was needed at this time due to our efforts made in identifying and dealing with the issue.

General Data Protection Regulation

General Data Protection Regulation (GDPR) has applied in the UK from 25 May 2018.

The government has confirmed that the UK's decision to leave the EU will not affect the commencement and application of the Regulation. In general, any action or activity that uses Personally Identifiable Information must comply with the Regulation. The CNPA has successfully implemented GDPR. During 2018, the CNC appointed a Data Protection Officer to monitor and record all breaches and near misses and to work across the organisation to minimise the impact from any breach; to assess the risk of damage and to report to affected data subjects and the ICO if appropriate. The Data Protection Officer is focused on embedding the new compliance activities across the CNPA and continuous improvement, supported by a programme of monitoring and assurance.

Cyber Security Self-Assessment

The CNPA has applied the cyber security self-assessment questions in the National Audit Office's publication, *Cyber security and information risk guidance for Audit Committees*. This provided guidance to audit committees by setting out high-level questions and detailed issues for audit committees to consider. It covers:

- The overall approach to cyber security and risk management
- Capability needed to manage cyber security
- Specific aspects, such as information risk management, network security, user education, incident management, malware protection, monitoring and home and mobile working
- Related areas, such as using cloud services and developing new services or technology

The results showed that the CNPA's continued approach to cyber security is consistent with the good practice guidance contained in the NAO's publication. It did identify areas for improvement but did not reveal any significant cyber security weaknesses. These areas for improvement will be taken forward as part of the CNPA's three-year cyber security strategy.

Audit, Risk and Finance Committee's Reports on the CNPA's Systems of Governance, Risk Management and Internal Control

The ARFC considered the findings contained in reports prepared by the CNPA's Internal Auditor, RSM, based on an Annual Audit Plan agreed in advance by the Committee.

The ARFC take partial, reasonable or substantial assurance that the internal controls tested are suitably designed, consistently applied and effective for the following twelve reviews:

Internal Audit Plan for 2019/20	Status (Date Planned)
1. Procurement and Contract Management	Final
2. New Oracle Cloud – P2P Part 1	Final
3. IT Benefits Realisation	Final
4. Recruitment and Retention (Action Plan)	Final
5. Pay Policy	Final
6. Core Accounting Systems	Final
7. Information Security and Data Governance	Final
8. New Oracle Cloud – P2P Part 2	Final
9. Stock and Ammunition Deep Dive	Final (ARFC 29/6)
10. Annual Governance Statement	Final
11. Follow up <ul style="list-style-type: none"> • MSCF Project Management including IMS Lessons Learnt • MFSS Governance 	Final
12. Governance and Risk Management	Final

The CNPA's Internal Auditor has issued three partial assurance opinions to date:

1. New Oracle Cloud – P2P Part 1 Review
2. The Pay Policy Review
3. Payroll as part of the overall Core Accounting Systems Review

Action plans are now in place to address weaknesses in internal controls that have been identified. None of them are considered to have a material bearing on the overall governance or financial strength of the organisation. However, two of the audits highlight the control weaknesses and service provision issues of shared service arrangement. The new system went live on 1 April 2019 and since this the CNPA has been required to implement a range

of additional temporary controls measures due to issues with both the system and levels of service provision from our shared service centre. These additional measures ensure the control environment is maintained, but this requires additional focus/effort from CNPA which will need to continue into 2020/21.

RSM undertook three Advisory Audits:

1. IT Benefits Realisation

An assessment was made of the current IT plans and whether the Constabulary could evidence benefits realisation of work completed, and how future work was being scheduled and aligned to the overarching strategic benefits of the organisation.

2. Recruitment and Retention

This followed on from the reviews undertaken in 2018/19, to provide assurance as to progress in completing actions and mitigating risks in relation to officer recruitment and retention
3. Annual Governance Statement.

This is annual review of this governance statement.

The Advisory Audits did not provide an audit opinion but found areas of good practice, some areas of weakness and made recommendations for improvement. These recommendations have been either been superseded or completed.

The ARFC annually reviews the effectiveness of the internal and external audit functions. The view of the ARFC was that these functions continued to operate effectively throughout 2019/20 in the provision of assurance on the CNPA standards of governance, risk management and internal control.

The ARFC also undertakes an annual review of its areas of business activity that includes consideration of its performance over the appropriate reporting period.

The draft results of the 2019/20 self-assessment demonstrated a continued high degree of compliance with good practice.

For the year 2019/20 the Head of Internal Audit opinion for Civil Nuclear Police Authority is the following:

The organisation has an adequate and effective framework for risk management, governance and internal control.

However, our work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.

Review of Effectiveness of Systems of Governance, Risk Management and Internal Control

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of governance, risk management and internal control.

My review is informed by the work of the Internal Auditor and the Office of Nuclear Regulation (ONR); by meeting the standards set by the College of Policing (CoP); by the CNPA's Internal Inspections and Assurance department; by the Executive Team, who have the responsibility for the development and maintenance of the governance structures; and by the internal control framework and comments made by the CNPA's external auditor, the NAO, in its management letter.

The Governance Statement represents the end-product of the review of the effectiveness of the governance framework, risk management and internal control.

Internal Audit

The CNPA's internal auditor, RSM, has concluded that the CNPA governance arrangements are operating effectively and are well documented, the Authority can take reasonable assurance that the control framework to manage risk, governance and internal control is suitably designed and consistently applied.

Its work has identified additional recommendations to the framework of risk management, governance and internal control to ensure that it remains adequate and effective.

RSM has arrived at this opinion through:

- Risk-based audit needs analysis from which activity has been prioritised over a three-year planning horizon to design an internal audit strategy
- Designing and applying a risk-based methodology that is consistent with the requirements of the Public Sector Internal Audit Standards

- Delivery of individual assurance reports and advisory reports during the year and, where appropriate, agreeing action plans with business owners to secure improvements
- Monitoring the implementation of previous recommendations throughout the year and assessing progress as reasonable

The CNPA keeps its governance, risk management and internal control arrangements under review in response to internal and external developments. The Authority is independently advised by the ARFC and has received assurance on the CNPA's systems of corporate governance, risk management and internal control.

There were no further issues identified by the Internal Auditor, other than those already disclosed, that require reporting in the Governance Statement as significant control weaknesses.

Other Assurance Activities

The Internal Inspections and Assurance team undertook a programme of testing of compliance with operational policies and procedures alongside 'spot inspections' directed by the Executive Team.

The Internal Inspections and Assurance team identified both areas of good practice and some areas for improvement that will be implemented in 2020/21.

In December 2018, the College of Policing undertook a detailed inspection of the Constabulary's firearms training policies, processes, systems and risk controls, confirming these to be strong and effective.

As a result, the CNC was re-licensed for the safe delivery of firearms training for a further four years, subject to annual quality assurance submissions, the latest of which was made for 2019/20.

Significant Internal Control Weaknesses

I can report that there were no significant weaknesses in the CNPA's system of internal controls in 2019/20 that affected the achievement of its key policies, aims and objectives.

Simon Chesterman QPM

Accounting Officer, Chief Executive Officer and Chief Constable

2 July 2020

Remuneration and Staff Report

Remuneration Report

The Civil Nuclear Police Authority (CNPA) operates within the principles set out in the Framework Document between the CNPA and BEIS with regard to Industry Members, Independent Members and the Executive Team's remuneration policies and practice as approved by the Secretary of State. The principal implementation arrangements are set out below.

Procedures for Setting Remuneration

Remuneration for the CNPA Chairman and Independent Members' is determined by the Secretary of State with the approval of HM Treasury in accordance with the Energy Act 2004. The remuneration of the Executive Team is set by the CNPA Board, within the terms of the Framework Document, through its Senior Appointments Committee as detailed below. The Industry Members do not receive any remuneration.

Membership of the Senior Appointments Committee:

- Vic Emery (Chair)
- Paul Kernaghan to 3 February 2020
- Sir Craig Mackey from 20 September 2019
- Neelam Sarkaria

Statement of Remuneration Policy

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

Fees

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

Salaries and Allowances

The Executive Team receive a salary which is reviewed annually. Other allowances are included to the extent that they are subject to UK taxation.

Benefits in Kind

The CNPA Chairman and members of the Executive Team are entitled to the benefit in kind of a fully maintained car. The current CNPA Chairman has chosen not to receive this benefit.

Pensions

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

Terms of Appointment and Service Contracts

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

Name	Date of continuous service	Unexpired term at 31 March 2020	Notice period
Chris Armitt ⁽¹⁾ Deputy Chief Constable	1 October 2019	4 years, 6 months	6 months
Mike Calloway Industry Member (NDA)	9 July 2018	3 months	3 months
Richard Cawdron ⁽²⁾ Director Governance Compliance and Legal Services	1 December 2019	Permanent	6 months
Simon Chesterman Chief Constable	1 April 2019	4 years	6 months
Vic Emery Chairman and Independent Member	12 October 2016	6 months	3 months
Louise Harrison ⁽³⁾ Assistant Chief Constable	17 February 2020	4 years, 11 months	6 months
Paul Kernaghan ⁽⁴⁾ Independent and Policing Advisor Member	5 February 2013	-	-
Sir Craig Mackey Independent	24 June 2019	2 years, 3 months	3 months
Mark Neate Industry Member (Sellafield Ltd)	7 April 2016	1 year	3 months
Patsy Northern Director of Corporate Services	20 January 2020	Permanent	6 months
Neelam Sarkaria Independent Member	10 October 2016	1 year, 6 months	3 months
Richard Saunders Director of People and Organisational Development	18 December 2017	Permanent	6 months
Sue Scane Independent Member	8 July 2019	2 years, 3 months	3 months
Rebecca Weston Industry Member (DSRL)	25 March 2019	1 year	3 months
Paul Winkle ⁽⁵⁾ Industry Member (EDF Energy Nuclear Generation Ltd)	1 April 2018	-	-
Duncan Worsell ⁽⁶⁾ Temporary ACC	4 March 2019	-	-

Notes

- (1) Assumed appointment as Temporary Capability Director/DCC 4 March 2019 - 30 September 2019
(2) Assumed appointment as Director Governance Compliance and Legal Services on 1 December 2019
(3) Appointed on a secondment from Merseyside Police to 8 July 2020, then on a fixed term contract to 18 February 2025
(4) Contract ended 3 February 2020
(5) Contract ended 29 January 2020
(6) Assumed appointment as Temporary Operations Director/ACC 4 March 2019 - 4 March 2020

The provision for compensation for early termination, and the CNPA's liability in the event of early termination, are not stated in the terms of appointment/service contracts. The Secretary of State has responsibility for the appointment and removal of the Chairman and both Industry Representatives and Independent Board Members and approving their terms and conditions of appointment in line with provisions of the Energy Act 2004, Schedule 10.

Remuneration

The following information is subject to audit.

Remuneration payable to the CNPA Board members in 2019/20 was as follows:

Executive Team

Name	Salary and allowances £000		Benefits in kind ⁽¹⁾ (to nearest £100)		Pension benefits ⁽²⁾ (to nearest £000)		Total Remuneration £000	
	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19
Simon Chesterman Chief Executive and Chief Constable	140-145	125-130	7,200	7,200	-	-	145-150	130-135
Louise Harrison ⁽³⁾ Assistant Chief Constable	10-15	-	600	-	-	-	10-15	-
Kenneth Kilpatrick ⁽⁴⁾ Business Director	0-5	100-105	-	7,200	-	10,000	0-5	120-125
Patsy Northern ⁽⁵⁾ Director of Corporate Services	15-20	-	1,000	-	4,000	-	20-25	-
Richard Saunders Director of People and Organisational Development	95-100	105-110	-	-	7,000	-	105-110	105-110
Duncan Worsell Temporary Assistant Chief Constable	95-100	-	-	-	4,000	-	100-105	-
Chris Armitt Deputy Chief Constable	120-125	100-105	7,200	7,200	8,000	-	135-140	110-115
Richard Cawdron Director of Governance, Compliance and Legal services	100-105	-	-	-	8,000	-	105-110	-

Notes

1. Benefits in kind for Chris Armitt, Simon Chesterman, and Louise Harrison comprised a fully maintained car. Patsy Northern has received part of a re-location allowance.
2. Accrued pension benefits - the value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20 plus the real increase in any lump sum less the contributions made by the individual. The real increases exclude increases due to inflation or any increase or decrease due to a transfer of pension rights.
3. Full year equivalent salary and allowance is £105-110. Appointed on a secondment from Merseyside Police to 8 July 2020, then on a fixed term contract to 18 February 2025. The current actual salary is paid by Merseyside Police and recharge back to CNPA.
4. Full year equivalent salary and allowance is £100-105.
5. Full year equivalent salary and allowance is £95-100.

Pension Entitlements

The pension entitlements shown in the table below are those that would be paid annually on retirement based on service to 31 March 2019 and include the value of added years paid for by members of the CPS. The pension figures relate to the benefits that the individual has accrued as a total of their service to the CNPA, not just under their current appointment. Members of the pension scheme have the option to pay Additional Voluntary Contributions; neither the contribution nor the resulting benefits are included in the following table.

Name	Total accrued pension at age 60 at 31 March 2019 and related lump sum £000	Real increase in pension and related lump sum at age 60 £000	Cash equivalent transfer value at 31 March 2019 £000	Cash equivalent transfer value at 31 March 2018 £000	Real increase in cash equivalent transfer value £000
Executive Team					
Chris Armitt	0-5 plus 0-5 lump sum	0-2.5 plus 0-2.5 lump sum	11	-	8
Richard Cawdron	30-35 plus 90-95 lump sum	0-2.5 plus 0-2.5 lump sum	653	638	7
Patsy Northern	0-5 plus 0-5 lump sum	0-2.5 plus 0-2.5 lump sum	6	-	4
Richard Saunders	0-5 plus 0-5 lump sum	0-2.5 plus 0-2.5 lump sum	9	-	6
Duncan Worsell	30-35 plus 100-105 lump sum	0-2.5 plus 0-2.5 lump sum	754	743	4

Note

Simon Chesterman is not a member of the CPS and does not make any other pension contributions

Louise Harrison is not a member of the UKAEA pension scheme as she remains a member of her home force pension scheme to which CNPA contribute to through the secondment recharge

Cash Equivalent Transfer Value

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. It is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits, they have accrued in their former scheme.

The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total pensionable service and not just their service in a senior capacity to which disclosure

applies. They may also include amounts transferred into the scheme.

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

Real Increase in CETV

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

Independent and Industry Members

Name	Fees £000 2019/20	Fees £000 2018/19
Mike Calloway Industry Member (Nuclear Decommissioning Authority)	-	-
Vic Emery Chairman and Independent Member	65-70	65-70
Paul Kernaghan Independent and Policing Advisor Member	10-15 ⁽¹⁾	15-20
Sir Craig Mackey Independent Member	10-15 ⁽²⁾	-
Mark Neate Industry Member (Sellafield Ltd)	-	-
Neelam Sarkaria Independent member	15-20	15-20
Sue Scane Independent member	10-15 ⁽³⁾	-
Rebecca Weston Industry Member (Downreay Site Restoration Ltd)	-	-
Paul Winkle Industry Member (EDF Energy Nuclear Generation Ltd)	- ⁽⁴⁾	-

1. Paul Kernaghan's contract ended 3 February 2020
2. Sir Craig Mackey's contract started 24 June 2019
3. Sue Scane's contract started 8 July 2019
4. Paul Winkle's contract ended 29 January 2020

Staff Report

The following information is subject to audit (listed below)

1. Staff Costs
2. Average Number of Persons Employed
3. Exit Packages
4. Salary Multiples

The number of employees employed in senior positions at the end of the financial year was as follows:

	2019/20	2018/19
Executive 1 Grade	1	1
Executive 2 Grade	1	1
Executive 3 Grade	4	4
	6	6

Staff Costs

Staff costs comprise:

	Permanently employed staff 2019/20	Temporary and agency staff 2019/20	Total 2019/20
	£000	£000	£000
Wages and salaries	66,959	457	67,416
Social security costs	7,853	56	7,909
Other pension costs	10,226	42	10,268
Sub-total	85,038	555	85,593
Less costs recovered in respect of outward secondments	(123)	-	(123)
Total staff costs	84,915	555	85,470

	Permanently employed staff 2018/19	Temporary and agency staff 2018/19	Total 2018/19
	£000	£000	£000
Wages and salaries	65,915	820	66,735
Social security costs	7,764	95	7,859
Other pension costs	10,416	99	10,515
Sub-total	84,095	1,014	85,109
Less costs recovered in respect of outward secondments	(345)	-	(345)
Total staff costs	83,750	1,014	84,764

Average Number of Persons Employed

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

	Permanently employed staff 2019/20	Temporary and agency staff 2019/20	Total 2019/20
Total average staff numbers	1,502	12	1,514

	Permanently employed staff 2018/19	Temporary and agency staff 2018/19	Total 2018/19
Total average staff numbers	1,546	13	1,559

Exit Packages

	2019/20	2019/20	2019/20
	Number of compulsory packages	Number of other departures agreed	Total number of exit packages by cost band
£25,001 - £50,000	5	-	5
£50,001 - £100,000	1	-	1
Total number of exit packages	6	-	6
	£000	£000	£000
Total value of exit packages	242	-	242
	2018/19	2018/19	2018/19
	Number of compulsory packages	Number of other departures agreed	Total number of exit packages by cost band
£10,001 - £25,000	2	-	2
£25,001 - £50,000	7	-	7
Total number of exit packages	9	-	9
	£000	£000	£000
Total value of exit packages	282	-	282

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

Salary Multiples

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

The banded remuneration of the CNPA's highest-paid director, who was the Chief Executive Officer/Chief Constable, in the financial year 2019/20 was £145,000-£150,000 (2018/19: £145,000-£150,000). This was 4.1 times the median remuneration of the CNPA's employees (2018/19: 4.1 times), which was £36,262 (2018/19: £36,188). Median remuneration increased by approximately 0.21 per cent between 2018/19 and 2019/20. This increase was as a result of incremental and inflationary pay increases. The values exclude overtime and other payments for additional hours worked to ensure a meaningful comparison by removing the significant fluctuations which do not reflect pay policy changes. The increase in staff costs was offset due to retention bonuses being paid to officers during 2018/19 and a reduction in staff numbers including staff joining at lower rates of pay with those leaving at higher rates.

In 2019/20, nil employees received remuneration in excess of the highest-paid director (2018/19: nil). Remuneration, excluding that of the highest-paid director, ranged from £19,033 to £135,189 (2018/19: £19,195 to £138,595).

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

Expenditure on Consultancy

	2019/20	2018/19
	£000	£000
Consultants	440	22

Consultancy costs in 2019/20 are for support on a review of the strategic direction of the CNPA as well as specialist technical expertise relating to the preparation of a new training facility at Griffin Park, change management advice on operational projects and occupational health consultancy.

Off-payroll Engagements

The CNPA continued to apply tax assurance measures in respect of public sector employees; reporting these in detail to its sponsoring department BEIS in March 2020. The appointment of contractors that are off payroll follows internal HR and Procurement processes to ensure that CNPA complies with current regulations.

The table below provides data on off-payroll engagements:

	2018/19	2019/20
Number of engagements as at 31 March	6	8
Number of which existed:		
For less than one year at time of reporting	4	2
Between one and two years at time of reporting	2	4

Of the above recorded in 2019/20, none of the engagements were assessed as caught by IR35; six of these engagements which were assessed as not caught by IR35; and there were no engagements that saw a change to IR35 status following the consistency review.

Gender Breakdown and Gender Diversity

For the financial year the CNPA Board was composed of five male and two female executive members and six male and three female non-executive members. CNC has a total of 13 Heads of Department/Divisional Commanders. The gender split for this total is made up of six female and seven males. The CNPA had 1,231 male (2018/19: 1,243) and 338 female (2018/19: 321) employees at the end of the financial year.

Gender Pay Gap

Under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, public authorities listed under Schedule 2, with 250 or more employees, were required to publish gender pay gap information on an annual basis by 31 March 2020. Information for CNPA can be found at: <https://gender-pay-gap.service.gov.uk/Employer/QsZnnEEw/2019>

Black, Asian and Minority Ethnic (BAME) Ethnicity Pay Gap reporting

This year CNPA has adopted the same reporting mechanism as that used for Gender Pay Gap reporting and has produced a report on their first Ethnicity Pay Gap report. The report will be submitted to the People Committee on 8 July 2020 prior to publication on the CNC website: <https://www.gov.uk/government/organisations/civil-nuclear-police-authority>

Employees

Equality, Disability and Inclusion (EDI)

The Civil Nuclear Constabulary strives to be an organisation in which every individual is valued and respected, where equality and diversity responsibilities are shared by all, differences

are routinely accepted and not acted against, and delivery of inclusion, disability-equality and human rights is a guiding principle that supports our Ambition, Values, Code of Ethics and Strategic Objectives through which employee engagement and inclusive culture of the CNC is corporately celebrated while adhering to our established Corporate Equality Standards (CES).

We value everyone's contribution as equally important; with every individual playing a vital part in helping us achieve our ambition of inclusivity, diversity, transparency and fairness at the heart of everything we do. We are committed to meeting the requirements of the Equality Act 2010 and duties placed upon us as public body to:

- Eliminate discrimination, harassment and victimisation
- Advance equality of opportunity and foster good relations between people who share a characteristic and those who do not

We have continued to build upon previous years' successes through meaningful internal evaluations to achieve effective support and delivery mechanisms which are having a positive impact upon our culture. With huge goodwill and growing confidence in delivery systems; colleagues are comfortably discussing complex sensitive equality issues, sharing findings and proposing innovative solutions to secure better outcomes for individuals in need.

Established annual recording and reporting cycles bring clarity and cohesion across the agenda which results in raised expectations and boost performance. We have achieved the following during three-year EDI Strategy 2020:

- Established annual cycle of internal recording and reporting to streamline the communication and result-orientated progress reporting processes i.e. periodical EDI progress reports to the CNPA Board via the Director of People and Organisational Development, outcomes of Inclusive Practice Delivery Projects (IPDPs) via departmental reps and progress reports from the Equality Support Groups (ESGs) by the Custodians and Allies
- Publication of the Annual Diversity in Employment Report since September 2017 to monitor and share information with all stakeholders

- Annual Single Equalities Action Plan to communicate progress on the EDI strategy since April 2017
- User friendly Human Rights and Equality Impact Assessment (HREIA) policy and procedure established with improving quality of completed HREIAs
- Equalities Consultative and Support Network (ECSN) established to enhance the Constabulary's employee engagement and policy consultative processes
- Equality Support Groups (ESGs) established to provide effective support for employees with protected characteristics
- Agreed Inclusive Practice Delivery Projects (IPDPs) with all CNC Directorates to enhance inclusive management practices
- Recording and reporting system established for Prejudice Related Incidents (PRI) across all CNC services
- Supported HR recruitment and retention mechanisms to increase workforce diversity
- Inclusion established as a core competency into employee's annual appraisals through Competency and Values Framework (CVF)
- Distinctly accessible Inclusion intranet webpages operational with continuous improvements
- Continuous strategic guidance and support for all directorates according to established processes and protocols
- Appropriate recommendations from the external scrutiny report of the CNC EDI provision included into the selected directorate IPDPs
- Equality Committee's behaviour support programme
- Diversity celebrations calendar and proposed Annual Diversity Conference
- A comprehensive Access Audit completed for the HQ Culham
- Quiet/prayer room established at two CNC sites
- Disability Equality - planned, co-ordinated and initiated the Disability Equality

Programme in partnership with the Estates and Procurement Department and Occupational Health to secure reasonable adjustments and accessibility issues. Established Mental Health and Neurodiversity ESG

- Repair and upgrading work on lifts in the CLD corridor completed at the Culham HQ
- Similar comprehensive Access Audit initiated for the Sellafeld site
- Disability Management Policy and Procedure revised to include a robust disability management and reasonable adjustments recording and reporting system
- Workplace Adjustment Passport (WAP) scheme for employees with declared disabilities launched in February 2020
- Gender Equality - enhanced Menopause Action Group and established an international gender equality HeforShe programme with appointed Force Champion
- Race and Ethnicity - consulted and advocated Ethnicity Pay Gap reporting in light of national initiative
- LGBT - pilot initiated to establish the LGBT Committee with its own chair, enhanced membership and attended various national Pride events to bring good practice models to the Constabulary
- Pregnancy and Maternity - New Parents Group established to enhance support while away on maternity and paternity leave and return to work practices
- Chief's EDI Awards - established as an annual event to recognise effective contributions made by the ECSN membership
- A comprehensive research report completed to establish an Ethics Committee to enhance trust and confidence in the ethical governance and actions of CNC. The committee should provide support to decision makers and leaders on modern complex and sensitive dilemmas

EDI governance/delivery mechanisms are outlined within the CNC intranet Inclusion pages. A systematic programme to establish and embed our newly formulated Ambition

and Core Values is in progress which should include improvements to the areas identified in our recent staff survey. A comprehensive evaluation and impact assessment of our People Strategy and EDI Strategy 2020 is expected to be completed by June 2020. Subject to findings and outcomes of the above processes, a new three-year ***Inclusion and Belonging Strategy 2020/23*** with the following strategic objectives will be drafted, consulted upon and implemented over next three years:

- Establish CNC as an Inclusive Employer
- Improve mechanisms designed to increase workforce diversity and secure percentage increase in terms of gender and ethnicity and monitor pay gap trends for both areas to secure pay gap reduction
- Deliver key objectives under Disability Equality Programme
- Celebrate diversity and promote equality of opportunity in all areas of CNC

Occupational Health and Wellbeing

The CNC is committed to supporting the health and wellbeing of all its people and has continued to prioritise the development of a wellbeing culture within the CNC. The wellbeing brand that underpins this helps the workforce stay fitter, motivated and safe regardless of where they are located.

The Occupational Health and Wellbeing Department, in conjunction with Health and Safety, have embedded the healthy, fit and safe and mental health plans, which sit under the people strategy, into the CNC. These provide the framework for the wellbeing areas within the CNC and include specific focus on: healthy lifestyle, mental wellbeing, physical fitness, employee engagement, occupational health, neurodiversity, disability support, safety and acute emergency response. The initial version of these plans was published in 2018 and concluded at the end of March 2020 and a new version will be published early in the 2020/21 reporting year. The plans set out 103 activities which had been identified to achieve the aim of excellence in all

aspects of occupational health and wellbeing service provision to support employee wellbeing within the CNC. Exceptional progress has been made in all areas with 65 activities being fully implemented as of 31 March 2020. Of the remaining 38; 25 are in progress and 10 will be carried over for commencement in the new plan. The remaining three were disregarded as no longer viable.

The CNCs passion for wellbeing is demonstrated by the significant numbers of employees that have volunteered to become wellbeing champions throughout the organisation. The network of police medics, dyslexia workplace assessors, TRiM practitioners, fitness instructors and mental health first aiders have been further added to this year with the development of the mental health peer support network which has included an additional 100 mental health first aiders being trained. These champions are supported by the appropriate CNC lead from the occupational health and wellbeing area as well as nationally recognised external experts in each workstream.

Occupational Health Clinical Governance Framework

During the reporting period, the CNC was delighted to welcome the new clinical services manager to the team. The role-holder is responsible for embedding the new clinical governance framework which has been developed over the reporting period. This provides a suite of policies and procedures and enables a robust audit framework to be implemented to ensure a high quality and consistent OH service provision within CNC (both internally and from the on-site OH providers). The framework meets the Foundation Occupational Health Standards for Police Forces outlined by the National Police Wellbeing Service which all forces are encouraged to adhere to.

Mental Health

The CNC mental health and psychological wellbeing framework and plan which was published in 2018 and concluded in March 2020 has become embedded in the CNC and has been instrumental in the development of the following areas:

- Training for staff and managers and the development of online resources
- Post-incident psychological wellbeing, preventing and responding to psychological trauma
- How to access help, support and treatment, referral pathways and resources
- Mental health awareness, reducing stigma, and promoting wellness
- Suicide prevention
- Occupational Health service delivery regarding mental health
- Participation in national initiatives and networks
- Peer support
- Data monitoring, Key Performance Indicators (KPIs), audit and improvement cycles, and research

A revised mental health plan will be published early in the 2020/21 reporting year.

Workplace Adjustment Passport

The CNCs Workplace Adjustment passport was launched in February 2020. The passport provides individuals and their line managers with a live record of agreed reasonable adjustments required to support an individual in the workplace with a disability. The document is portable and reduces the need to renegotiate reasonable adjustments. This enables these reasonable adjustments to be made wherever the employee is within the organisation without having to divulge the nature of the condition that results in the requirement for the adjustment, enabling employees to excel in their role with dignity, wherever and for whomever they may work.

Neurodiversity

The CNC remains committed to the development of an appropriate neurodiversity framework. Working with our external expert, the CNC has developed a neurodiversity policy during the reporting year which sets out the organisation's approach to this. The team of trained inhouse Dyslexia Workplace Assessors across the Constabulary has received refresher training to support their continuous development and continue to work to assist employees with dyslexia to achieve their full potential in the workplace. A further assessor has been trained taking the number of assessors across the Constabulary to 15. The skill set of this group will be further developed over the coming reporting period to support employees across the neurodiversity spectrum with reasonable adjustments. Awareness training is also being planned for the coming year.

Fitness

The CNC continues to place strong emphasis on its infrastructure that supports employee fitness, recognising the importance this plays in the overall health and wellbeing of the organisation and its people.

A five-year replacement and installation schedule of all gym facilities has commenced this financial year, in which around £250,000 will be invested in brand new, commercial grade equipment. This will ensure that all locations have a fit for purpose gym that all CNC officers and staff can utilise.

Throughout 2019/20, the CNC Health and Wellbeing team have maintained their commitment to fitness instructor training and development. There are 52 CNC fitness instructors who are currently completing a Level 2 Award in Instructing Kettlebells. Once all staff are trained, kettlebells will be provided in all CNC gyms so that instructors can educate all officers and staff in their safe use. The benefits of kettlebell training include increased muscle strength and endurance (particularly of core and back muscles), injury prevention and improved weight management.

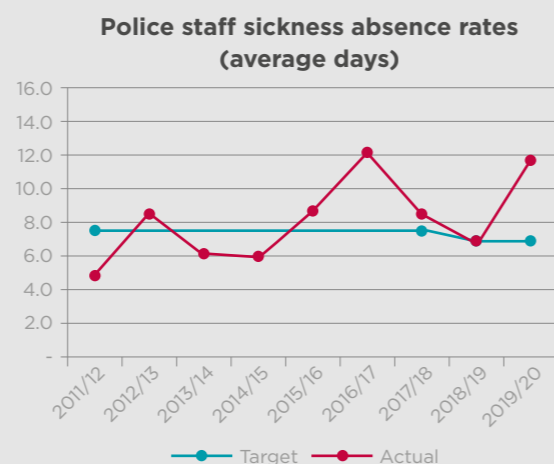
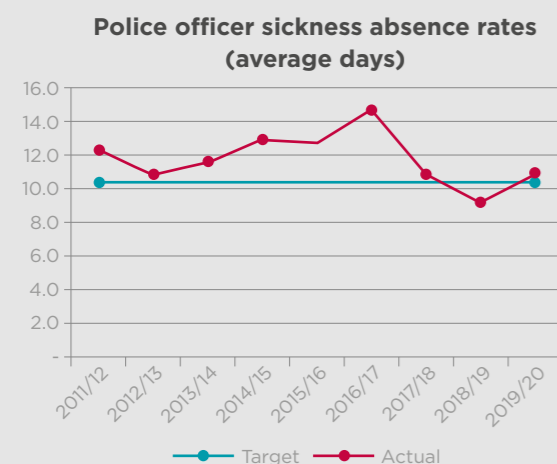
Sickness Absences

The CNPA is committed to the physical and mental health and wellbeing of all its officers and staff. The Occupational Health and Wellbeing provision is available throughout the organisation and the team includes doctors, nurses and fitness/nutrition experts. During 2017/18, the CNPA was delighted to welcome an in-house psychologist to the team. The Occupational Health and Wellbeing service also extends to the provision of external fast track physiotherapy to all CNC employees and access to a confidential Employee Assistance

Programme where support such as counselling can be accessed.

Police officer sickness absence rates have increased this year to 10.9 days per officer, which is above their target of 10.5 days. This increase is primarily due to an increase in long-term absence.

Total police staff sickness rates have increased to 11.8 days per police staff member, which is above the target of seven days. This increase for sickness in 2019/20 when compared against 2018/19 is primarily due to an increased in long-term sickness absence. Short-term sickness absence remains low at 3.4 days per police staff member.



The CNPA has reviewed the sickness absence data at the People Management Group and it was determined that there was a spike in long term absence cases particularly for police staff in the mid-point of 2019/20. This was largely linked to individual complex cases involving long term medical conditions. However, it does not represent a trend and the data shows an ongoing fall in both long term and short term sickness absence since December 2019.

Trade Union Facilities Time

The CNPA supports its staff through the provision of trade union facility time. During 2019/20 there were 10 employees who were relevant union officials. During this period, of the total hours worked by these employees, none was spent on paid trade union activities. The total cost of facility time undertaken by these employees was £29,323, which was 0.03 per

cent of CNPA's total pay bill of £85,366,892.

The low amount report is due to Prospect being the only CNC recognised trade union - representing police staff - under the Trade Union and Labour Relations (Consolidation) Act 1992, whereas the Civil Nuclear Police Federation is a rank-related staff association created under the Energy Act 2004 and the Police Superintendents Association is also a staff association.

Trade Union Facilities time is published annually and can accessed: <https://www.gov.uk/government/publications/trade-union-facilities-time-201819>

Simon Chesterman QPM

Chief Executive Officer and Chief Constable
2 July 2020

Parliamentary Accountability and Audit Report

The following information is subject to audit.

Regularity of Expenditure

Losses and Special Payments

There are no reportable losses or special payments for the year ended 31 March 2020.

Fees and Charges

The CNPA recharges its operating expenditure from Site Licence Companies under Section 60 of the Energy Act 2004.

Remote Contingent Liabilities

There are no remote contingent liabilities.

Long-term Expenditure Trends

This information is provided in the Financial Overview contained in the Performance Report.

Simon Chesterman QPM

Chief Executive Officer and Chief Constable
2 July 2020

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

Opinion on financial statements

I have audited the financial statements of Civil Nuclear Police Authority for the year ended 31 March 2020 under the Energy Act 2004. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of Civil Nuclear Police Authority's affairs as at 31 March 2020 and of Civil Nuclear Police Authority's net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Energy Act 2004 and Secretary of State directions issued thereunder.

Opinion on regularity

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

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the Civil Nuclear Police Authority in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- the Civil Nuclear Police Authority's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or

- the Civil Nuclear Police Authority have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Civil Nuclear Police Authority's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Responsibilities of the Police Authority and Accounting Officer for the financial statements

As explained more fully in the Statement of Civil Nuclear Police Authority's and Accounting Officer's Responsibilities, the Police Authority and the Accounting Officer are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and express an opinion on the financial statements in accordance with Energy Act 2004.

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Civil Nuclear Police Authority's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude on the appropriateness of the Civil Nuclear Police Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Civil Nuclear Police Authority's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause Civil Nuclear Police Authority's to cease to continue as a going concern.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

Other Information

The Police Authority and the Accounting Officer are responsible for the other information. The other information comprises information included in the annual report, other than the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Secretary of State directions made under the Energy Act 2004;
- in the light of the knowledge and understanding of the Civil Nuclear Police Authority and its environment obtained in the course of the audit, I have not identified any material misstatements in the Performance Report or the Accountability Report; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

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

Gareth Davies

Date: 8 July 2020

Comptroller and Auditor General

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

SECTION 3

Financial Statements 2019/20

Statement of Comprehensive Net Expenditure

For the year to 31 March 2020

	Notes	2019/20 £000	2018/19 £000
Income	3	116,274	112,877
Expenditure			
Staff costs	5	(85,593)	(85,109)
Other expenditure	5	(31,137)	(28,195)
Operating (deficit)/surplus		(456)	(427)
Profit/(loss) on disposal of property, plant and equipment		52	(13)
(Deficit)/surplus on ordinary activities before financing costs		(404)	(440)
Financial income - interest receivable		24	28
Financial expense - interest payable		(24)	(28)
Net financing costs		-	-
Total comprehensive (expenditure)/income for the year		(404)	(440)

All operations are continuing.

The notes on pages 75 to 98 form part of these financial statements.

Statement of Financial Position

As at 31 March 2020

	Note	2019/20 £000	2018/19 £000
Non-current assets			
Property, plant and equipment	6	8,453	9,086
Intangible assets	7	5,216	4,784
Trade and other receivables	10	220	262
Total non-current assets		13,889	14,132
Current assets			
Inventories	9	2,987	2,273
Trade and other receivables	10	13,114	12,990
Cash and cash equivalents	11	11,381	9,592
Total current assets		27,482	24,855
Total assets		41,371	38,987
Current liabilities			
Trade and other payables	12	(17,545)	(14,002)
Provisions	13	(432)	(392)
Total current liabilities		(17,977)	(14,394)
Total assets less current liabilities		23,394	24,593
Non-current liabilities			
Other payables	12	(7,818)	(9,237)
Provisions	13	(1,189)	(1,173)
Total non-current liabilities		(9,007)	(10,410)
Total assets less total liabilities		14,387	14,183
Taxpayers' equity and other reserves			
Income and expenditure reserve	14	(6,671)	(6,267)
Financing reserve	14	21,058	20,450
Total equity		14,387	14,183

The financial statements on pages 72 to 75 were approved by the CNPA Board on 30 June 2020 and signed on its behalf by:

Simon Chesterman

Chief Executive Officer and Chief Constable
2 July 2020

The notes on pages 75 to 98 form part of these financial statements.

Statement of Cash Flows

For the year ended 31 March 2020

	Note	2019/20 £000	2018/19 £000
Cash flows from operating activities			
Retained deficit for the year		(404)	(440)
Adjustments for:			
(Loss)/Profit on disposal of property, plant and equipment		(52)	13
Depreciation of property, plant and equipment	6	2,604	2,440
Amortisation of intangible assets	7	1,065	365
Release of capital grant		(3,315)	(2,624)
Impact of provisions	13	289	297
Operating cash flows before changes in working capital and provisions		187	51
(Increase)/decrease in trade and other receivables	10	(82)	430
Purchase of inventories	9	(1,838)	(1,589)
Increase/(decrease) in trade and other payables	12	2,124	(132)
Use of provisions	13	(233)	(209)
Adjustment for items not passing through Statement of Comprehensive Net Expenditure		1,054	827
Cash generated from operations		1,212	(622)
Interest received		24	28
Net cash inflow/(outflow) from operating activities		1,236	(594)
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,187)	(969)
Purchase of intangible assets		(1,909)	(3,434)
Net cash outflow from investing activities		(3,096)	(4,403)
Cash flows from financing activities			
Capital grant received		3,041	3,248
Grants from parent department		548	828
Other financing contributions		60	46
Net financing		3,649	4,122
Net increase/(decrease) in cash and cash equivalents in the period	11	1,789	(875)
Cash and cash equivalents at the beginning of the period	11	9,592	10,467
Cash and cash equivalents at the end of the period	11	11,381	9,592

The notes on pages 75 to 98 form part of these financial statements.

Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2020

	Note	Income and ex- penditure reserve £000	Financing reserve £000	Total £000
Balance at 31 March 2018		(5,827)	19,576	13,749
Changes in taxpayers' equity 2018/19	14			
Grant-in-aid received		-	828	828
Amounts payable to BEIS		-	46	46
Comprehensive expenditure for the year		(440)	-	(440)
Balance at 31 March 2019		(6,267)	20,450	14,183
Changes in taxpayers' equity 2019/20	14			
Grant-in-aid received			548	548
Amounts payable to BEIS			60	60
Comprehensive expenditure for the year		(404)		(404)
Balance at 31 March 2020		(6,671)	21,058	14,387

The notes on pages 75 to 98 form part of these financial statements.

Notes to the Accounts

1. Statement of Accounting Policies

The Civil Nuclear Police Authority (CNPA) is an executive non-departmental public body of the Department for Business, Energy and Industrial Strategy (BEIS) and is domiciled in the United Kingdom.

Statement of Compliance

These financial statements have been prepared in accordance with the 2019/20 Government Financial Reporting Manual (FRM) issued by HM Treasury. The accounting policies contained in the FRM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FRM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstance of the CNPA for the purpose of giving a true and fair view has been selected. The particular policies adopted by the CNPA are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1 Basis of Accounting

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

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

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

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

1.2 Changes in Accounting Policy and Disclosures

No new standards, amendments to standards and interpretations to IFRS's have been issued by the International Standards Board (IASB) with effective dates such that they fall to be applied by the CNPA.

1.3 Accounting standards issued, but not yet effective

Certain new standards, amendments to standards and interpretations that have been issued by the IASB are not yet effective for the year ended 31 March 2020 and have not been applied in preparing these financial statements. These are:

- IFRS 16 – Leases. This standard replaces IAS 17 Leases and will be adopted by the public sector in 2021/22. IFRS 16 represents a significant change in lease accounting by removing the distinction between operating leases (off-statement of financial position financing) and finance leases (on-statement of financial position financing) and introducing a single lessee accounting model. IFRS 16 requires the recognition of all leases with terms of over 12 months as finance leases. This will result in the recognition of a right-of-use asset, measured at the present value of future lease payments, and a matching liability in the Statement of Financial Position (SoFP). Disclosure of operating leases is included in note 16.
- IFRS 17 – Insurance Contracts. This standard establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard, with the objective of ensuring the entity provides relevant information that faithfully represents those contracts. It provides a basis for users of the financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows. This standard is unlikely to be adopted before 2020/23 and the CNPA does not anticipate that the adoption of this standard and interpretations in future periods will have a material impact on its results, financial position or disclosures.

1.4 Property, Plant and Equipment

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

Similar items with an individual cost below £2,000 are treated as pooled items and are recognised at their combined pooled value if this exceeds £2,000. Where an asset pool is maintained, replacements of individual assets are charged to the Statement of Comprehensive Net Expenditure in the year of replacement. Major additions and enhancements to the asset pool are capitalised as assets.

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

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

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

1.5 Intangible Assets

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

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

Software licences	Life of licence
Information technology	Up to 5 years

1.6 Impairment of Assets

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

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

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

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

1.7 Income Recognition

Income from contracts with customers are allocated to individual promises, or performance obligations, on a stand-alone transaction price basis. Income is recognised in the Statement of Comprehensive Net Expenditure when the related performance obligation is satisfied, either over time or at a point in time and it is probable that the CNPA will collect the consideration due. The measurement of income takes account of significant variable consideration and excludes Value Added Tax.

The ordinary activities of the CNPA is the provision of services provided by the Constabulary for the protection of licenced nuclear sites and safeguarding nuclear materials in Great Britain and elsewhere.

The CNPA also engages in other activities relating to this, including the provision of training for firearm officers and the secondment of officers to other forces.

1.8 Taxation

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

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

1.9 Employee Benefits

Staff costs

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

Pension costs

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

1.10 Provisions and Contingent Liabilities

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

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

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

1.11 Grant-in-Aid

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

1.12 Capital Grants

Funding for the purchase of property, plant and equipment is credited to deferred income and released to the Statement of Comprehensive Net Expenditure over the expected useful economic lives of the assets in amounts equal to the depreciation charge.

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

1.13 Operating Leases

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

1.14 Foreign Currencies

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

1.15 Inventories

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

1.16 Financial Instruments

In considering IFRS 9 we have determined that there is no material impact on the classification or measurement of the CNPA's financial instruments. The CNPA has very low credit risk for the reasons set out in note 8, there is no expected credit loss to recognise as at 31 March 2020.

Cash and cash equivalents

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

Trade and other receivables

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

Trade and other payables

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

Financial income and financial expense

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

1.17 Segment Reporting

Operating segments are identified on the basis of internal reports about components of the CNPA that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The CNPA has two reportable segments: Operational Policing Units (OPU) and Escorted Movements. Operational Policing Units provide an armed response at civil nuclear licenced sites. The financial performance of these units has been combined as it meets the aggregation criteria set out in IFRS 8. Escorted Movements provides armed escorts for movements of nuclear materials within the UK and abroad.

1.18 Joint Arrangements

The CNPA participates in a joint arrangement where it exercises joint control of an arrangement with one or more parties. The CNPA recognises its share of the arrangement's assets, liabilities, income and expenses where the joint arrangement is a joint operation.

2. Segment Information

The CNPA has two reportable segments: Operational Policing Units and Escorted Movements. Financial performance of all non-operating segments has been grouped under the heading Corporate Departments. This information is included to reconcile the financial performance of the operating segments.

2019/20	Operational Policing Units	Escorted Movements	Corporate Departments	Total
	£000	£000	£000	£000
Income	107,065	8,228	981	116,274
Expenditure				
Staff costs	(57,442)	(3,505)	(24,646)	(85,593)
Other expenditure	(3,424)	(837)	(22,918)	(27,179)
Depreciation and amortisation	(628)	(153)	(2,888)	(3,669)
Movement in provisions	-	-	(289)	(289)
Operating surplus/(deficit)	45,571	3,733	(49,760)	(456)
Profit/(loss) on disposal of property, plant and equipment	20	-	32	52
Surplus/(deficit) on ordinary activities before financing costs	45,591	3,733	(49,728)	(404)
Finance income - interest receivable	-	-	24	24
Finance charges - interest payable	-	-	(24)	(24)
Retained surplus/(deficit) for the year	45,591	3,733	(49,728)	(404)
Assets and liabilities				
Segment assets	15,719	1,193	24,459	41,371
Segment liabilities	(2,525)	(188)	(24,271)	(26,984)
Net (liabilities)/assets	13,194	1,005	188	14,387
Taxpayers' equity				
Income and expenditure reserve	-	-	(6,671)	(6,671)
Financing reserve	-	-	21,058	21,058
Taxpayers' equity	-	-	14,387	14,387

2018/19	Operational Policing Units	Escorted Movements	Corporate Departments	Total
	£000	£000	£000	£000
Income	103,651	8,493	733	112,877
Expenditure				
Staff costs	(54,678)	(4,032)	(26,399)	(85,109)
Other expenditure	(3,537)	(996)	(20,560)	(25,093)
Depreciation and amortisation	(612)	(192)	(2,001)	(2,805)
Movement in provisions	-	-	(297)	(297)
Operating surplus/(deficit)	44,824	3,273	(48,524)	(427)
Profit/(loss) on disposal of property, plant and equipment	35	-	(48)	(13)
Surplus/(deficit) on ordinary activities before financing costs	44,859	3,273	(48,572)	(440)
Finance income – interest receivable	-	-	28	28
Finance charges – interest payable	-	-	(28)	(28)
Retained surplus/(deficit) for the year	44,859	3,273	(48,572)	(440)
Assets and liabilities				
Segment assets	16,851	1,095	21,041	38,987
Segment liabilities	(2,850)	(319)	(21,635)	(24,804)
Net (liabilities)/assets	14,001	776	(594)	14,183
Taxpayers' equity				
Income and expenditure reserve	-	-	(6,267)	(6,267)
Financing reserve	-	-	20,450	20,450
Taxpayers' equity	-	-	14,183	14,183

Geographical areas

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

Major customers

The CNPA is reliant on income from a small number of Site Licence Companies (SLCs) for a significant proportion of its income. Transactions with three SLCs (2018/19: three SLCs) each amounted to 10 per cent or more of the CNPA's total income. This income is reported within the OPU's operating segment. A breakdown of income by major customer is provided below:

	2019/20		2018/19	
	£000	%	£000	%
SLC 1	44,692	38	40,551	36
SLC 2	42,552	37	42,391	38
SLC 3	13,868	12	13,883	12
Others	15,162	13	16,052	14
Total	116,274	100	112,877	100

3. Income

The CNPA is required to recover its full operating costs each year. Income of £116,274,000 for the year to 31 March 2020 (2018/19: £112,877,000) represents a recharge of running costs to the SLCs of £111,467,000 (2018/19: £108,700,000), release of deferred capital income of £3,315,000 (2018/19: £2,624,000) and miscellaneous income of £1,492,000 (2018/19: £1,553,000). All activities are regarded as continuing.

Recharge of running costs to SLCs which includes for services provided at licenced nuclear sites and escorted movements as well as the release of deferred capital grant are relevant to IFRS 15. There are no legal contracts in place but there is deemed to be a contract through the Energy Act 2004 in accordance with the FReM adaptation of IFRS 15 that the definition of a contract is expanded to include legislation and regulation enabling an entity to receive income. The contract is deemed to include conditions agreed at relevant Police Authority meetings and as the conditions in the Site Policing Plan. The performance obligation is the requirement to comply with the Site Policing Plans to deliver a continual police service and so recognised over time. From time to time additional services are agreed between the Constabulary and the SLC, these additional services are highly interrelated with the delivery of the primary service and so do not qualify as distinct performance obligations. The transaction price charged is based on the direct cost of providing the service to the specific site plus an allocation of overhead costs based on the agreed policing apportionment. The payment terms are that invoices should be paid within 15 days. Contracts do not have a significant financing component.

Miscellaneous income mainly comprises revenue generated from secondment income and for the provision of training. The income from secondments is recognised over time and charged at cost. The provision of training is charged at a stand-alone transaction price based on estimated costs and recognised at the point in time the service is considered to have been delivered. Miscellaneous income is covered by commercial contracts.

The CNPA does not consider any of these charges as irrecoverable so no such provision is held.

4. Pension Costs

All employees of the CNPA are eligible to be members of the CPS of the United Kingdom Atomic Energy Authority (UKAEA) for the year ended 31 March 2020. The CPS is a contributory unfunded statutory defined benefit public service pension scheme.

The scheme is managed and administered by UKAEA with the approval of BEIS. Contributions made to the scheme are used to meet the payment of scheme benefits. Any surplus of contributions over payments is surrendered to HM Government via the Consolidated Fund. Any deficit is met by parliamentary vote with payment from the Consolidated Fund. The Government does not maintain a separate fund to provide for the scheme's future liabilities and future benefits will be paid out of the Consolidated Fund to the extent that, at the time of payment, benefits exceed contributions and parliament votes the necessary funds.

The employer contribution was established at 19.3 per cent of pensionable earnings from 1 April 2017 following a review of contribution rates by the Government Actuary's Department. This rate is expected to continue throughout the 2020/21 scheme year.

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

5. Expenditure

	Notes	2019/20 £000	2018/19 £000
Staff costs			
Wages and salaries		67,416	66,735
Social security costs		7,909	7,859
Other pension costs		10,268	10,515
Total staff costs		85,593	85,109
Goods and services			
Information technology and communications		6,513	6,173
Hotels, subsistence and catering costs		3,839	4,130
Accommodation costs		3,453	2,552
Professional services and legal fees		3,272	2,216
Specialist equipment and maintenance		2,685	2,814
Transport related costs		2,295	2,855
People services		2,011	1,368
Joint operation for back office services	19	1,159	1,133
Insurance		817	756
Rentals under operating leases - buildings		549	525
Office supplies and services		223	133
Auditor remuneration		57	48
Other supplies and services		282	185
Total goods and services purchased		27,155	24,888
Non-cash items			
Depreciation of property, plant and equipment	6	2,604	2,440
Amortisation of intangible assets	7	1,065	365
Loss on disposal of inventory		-	186
Cost of capital charges		24	19
Movement in provisions	13	286	294
Unwinding of discount on provisions	13	3	3
Total non-cash items		3,982	3,307
Total other expenditure		31,137	28,195
		116,730	113,304

More information on staff costs can be found in the Staff Report on pages 58 to 66

6. Property, Plant and Equipment

	Transport equipment	Plant and machinery	Furniture and fittings	Information technology	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
At 1 April 2019	5,529	6,083	726	5,972	1,402	19,712
Additions	124	2	69	455	1,366	2,016
Disposals	(314)	(93)	(60)	(10)	-	(477)
Reclassifications	28	344	108	139	(639)	(20)
At 31 March 2020	5,367	6,336	843	6,556	2,129	21,231
Depreciation						
At 1 April 2019	3,563	3,643	480	2,940	-	10,626
Charged in year	500	556	57	1,491	-	2,604
Disposals	(294)	(88)	(60)	(10)	-	(452)
Reclassifications	14	(73)	59	-	-	-
At 31 March 2020	3,783	4,038	536	4,421	-	12,778
Net book value at 31 March 2020	1,584	2,298	307	2,135	2,129	8,453
Asset financing						
Owned	1,584	2,298	307	2,135	2,129	8,453
Net book value at 31 March 2020	1,584	2,298	307	2,135	2,129	8,453

	Transport equipment	Plant and machinery	Furniture and fittings	Information technology	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
At 1 April 2018	5,461	5,504	786	5,645	3,289	20,685
Additions	41	204	14	21	979	1,259
Disposals	(311)	(269)	(92)	(1,695)	-	(2,367)
Reclassifications	338	644	18	2,001	(2,866)	135
At 31 March 2019	5,529	6,083	726	5,972	1,402	19,712
Depreciation						
At 1 April 2018	3,327	3,359	514	3,311	-	10,511
Charged in year	544	544	54	1,298	-	2,440
Disposals	(308)	(260)	(88)	(1,669)	-	(2,325)
At 31 March 2019	3,563	3,643	480	2,940	-	10,626
Net book value at 31 March 2019	1,966	2,440	246	3,032	1,402	9,086
Asset financing						
Owned	1,966	2,440	246	3,032	1,402	9,086
Net book value at 31 March 2019	1,966	2,440	246	3,032	1,402	9,086

Payments on account and assets under construction represent assets that are incomplete or not yet in productive use by the CNPA. At 31 March 2020 this related to £1,340,000 for vehicles (2018/19: £622,000), £434,000 for information technology (2018/19: £322,000), £335,000 for plant and equipment (2018/19: £424,000) and £20,000 (2018/19: £34,000) for fixtures and fittings.

Depreciation charge

The depreciation charge is recognised in other expenditure in the Statement of Comprehensive Net Expenditure.

7. Intangible Assets

	Software licences £000	Information Technology £000	Payments on account and assets under construction £000	Total £000
Cost or valuation				
At 1 April 2019	2,089	352	3,739	6,180
Additions	-	66	1,411	1,477
Disposals	(29)	-	-	(29)
Reclassifications	-	3,680	(3,660)	20
At 31 March 2020	2,060	4,098	1,490	7,648
Amortisation				
At 1 April 2019	1,158	238	-	1,396
Charged in year	345	720	-	1,065
Disposals	(29)	-	-	(29)
At 31 March 2020	1,474	958	-	2,432
Net book value at 31 March 2020	586	3,140	1,490	5,216
Asset financing				
Owned	586	3,140	1,490	5,216
Net book value at 31 March 2020	586	3,140	1,490	5,216

	Software licences £000	Information Technology £000	Payments on account and assets under construction £000	Total £000
Cost or valuation				
At 1 April 2018	1,922	315	1,618	3,855
Additions	31	37	3,102	3,170
Disposals	(710)	-	-	(710)
Reclassifications	846	-	(981)	(135)
At 31 March 2019	2,089	352	3,739	6,180
Amortisation				
At 1 April 2018	1,518	197	-	1,715
Charged in year	324	41	-	365
Disposals	(684)	-	-	(684)
At 31 March 2019	1,158	238	-	1,396
Net book value at 31 March 2019	931	114	3,739	4,784
Asset financing				
Owned	931	114	3,739	4,784
Net book value at 31 March 2019	931	114	3,739	4,784

Payments on account and assets under construction represent assets that are incomplete or not yet in productive use by the CNPA. At 31 March 2020 this related to information technology intangibles including £918,000 for improvements to the new Oracle Cloud business management system which is being implemented as part of our Shared Service provision with MFSS and went live in April 2019 (2018/19: £3,439,000), £548,000 for a new operational communication system (2018/19: £290,000).

Amortisation Charge

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

8. Financial Instruments

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

- Credit risk
- Liquidity risk
- Market risk

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

Credit risk

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

Exposure to credit risk

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

Loans and other receivables	2019/20	2018/19
	£000	£000
Total receivables (excluding pre-payments)	13,010	12,933
Cash and cash equivalents	11,381	9,592
	24,391	22,525

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

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

	2019/20	2018/19
	£000	£000
Not past due	12,972	12,907
Past due less than 1 month	32	26
Between 1 and 2 months	5	-
Over 2 months overdue	1	-
	13,010	12,933

No receivables balances were considered impaired at the end of the reporting period (2018/19: £nil). There are no receivables that would otherwise be past due or impaired whose terms have been renegotiated (2018/19: £nil).

Liquidity risk

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

At 31 March 2020	Within 1 month	Between 1 and 3 months	Between 3 and 12 months	Total contractual maturity
	£000	£000	£000	£000
Trade payables	1,475			1,475
Accrued expenses		9,198		9,198
Other payables	82			82
	1,557	9,198	-	10,755

At 31 March 2019	Within 1 month	Between 1 and 3 months	Between 3 and 12 months	Total contractual maturity
	£000	£000	£000	£000
Trade payables	447	-	-	447
Accrued expenses	-	7,730	-	7,730
Other payables	64	-	-	64
	511	7,730	-	8,241

The former Department of Trade and Industry provided working capital of £6 million when the CNPA was established. This was used to fund timing differences between receipts from customers and payments to creditors.

Market risk

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

Currency risk

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

Interest rate risk

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

Other price risk

The CNPA had no significant other price risk.

Estimation of Fair Values

Trade receivables, accrued income and other receivables/payables and accrued expenses

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

Early departure receivables

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

Cash at bank and in hand

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

9. Inventories

	2019/20	2018/19
	£000	£000
Balance at 1 April	2,273	2,134
Purchases	1,838	1,589
Used and recognised as an expense	(1,124)	(1,264)
Write off of obsolete, slow moving or defective items of inventory	-	(186)
Balance at 31 March	2,987	2,273

10. Trade Receivables and Other Assets

	2019/20	2018/19
	£000	£000
Amounts falling due within one year:		
Pre-payments and accrued income	11,639	11,498
Other receivables	1,349	1,204
Trade receivables	46	123
Early departure receivables due from pension scheme	80	165
	13,114	12,990
Amounts falling due after more than one year:		
Early departure receivables due from pension scheme	220	237
Other receivables	-	25
	220	262

11. Cash and Cash Equivalents

	2019/20	2018/19
	£000	£000
Balance at 1 April	9,592	10,467
Net change in cash and cash equivalent balances	1,789	(875)
Balance at 31 March	11,381	9,592
The following balances at 31 March were held at:	2019/20	2018/19
	£000	£000
Commercial bank	11,381	9,592
	11,381	9,592

12. Trade Payables and Other Current Liabilities

	2019/20	2018/19
	£000	£000
Amounts falling due within one year		
Accrued expenses	9,198	7,730
Deferred income	3,502	2,718
Other taxation and social security	2,056	1,804
Trade payables	1,475	447
Pension payables	1,232	1,239
Other payables	82	64
	17,545	14,002
Amounts falling due after more than one year:		
Deferred income	7,818	9,237
	7,818	9,237

13. Provisions for Liabilities and Charges

	Legal £000	Dilapidations £000	Early departure costs £000	Total £000
At 1 April 2018	88	246	1,143	1,477
Provided in the year	146	76	64	286
Provisions utilised in the year	-	-	(209)	(209)
Provisions not required written back	(2)	-	-	(2)
Change in discount rate	-	-	10	10
Unwinding of discount	-	-	3	3
At 31 March 2019	232	322	1,011	1,565
Provided in the year	168	-	136	304
Provisions utilised in the year	(52)	-	(181)	(233)
Provisions not required written back	(47)	-	-	(47)
Change in discount rate	-	-	29	29
Unwinding of discount	-	-	3	3
At 31 March 2020	301	322	998	1,621
Expected timings of cash flows				
Within one year	301	-	131	432
Between two and five years	-	-	230	230
After five years	-	322	637	959
	301	322	998	1,621

Legal

Of the 27 claims open at 1 April 2019, the provision is unchanged for 11, two have been increased and two decreased during the reporting period. Further provision has been made for nine additional claims with 12 claims being either utilised or written back unused.

Dilapidations

The CNPA is legally obliged to restore the properties it occupies under lease to their original condition at the end of the lease term. Significant alterations have been made to offices leased at Constabulary headquarters in Culham. The cost of restoring the property has been estimated and includes VAT. This provision is expected to be used on expiry of the lease term.

Early departure costs

This provision has been made to cover pension payments to former employees who have retired early. Payments are made to the date on which the employee reaches normal retirement age of 60, after which the employee's pension costs will be borne by the pension scheme. Payments are made to the pension scheme after age 60 for an average of 22 years to cover the unenhanced elements of these pensions. Pension payments have been indexed in line with rules set out by the Official Committee on Occupational Pensions; that is pension payments are indexed annually in line with the Consumer Prices Index (CPI) to the previous September. Forecast CPI has been taken from the Budget Report published in March 2020 by HM Treasury. Pension payments to age 60 have been discounted using discount rates based on the prevailing CPI and real discount rate of -0.50 per cent. Payments after age 60 are discounted using the real discount rate of -0.50 per cent.

14. Taxpayers' Equity

Reconciliation of movement in taxpayers' equity

	Income and expenditure reserve £000	Financing reserve £000	Total £000
At 1 April 2018	(5,827)	19,576	13,749
Grant-in-aid received		828	828
Other financing contributions		46	46
Comprehensive expenditure for the year	(440)		(440)
At 1 April 2019	(6,267)	20,450	14,183
Grant-in-aid received		548	548
Other financing contributions		60	60
Comprehensive expenditure for the year	(404)		(404)
At 31 March 2020	(6,671)	21,058	14,387

Income and expenditure reserve

The income and expenditure reserve shows accumulated surpluses and deficits. The CNPA is required to recover its full operating costs each year through charges to customers to whom it provides a service. The deficit of £6,671,000 (2018/19: £6,267,000) is due to the provision of early departure costs for non-AFOs and police staff following withdrawal from Springfields, Capenhurst, Chapelcross and Wylfa sites and for other staff exit payments. These costs are not considered operating costs and cannot be recharged to the CNPA's customers. They are met in full by BEIS, through grant-in-aid funding, as and when they fall due for payment and are recognised by the CNPA on a cash basis in the year in which the payment is received. This is due to the balance in this account being partially already met by grant-in-aid funding and partially still in provisions to be funded as the provision is released.

Financing reserve

The finance reserve relates to grant-in-aid provided by the CNPA's sponsoring department. It is credited to the financing reserve, as it is regarded as a contribution from a controlling party giving rise to a financial interest in the residual interest of the CNPA. Other financing contributions comprised £35,000 (2018/19: £27,000) of interest earned and £25,000 (2018/19: £19,000) from charges made to operating companies to finance purchases of property, plant and equipment. Other financing contributions are payable to BEIS and, by agreement with BEIS included within financing.

15. Capital Commitments

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

	2019/20	2018/19
	£000	£000
Property, plant and equipment	68	52
Intangible assets	275	1,033
	343	1,085

16. Commitments Under Operating Leases

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

Office accommodation	15 years
Office equipment	3 - 4 years

During the year to 31 March 2020, £549,000 (2018/19: £525,000) was recognised as an expense in respect of operating leases in the Statement of Comprehensive Net Expenditure.

Total future minimum lease payments under non-cancellable operating leases are set out below:

	2019/20	2018/19
	£000	£000
Leasehold properties		
Less than one year	516	525
Between one and five years	286	705
	802	1,230

17. Contingent Liabilities

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

18. Joint Operation

The CNPA has entered into a collaboration agreement with a number of police forces for the provision of back office services provided by the Multi Force Shared Service (MFSS). The CNPA considers that with the partner forces it exercises joint control over the MFSS through its membership and participation of the MFSS Joint Committee and the MFSS Management Board. The MFSS Joint Committee is the oversight and decision-making body of the MFSS. The MFSS Management Board is the decision-making body providing management and direction to the operational MFSS.

The MFSS collaboration agreement gives the CNPA a right to the share of assets and obligations for its liabilities and for meeting an agreed proportion of the MFSS's costs based on its share of MFSS's total users.

There are no reportable assets or liabilities relating to the MFSS as at 31 March 2020. The MFSS only provides services to those organisations who are parties to the MFSS therefore there is no reportable income. The cost to the CNPA of participating in the MFSS is reported in note 5 to these accounts.

The current contractual relationships with key suppliers to the MFSS are due to cease in 2022. The partner forces are currently working jointly together to explore options for what could replace these arrangements after this time.

19. Related-Party Transactions

The CNPA is an executive non-departmental public body of BEIS. BEIS is regarded as a related party. During the year, the CNPA has had various material transactions with BEIS and with the following organisations for which BEIS is regarded as the parent:

- United Kingdom Atomic Energy Authority (UKAEA) – Estates and facilities provision
- The CNPA has had material transactions with the UKAEA Pension Scheme. The UKAEA Pension Scheme is regarded as a related party. Information on the transactions undertaken is given in note 4 to the accounts and in the staff costs disclosure of the Remuneration and Staff Costs section to this annual report and accounts

The CNPA has had material transactions with the following organisations that are subsidiaries of the Nuclear Decommissioning Authority, which is part of the BEIS Departmental Group accounts boundary and are considered related parties:

- International Nuclear Services Ltd
- Sellafield Limited
- Magnox Limited

The CNPA has had material transactions with the following organisations that are private companies that operate nuclear sites on behalf of, and under contract to, the Nuclear Decommissioning Authority. These organisations fall within the BEIS Departmental Group accounts boundary and are considered related parties:

- Dounreay Site Restoration Limited

The CNPA has had a small number of material transactions with other government departments and other central government bodies. These transactions have been with:

- Home Office
- Office for Nuclear Regulation
- Mayor's Office for Police and Crime and Metropolitan Police Commissioner

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

20. Events After the Reporting Period

CNPA has signed a 25-year lease to take control of a significant new firearms training centre from 1 July 2020. The landlord is the NDA and CNPA will only be paying an annual peppercorn rent for the facility. The lease comes with a repairing liability, provision for this will need to be factored into future financial plans. All revenue running costs will become the responsibility of the CNPA, however provision for these costs has already been included within the 2020/21 budgets. CNPA will consider the implications of IFRS 16 during the 2020/21 financial year prior to implementation of this new standard for 2021/22.

There are no other reportable events after the reporting period. These accounts were authorised for issue by the Accounting Officer on 8 July 2020, the date that the accounts were certified by the Comptroller and Auditor General.

21. Accounts Direction

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

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