



Civil Nuclear Police Authority

Annual Report & Accounts 2012/13

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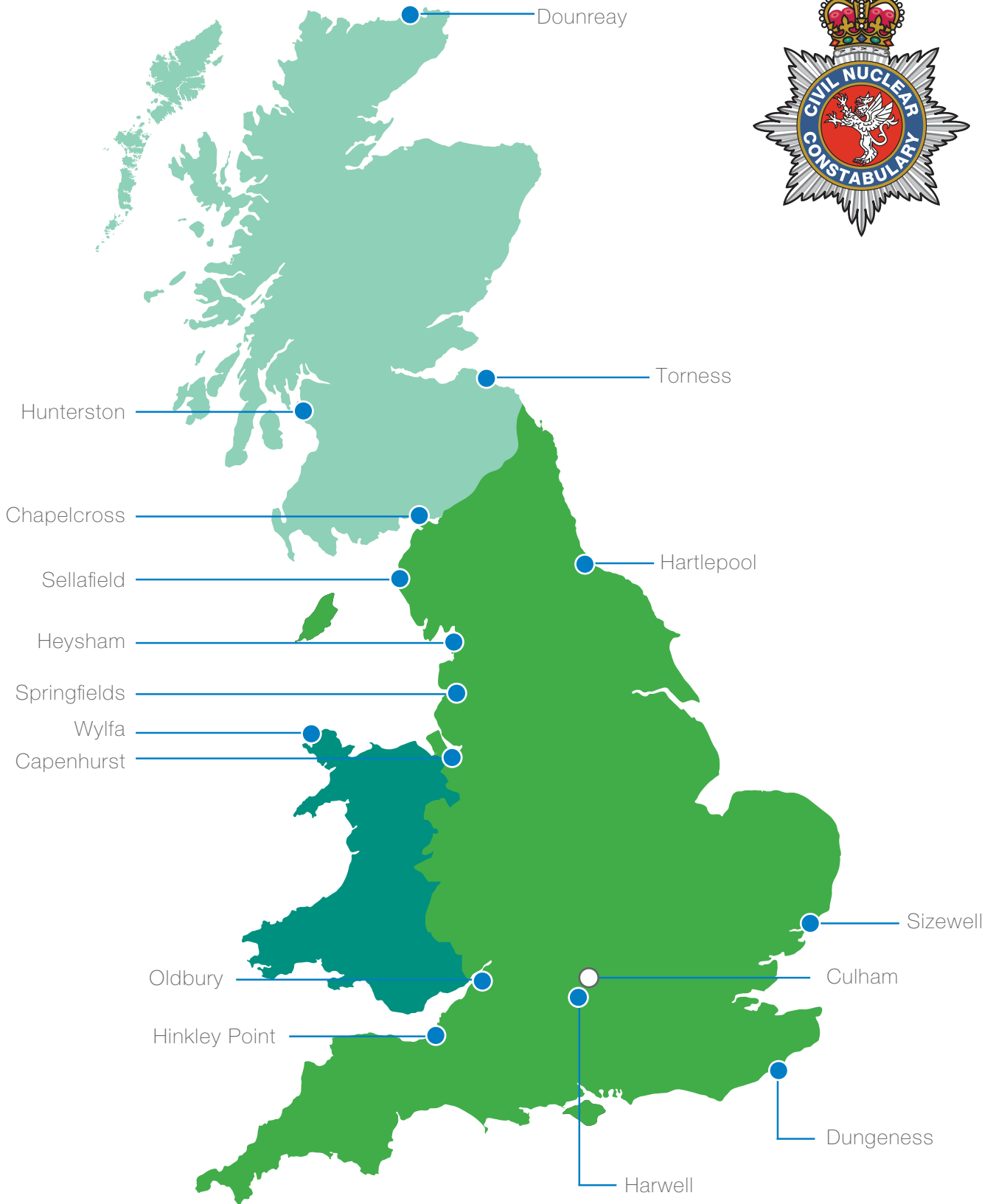
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Contents

1. Chairman and Chief Constable's Statement	7
2. About Us	8
3. Ambition, Mission and Credo	10
4. Strategic Objectives	10
5. Performance Highlights	11
6. Summary of Performance	12
7. Sustainability Report	22
8. Management Commentary	25
9. Remuneration Report	29
10. Statement of Civil Nuclear Police Authority's and Accounting Officer's Responsibilities	33
11. CNPA Governance Statement	34
12. Audit Certificate	37
13. Financial Statements 2012/13	38
14. Glossary	62



- Civil Nuclear Police Authority, Constabulary Headquarters and Centre for Learning & Development
- Operational Policing Units

1. Chairman And Chief Constable's Statement

If anything the pace of change within the Civil Nuclear Constabulary (CNC) has increased since last year as we continue to move to an all armed response (authorised firearms officer) force.

New Dawn and the Strategic Improvement Programme set the agenda but detailed delivery has now begun in earnest. Our concept of operations and the training required to deliver on our Mission has required commitment from all our officers and staff, recognition and support from Government; and, across the industry, that change is necessary and achievable. Considerable resources have been allocated to make it happen. In doing this the Civil Nuclear Police Authority (CNPA) and CNC have confirmed their significance at a time of great change. However, there is much still to do to embed the changes into the organisation's DNA, to sustain the raised levels of firearms training and competence in our primary role of armed response and to ensure that we retain the confidence of our security partners.

Uplift and cessation of policing have driven much of the operational work of the CNC, impacting across all sites. During late 2012, the decision was taken to cease armed policing at Capenhurst, Springfields, Chapelcross and Oldbury.

Whilst the final decision on these sites was long expected, the reality of what it means has directly impacted on many of our officers and staff. The Board appreciates the manner in which those affected have handled this very difficult time. The uplift programme continues to deliver increased numbers of officers at Sellafield and Dounreay and this expansion now continues onto all other sites at which we are deployed. Engagement at all levels with the Site Licensing Companies (SLCs) will produce the right security and infrastructure solutions for all concerned. Our new officers have joined at a time of great change and it is likely that this will continue for the next few years.

The implementation of NORMS (the National Objectives, Requirements and Model Standards) in 2012 has also led to considerable change in the way in which the SLCs and the CNC operate together to produce the security solutions for each site. Partnership requires the CNPA and CNC to become security experts with a broader understanding of the environment in which we work. Alongside our improved capabilities and increased numbers, we must develop and refine these competencies throughout our structures. This relevance

within the nuclear security sector was reinforced during further work with our colleagues in the Ministry of Defence Police – with whom we have now established a strategic alliance to seek best practice and areas of collaboration to enhance security in this challenging arena.

Change on this scale needs to be carefully managed and the robustness of the CNPA Board structure has proved its worth over the last year. Joint decisions, authority and executive, linking the strategic plan to careful resource allocation with the right level of governance has enabled the organisation to respond effectively to a very dynamic situation. The critical work of those responsible for assuring that the considerable financial allocation is spent appropriately and on time has been important in managing all that we do.

The success of this last year would not have been possible without the hard work of so many within the CNPA and CNC to grow by almost a third within two years to completely overhaul an operational and training regime; and to maintain a credible operationally focused organisation has taken great commitment. We are grateful to all the officers and staff for this tremendous achievement. The direction of travel is now firmly set.

Sir Philip Trousdell

Chairman

Mike Griffiths

Chief Executive Officer and Chief Constable

2. About Us

This document, published in accordance with the requirements of the Energy Act 2004, constitutes the Civil Nuclear Police Authority's (CNPA) report and accounts for the financial year to 31 March 2013.

The CNPA, for which Ministers of the Department of Energy and Climate Change (DECC) are responsible, is a body corporate established by the Energy Act 2004 and classified as an executive departmental public body.

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

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

Governance

The CNPA's governance framework is designed to achieve two objectives; first, to enable the CNPA as effectively and efficiently as possible to discharge its statutory responsibilities, achieve its Strategic Objectives, manage its business, and secure the maintenance of an efficient and effective CNC; and second, to enable the CNPA to operate as far as possible on lines similar to those of other executive non-departmental public bodies (NDPBs).

An essential component in this framework is the CNPA Board, to which the CNPA delegates the bulk of its business and management responsibilities. The CNPA Board consists of a Non-Executive Chairman, seven non-executive directors and the CNC's Executive Team. Members of the CNPA in their

role as non-executive members of the CNPA Board provide constructive challenge and support to the Executive Team and, in particular, to the Chief Executive Officer / Chief Constable in his role as Accounting Officer. The CNPA Board monitors and scrutinises the performance of the CNC and of the Executive Team in delivering the Strategic Objectives and holds the Executive Team to account for the governance and posture of the CNC.

Some functions are reserved uniquely to the CNPA. Its governance framework enables the effective discharge of these reserved responsibilities. The day-to-day scrutiny of the CNPA's responsibilities as set out in the Energy Act (2004) is governed by a framework document agreed between DECC and the CNPA.

CNPA Board

The CNPA Board is (as explained above) responsible for the majority of the CNPA's business and management outputs, including:

- Setting the strategic, policy, resource and performance management framework for the CNC
- Monitoring the overall performance of the CNC against the agreed strategies and agreeing remedial action as necessary
- Discharging the financial duties laid down by the Secretary of State and in the Energy Act 2004
- Approving arrangements for the governance, administration and conditions of service of the CNC
- Determining the overall culture and values of the CNPA, and the behaviours and standards required of its Members and employees
- Ensuring wide stakeholder engagement in the work of the CNPA, and the effective management of relationships with key strategic stakeholders and the public
- Ensuring that the CNPA remains compliant with all applicable legislation

THE BOARD CURRENTLY COMPRISES:

- Lt Gen (Retd) Sir Philip Trousdell KBE CB, Chairman and Independent Member
- Mike Griffiths CBE, Chief Executive Officer and Chief Constable
- Ian Abbott OBE, Industry Representative Member
- Stephen Barrett, Independent Member
- George Beveridge, Industry Representative Member
- Alistair Cook, Director of Business Transformation
- Alan Cooper, Assistant Chief Constable
- Roger Hardy, Industry Representative Member
- Paul Kernaghan CBE QPM, Independent and Policing Advisor Member
- Justin Rees, Director of Corporate Services (and Finance Director)
- John Sampson, Deputy Chief Constable
- Matt Sykes, Industry Representative Member
- Rob Wright, Independent Member and Chairman of the Audit, Risk and Governance Committee

A complete list of CNPA Board members who served during the year is provided, together with their terms of appointment and service contracts, on page 31 of the Remuneration Report.

Principal Committees

Audit, Risk and Governance Committee

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

SENIOR APPOINTMENTS COMMITTEE

The Senior Appointments Committee has responsibility for the appointment and conditions of service of members of the Executive Team and of the Head of Executive Office and Legal Services.

EXECUTIVE BOARD

The Executive Board delivers all aspects of both the business plan and the operational output. It implements the strategic discussions of the CNPA Board to which it is responsible.

EXECUTIVE TEAM

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

- Mike Griffiths CBE, Chief Executive Officer and Chief Constable;
- John Sampson, Deputy Chief Constable;
- Alan Cooper, Assistant Chief Constable;
- Justin Rees, Director of Corporate Services; and
- Alistair Cook, Director of Business Transformation.

Operational and Regulatory Context

As previously indicated, the CNC's primary function is the protection of licensed nuclear sites not used wholly or mainly for defence purposes and the safeguarding of nuclear material in the UK and elsewhere.

In discharging this function, the CNC works closely with the Office for Nuclear Regulation (Civil Nuclear Security) (ONR(CNS)) which, in a regulatory capacity, has delegated authority from the Secretary of State to direct certain security-related activities of the CNPA, and thus of the CNC. Armed response services required at each licensed nuclear site are agreed with site operators in accordance with the Nuclear Industries Security Regulations (NISR) 2003 and ratified by ONR(CNS). To comply with the NISR, armed response services are required at most licensed nuclear sites in the UK. The majority of officers in the CNC are Authorised Firearms Officers.

The unique nature of its operational role, combined with its focus on countering threats from terrorists, clearly differentiates the CNC from Home Office/Scottish police forces.

The CNC is recognised by the Association of Chief Police Officers of England, Wales and Northern Ireland (ACPO) and

the Association of Chief Police Officers in Scotland. Through the National Co-ordinated Policing Protocol, the CNC has, at all fifteen of its Operational Policing Units (OPUs), established memoranda of understanding with the relevant local police forces. The mutual support and assistance afforded by these arrangements enable the CNC to maintain focus on its core role of armed response.

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

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



3. Ambition Mission and Credo

Deter Defend Deny Recover

This year, the CNPA Board decided to modify the Ambition and Mission of the CNC in order to better reflect the progress the organisation has made in recent years.

Ambition

To be recognised as the leading UK authority on the armed protection of civil nuclear facilities and material in transit.

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.

If an attack occurs CNC will defend that material and deny access to it. If material is seized or high consequence facilities are compromised the CNC will recover control of the facility and regain custody of the material.

Credo

We are proud to be part of the security structure which defends the nation.

We deliver to our mission by being recruited, trained, deployed

and developed to the required national and international standards. We are capable of carrying out our duties in a flexible and dynamic way, instilling in ourselves a clear sense of purpose. If we use force we do so in a manner proportionate to the threat, recognising and upholding the principles enshrined in the European Convention on Human Rights. We, as officers, exemplify in our duties the attestation made on our first day of service:

“I do solemnly and sincerely declare and affirm that I will well and truly serve the Queen in the office of constable, with fairness, integrity, diligence and impartiality... according equal respect to all people.”

As members of staff we share those ideals; all of us whatever our role recognising that it is only by acting together that the mission can be achieved.

We have the courage not only to deliver to the mission but also to challenge ourselves constantly to improve and develop. We are selfless in our pursuit of the national interest, giving our fellow citizens confidence that civil nuclear material is safe from the terrorist threat.

4. Strategic Objectives

Each year, Strategic Objectives are set by the CNPA Board for the CNC which concentrate on various elements of the organisation's responsibilities. The eight objectives set for 2012/13 can be found below:

SO1 – To work with site operators to deliver our Mission, continually improving our capability to deliver appropriate levels of security at nuclear sites as a contribution to the overall security of the United Kingdom.

SO2 – To strengthen our capability to work interoperably with other agencies to deliver the security of nuclear material under UK civil control, including support to the resolution of a safety incident.

SO3 – To deepen the integration of our training, exercising and career development programmes and embed them fully in our day-to-day operations so as to produce a highly skilled, well led and motivated, adaptable and effective workforce.

SO4 – To develop our leadership, command, organisational and communication capabilities in such a way as to strengthen the engagement of all staff in the achievement of our Mission and to empower decision making in all circumstances at the most appropriate level.

SO5 – To strengthen our strategic capability so as to ensure we have an organisation which adapts rapidly to changes in the level and nature of the security threat, which can exploit new and emerging developments in technology, and which is ready to adapt to expected changes in the UK nuclear industry.

SO6 – To work with site operators to integrate the delivery of safety and security practices into jointly reviewed, exercised and continuously improved arrangements.

SO7 – To maximise the effectiveness and efficiency with which we use all the resources at our disposal, delivering value for money and high quality services to our stakeholders.

SO8 – Through effective and timely engagement with all our stakeholders, to enhance the reputation of the CNC and strengthen confidence in our ability to deliver our Mission.

5. Performance Highlights

The following section identifies the performance highlights from the reporting year, specifically looking at how the CNC delivered against the objectives set by the CNPA Board at the beginning of April 2012.



The uplift programme has continued, with deployment levels at Sellafield being maintained and recruitment targets at Dounreay achieved.

Significant work at EDF sites is also underway, with recruitment targets at Heysham, Hartlepool, Hinkley Point and Hunterston all being met. The initial uplift capability in partnership with Magnox has also been successfully delivered at Wylfa.

The work on cessation of policing has picked up pace during the year, resulting in a withdrawal Gold Group meeting on a weekly basis. The Group is co-ordinating the operational transition, legal, HR, Finance and communications aspects for Capenhurst, Chapelcross, Springfields and Oldbury. The CNC has consistently tracked and analysed the impact of shifting decommissioning and new build timescales, and will continue to do so.

Plans and specifications have been signed off by the CNC for a new range at Dounreay, with a location and range specification agreed and approved. Planning approvals are currently being finalised. An interim upgrade at the Sellafield firearms range has also commenced, with completion due in the 2013/14 financial year.

A review of CNC's training capability and capacity was undertaken in 2012/13 and the subsequent recommendations will be developed into an implementation plan. A formal CNC leadership framework and associated training programme will be developed alongside the implementation of the talent management and succession planning strategy as part of the training review outcomes. The review is to ensure that training is planned, delivered and evaluated both effectively and efficiently.

The exercise programme for 2012/13 was fully delivered and the calendar for the upcoming financial year has been approved. Work continues with DECC and ONR(CNS) to improve the backdrop to exercising, providing a more realistic and meaningful exercise programme with SLC's and other partners in the 'interoperability' community.

During 2012/13, the CNC consistently engaged and worked with its stakeholders, with increased communication levels through the Energy Minister, DECC and SLC's. Partnership working is a vital aspect of the work undertaken by both the CNPA and CNC as reflected in its new Mission, Ambition and Credo. A communications strategy has been developed and this is supported by an implementation plan to deliver effective stakeholder engagement in the 2013/14 financial year. Two key elements of this plan are the delivery of a new corporate website and a stakeholder engagement survey.

A competency testing programme is now in place across all units; the development of E-learning has continued with the increased use of National Centre for Applied Learning Technologies (NCALT); revised risk management software has been selected and the Constabulary has achieved the integrating standard for equality, diversity and Human Rights, scoring 100% in all people and culture related areas.

6. Summary of Performance

The following summary of performance provides a detailed look at the successes and developments of the CNC within the past 12 months.

The activities undertaken during the year have also sought to reinforce the CNC's new ambition *"To be recognised as the leading UK authority on the armed protection of civil nuclear facilities and material in transit."*

Security

The CNC is committed to the continued provision of a secure environment for all information and assets owned or entrusted to the CNC, through an effective and holistic approach to protective security; the elements of which are:

- Risk Management
- Physical Security
- Personnel Security
- Information Security
- Technical Security
- Information Assurance
- Counter Terrorism
- Business Continuity

Protecting Information and Assets

The Executive Team is responsible for setting the tone for protective security management within the CNC, and this is assisted by every member of the organisation being fully aware of their responsibilities in relation to the protection of protectively marked (PM) assets, sensitive nuclear and personal information.

Performance and compliance against HMG and ONR(CNS) Security Policy Frameworks and the Information Assurance Maturity Model is continually measured and periodic reports are provided to the CNC Senior Information Risk Owner (SIRO) and relevant government and regulatory departments.

Further assurance is also provided through both external and internal inspections; this is bolstered by periodic internal assessment and biennial unit, departmental and third party supplier security inspections carried out by the Security Department.

All security incidents involving CNC assets are recorded and reported to the SIRO through monthly performance reports and within the CNC annual Information Security Report.

Reporting of Security Breaches and Security Incidents

During 2012-13, no security breaches involving personal data were reported to the Information Commissioners Office.

All security breaches involving assets or Sensitive Nuclear Information Government Protectively Marked 'Restricted' and above are reported to the appropriate regulatory body: DECC, ONR(CNS), National Police Information Risk Management Team and the Communications and Electronic Security Group. **A summary and breakdown of the 2012-13 security breaches and incidents are within the table below:**

Summary of Government Protectively Marked / Sensitive Nuclear Information and Personal Data Related Incidents 2012-2013

Nature of incident	Total
Loss of inadequately protected asset, electronic equipment, devices or paper documents from secured CNC premises	1
Loss or theft of protectively marked electronic equipment, devices or paper documents from outside secured CNC premises	Nil
Insecure disposal of inadequately protected electronic equipment, devices or paper documents	Nil
Unauthorised disclosure through insecure transmission of PM documents	4
Other breaches/incidents considered as 'Low Level' as per CNC procedure; Reporting Breaches of Security & Security Incidents	20

Annual security breach and near-miss statistical information is continually assessed to enable the Security Department to effectively target specific areas of concern and reduce the risk of repeated security breaches. During 2012-13, assisted by continual security education and increase in

individual responsibility awareness, there has been a significant rise in the number of security concerns and near-miss reporting; this emphasises the effectiveness of security education and the strength of the existing security culture.

Professional Standards Department

The CNC strives to provide the highest standard of service to the public and its nuclear industry partners.

Public confidence in the CNC depends on officers demonstrating the highest level of personal and professional standards of behaviour, on and off duty. To that end, they should comply with the standards of professional behaviour for police officers. The Professional Standards Department (PSD) is responsible for promoting standards, ensuring all complaints against CNC and allegations of misconduct against officers are appropriately dealt with, and investigating all serious complaints and allegations of gross misconduct. In order to achieve this, the PSD employs Home Office police procedures.

All complaints made by members of the public, whether against individual officers or organisational procedures, are recorded and dealt with according to the provisions of the Police Reform Act 2002, and Statutory Guidance issued by the Independent Police Complaints Commission (IPCC) in England and Wales. Complaints of non-criminal conduct against CNC officers based in Scotland may be the subject of review by the Police Complaints Commissioner for Scotland (PCCS). Formal agreements are in place between the CNPA and both organisations.

Complaint numbers remain consistently low, and recording of complaints and local resolution where appropriate are well within IPCC time guidelines. There was no formal disciplinary action taken against any officer as a result of a public complaint during the year.

The majority of misconduct matters are dealt with at local level and, during this reporting year, 17 officers have been dealt with by a sanction known as Management Action for a variety of failures in respect of the standards of professional behaviour, and their details recorded in a corporate database. More serious matters, which potentially amount to criminal behaviour or serious misconduct, are recorded and addressed by the PSD. There have been 17 more serious matters that have been recorded this year: six of these have been investigated by local managers, the remainder by PSD. Seven officers have faced formal misconduct proceedings.

PSD is the dedicated point of contact for a confidential reporting line which has generated six actions, all of which have been dealt with by appropriate senior managers. PSD also maintains details of officer's business interests which must be recorded under current regulations.

All investigations are conducted with a view to organisational learning, and to enhance corporate improvement and individual learning.

Inspections and Standards

The overall aim of the Inspection process undertaken by the CNC is to support front-line delivery, making improvements where possible, identifying and promulgating areas of good practice and highlighting those areas where improvements could be made.

The programme of Internal Inspections and Performance Reviews is embedded within the CNC. During the last year, two performance reviews have been conducted at Operational Units and improvements continue. Due to staff changes within the wider organisation, a process of peer review was undertaken for the second performance review which involved utilising the skills and experience of a senior manager from the "opposite" Division to assist with the review. By this means, the individuals themselves are provided with development together with the ability to see how activity is handled in other areas of the country. The benefit of this will be assessed and developed during the coming year.

Liaison with Her Majesty's Inspectorate of Constabulary (HMIC) has continued during the year with a view to developing the strategy for HMIC's inspection activity during 2013/14.

Special Branch

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

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

This year has seen SB continue to reinforce its relationships with external partners and the industry through the construction of Memoranda of Understanding and information sharing agreements. SB has also worked closely with DECC and ONR(CNS) in order to progress with a key piece of work aimed at improving the overall intelligence architecture of the civil nuclear sector.

From a day-to-day operational perspective, CNC SB's Headquarters function is now fully embedded into the South East Counter Terrorist Unit and the national Counter Terrorist connectivity has been improved even further through the placement of an officer in the North West Counter Terrorist Unit. The leadership of the department has also changed recently through the recruitment of a new Head of SB. This officer brings significant counter terrorist and intelligence experience from a wide variety of posts performed in their previous roles within a Home Office police force.



Business Resilience

The CNC recognises Business Resilience as a key element in maintaining its 24/7 operational response.

The term resilience means being flexible and able to bounce back during/after a disruption. For many 999 responders across the UK there is a statutory requirement to demonstrate resilience and while that legislation does not apply to the CNC, the organisation still tries to meet these standards and is inspected and audited as if they did apply. To achieve this objective, the CNC maintains links across the UK and at national level with mainstream 999 responders. It has business disruption and recovery plans in place and maintains plans for a range of emergencies.

Escorts

The Escort Group is a specialist team of officers trained to a high standard in both CNC and military skills to ensure that they have the required competencies to protect nuclear material whilst in transit by road, rail or sea.

During the year there has been a review of skills required for escort duties. This has resulted in a significant increase in training in order to ensure that officers reach the highest standards before being deployed. Escort Operations Firearms Trainers have ensured that the new training courses are compliant with both the College of Policing (COP) (formerly the National Policing Improvement Agency (NPIA)) and Royal Navy mandated requirements.

The new courses cover a wide variety of skills which include:

- Defensive surveillance driving
- Response & Advance drivers
- Convoy driving tactics
- Ambush drills (many of which have been learnt from military experience in Afghanistan)

The Escort Group has been involved with formulating the tactics and procedures for escorting nuclear material with other professional bodies including the Ministry of Defence (MoD) Police and ACPO.

Escort Officers receive demanding and bespoke training from the Royal Navy in order to allow them to operate their specialist maritime equipment by day and night and in all weather conditions.

The Escort Group assisted Selex Galileo, an Edinburgh based company developing weapon signature analysis for future helicopter deployments in Afghanistan.

During the reporting year, the Escort Group has successfully undertaken a number of armed escorts of nuclear material to Europe from the UK, and from Europe to the USA. Further arrangements have also prepared the group for overseas deployments during 2013. They also provided an armed security contingent at Weymouth during the Olympics.

Planning of these operations involves meetings with foreign Government representatives, the Home Office and other UK agencies. All planning and training is in accordance with the required protective standards, including those from ONR(CNS), ACPO and MoD.

Exercise Planning and Resilience

Significant progress has been made in the last 12 months to prepare the CNC for the future challenges in respect of Exercise Planning and Resilience status.

In March 2013, the CNC participated in a major Counter Terrorist Exercise sponsored by the Office for Security and Counter Terrorism and DECC. This involvement demonstrates the important role CNC plays in national security matters associated with nuclear material.

Centre for Learning and Development

The Centre for Learning and Development (CLD) has delivered an initial foundation course every seven weeks, training over 100 new recruits during 2012/13.

To support officers with workplace learning during their probationary period, additional mentor constable courses were held.

There has been further development of the Quality Assurance and Evaluation function with the introduction of a Divisional Training Compliance Officer and continued engagement with Skills for Justice.

Throughout 2012/13, working groups were held with both operational and Headquarters officers and staff in attendance, to review the training provision throughout the CNC. A gap analysis was undertaken with a training review report being drafted for the end of the financial year. Over the course of 2013/14, a three year delivery plan will be established identifying ways to take learning and development forward.



Dog Training

The CNC continues to train both dog handlers and dogs to ACPO standards. Refresher courses for general purpose and explosive search dog teams have run throughout the year.

The CNC has been represented at both regional and national ACPO police dog working groups. Most of the explosive search dog teams were deployed in and around London before the 2012 games, searching various Olympic venues. This was a fantastic opportunity for all the teams to gain valuable operational experience and the feedback was very positive. It also allowed the CNC dog teams to demonstrate the very highest professional standards to our Home Office and MoD colleagues.

Duty Planning Systems

At the start of the year, the CROWN Duty Management System was successfully upgraded bringing benefits of easier management and monitoring of the deployment of officers with specialist skills.

In July, the Duty Planning Systems Manager was recruited to manage the corporate aspects of planning duties and oversee the function throughout the CNC. The first element of this was implementing the recommendations of a business case which confirmed the pilot structure of police staff managing the Duty Planning function and confirming staff in post.

In November, work was undertaken to amend the structure of CROWN to bring it in line with revised CNC structures

and significant work was undertaken to revise the set-up for the Sellafield OPU and the Firearms Training Department. These changes allow multiple Duty Planners to access areas of the same unit simultaneously, in order to maximise access time for different planners.

The final quarter of the year focussed on the arrival of new staff within the Duty Planning teams and training them to deliver within their role. This included devising and introducing a new training course which covers the theory and policy of Duty Planning, in addition to the previous course which covered the technical use of the Duty Management System. This means that all elements of initial planner training are covered within the standard training package, although this remains supported with significant local training.

Human Resources

After a period in which the consultation and negotiation framework was reviewed by the Human Resources (HR) department, the new CNC Joint Consultative Committee was established in March 2012.

This allows the management and employee bodies to meet regularly to discuss a range of matters which concern the CNC from an employer and employee perspective.

The significant recruitment activity, which had previously focused on Sellafield, has now encompassed Scotland and other sites and the HR department continues to support through planning and resourcing the organisation's planned uplift programme.

Key projects have included the review of Training Provisions, for which strategic outcomes are being drafted and which will inform the design and development of training interventions in future. A talent management and succession planning strategy has identified a range of activities to support the organisation to better plan for and develop its own talent pool.

The bi-annual survey of officers and staff was undertaken in the early part of 2012 and the actions arising from the views taken from the survey have been progressed throughout the year. This is in conjunction with the formal Investors in People assessment which the CNC undertakes on a three year cycle. This year will see the organisation's fourth full application for this award.

The professional HR support required in reviewing the organisation's workforce in the wake of site decommissioning has been a key activity over the past few months, whilst support measures are put in place to affect the necessary withdrawals from site, paying heed to all appropriate legislative requirements.

A review of procedures has resulted in a number of key documents being drafted and published within the reporting period, including the equality and diversity statement, dignity at



work and disability management procedures, substance misuse and capability and restructuring procedures. A number of others are in development including maternity, paternity, transfers and stress management.

The organisation has defended successfully a number of employment claims both outside and within the employment tribunal process and continues to take a firm stance on matters raised with regard to organisational compliance and any implied breach of our employment undertakings.

Recruitment/Shared Services

HR Services manage the HR business processes for all employees, covering recruitment and promotions, transfers within the organisation, pay, pensions and other employment contract lifecycle administration.

The main focus during the year within the Recruitment Team has been the continued increase in recruitment both of officers and staff, ensuring that the required numbers of officers are recruited to CNC sites around the country. During the year, over 380 offers of employment were made, highlighting a further increase from 2011/12. E-recruitment and the CNC careers website continue to be valuable tools to maximise recruitment processes and these will be enhanced during 2013 to further reduce costs.

The work within HR Services continues to grow over and above the incremental increase in employees within the organisation. The HR helpdesk received an increase in queries of over 40% compared to the previous year bringing the total increase over the last four years to over 460%. This has been managed by streamlining processes and reducing error rates, which has been evidenced with positive internal audit reports carried out during 2012/13.

Alongside these challenges, new contracts have been awarded to third parties to support improvements in HR Services and to save the organisation money. Further HR work has also been brought into HR Services and the teams have been restructured to enhance the service provided and to ensure that internal customers have a clear point of contact.

Equality Duty

The CNC is subject to the public sector equality duty. In exercising its functions, the CNC must have due regard for the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act
- Advance equality of opportunity between people who share a protected characteristic and those who do not
- Foster good relations between people who share a protected characteristic and those who do not

The CNC is committed to the principles of the equality duty and has developed a scheme of targeted actions to achieve this.



Disability

Within the equality scheme, the Constabulary has a 'disability duty' which is as follows:

- Promote equality of opportunity between disabled persons and other persons
- Eliminate disability related discrimination and harassment
- Promote positive attitudes towards disabled persons
- Encourage participation by disabled persons in public life

- Take steps to take account of disabled persons' disabilities, even where that involves treating disabled persons more favourably than other persons

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

Equality, Diversity and Human Rights

The CNC strives to be an organisation in which every individual is respected, where difference is not acted against but is valued, and in which fairness underpins everything that we do.

The CNC recognises that the delivery of equality, diversity and human rights supports our Mission, Strategic Objectives and Credo.

To deliver improvement in this area, the CNC has designed a three-year scheme of actions which focuses upon operational delivery, people and culture and organisational processes.

Positive achievements under the Scheme include:

- Delivery of diversity training to all employees
- The requirement for all officers and staff to demonstrate equality behaviours
- Introduction of equality support networks
- Introduction of a Dignity at Work Procedure
- Review of all new projects and policies for human rights and equality impact
- Internal assessment of performance through the Inspections process
- Equality reporting is now an integral part of the leadership reporting structure.

The CNC assesses the quality of its performance against national equality standards and in 2012 was recognised as being amongst the top ten public sector employers in the UK with regards to gender equality practices.



Dignity at Work

The CNC believes that everyone deserves to be treated with dignity at work and is working to foster an environment which is free from harassment, bullying, victimisation or discrimination.

The Dignity at Work Procedure has been developed to make sure that this happens throughout the CNC. The Procedure defines unacceptable behaviours and states categorically that these will not be tolerated; it also provides guidance to individuals and to managers as to how to challenge these behaviours.

Health, Safety and Environment

To enable benchmarking against Home Office Police Forces while still capturing information relevant to the status of the CNC as an employer within the nuclear industry, the CNC has adopted the Home Office reporting methodology and added additional data relevant to the industry.

During this reporting year, all of the Home Office reporting matrix categories have shown a reduction quarter by quarter with the end of year figures being considered as a baseline for reduction targets in relation to total accident rates and Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) reportable events for the following year.

The reporting criteria for RIDDOR were changed by the Health and Safety Executive (HSE) from 1st April 2012 but, even when considering all of the incidents that would have been reported under the pre 1st April criteria the CNC has shown a 30% reduction in reportable events. All of the events reported to the HSE were in the 'Lost Time' category.

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

The Health, Safety and Environment Strategy sets out a number of aims with associated performance measures; apart from a small number of risk assessments which were not reviewed within the year (less than 1%), all the other targets were achieved during the reporting year.

All CNC officers and a small number of staff are designated as 'monitored workers'. The following table shows the radiation dose figures for calendar year 2012 (January

to December 2012) as radiation dose is reported by calendar rather than financial year.

The average annual exposure was 0.02mSv for 2012, which is the same as 2011 despite the uplift in personnel and with many sites changing working practices whereby increased numbers of personnel undertook duties in radiologically designated areas. Likewise the highest dose of 0.50mSv is almost identical to the previous year and is not considered a significant dose (1 mSv) in radiological terms. It should be noted that almost 80% of all personnel issued with dosimetry did not record a measurable related exposure during this reporting year.

During the course of the year, Radiation Awareness and Radiation (Emergency Preparedness and Public Information) Regulations 2001 (REPPPIR) training was provided to 315 personnel.

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

There have been no radiological events or incidents affecting CNC personnel during 2012.

Unit	Average Reading	Highest Reading
Dounreay	0.01	0.26
Chapelcross	0.11	0.44
Torness	0.01	0.12
Hunterston	0.00	0.02
Sellafield	0.03	0.50
Capenhurst	0.11	0.28
Springfields	0.02	0.16
Hartlepool	0.01	0.10
Heysham	0.02	0.16
Wyfa	0.04	0.29
Harwell	0.00	0.04
Sizewell	0.00	0.00
Dungeness	0.00	0.04
Oldbury	0.00	0.00
Hinkley Point	0.00	0.07
Culham	0.02	0.33
Training	0.00	0.14
CNC overall	0.02	0.50

All figures are in millisievert (mSv)



Portfolio Office

The Portfolio Office (PO) works collaboratively with the rest of the CNC to ensure that all change initiatives undertaken within the CNC are aligned with the strategic objectives set by the CNPA Board.

The PO co-ordinates and manages these changes within the business, helping the CNC to achieve the benefits of change and minimising any negative impact on existing 'Business as Usual'.

Most of the changes are delivered through a number of Projects and Programmes and are managed through best practice methodologies in three specific areas:

- Development of the projects – this is done during the definition phase of the change management pipeline paying particular attention to the creation of business cases, the identification of benefits and recommendations for project prioritisation, resource allocation and scheduling prior to delivery. This ensures high quality and fit-for purpose business cases for presentation to, and approval by, the Executive Board, the CNPA and/or DECC/HM Treasury
- Delivery of the Projects and Programmes – once approved, the PO ensures that appropriate financial and human resources are committed to the projects and programmes so that they are delivered to agreed plans, achieving the objectives and defined benefits approved through the necessary sanctioning mechanisms
- Governance and Assurance – the PO carry out reviews of business cases and projects to provide assurance to the Executive Board and to DECC, ensuring there is a

consistent set of standards in use and that appropriate supporting and review tools are developed, provided and managed

Activities within the development phase during the past financial year included:

- EDF Uplift Project Design
- Southern Range Business case
- RSRL (Harwell) Uplift Project Design
- Wylfa Uplift Planning
- EDF Design Validation Testing programme
- Vulnerability Assessments for National Nuclear Laboratory
- Ballistic protected vehicle Project
- Training Review
- Command and Control business case
- Brigading of Escort operations
- HQ Review, including business systems
- Continued development of Future Terms and Conditions
- Business cases for Occupational Health services and Fitness

Activities in the Delivery Phase included:

- Continuing Uplift programmes at Sellafield, including the development of the policing models
- Continued Uplift at Dounreay
- Initial deployment phase at the priority EDF Sites
- Initial deployment at Wylfa
- Delivery of enhanced leadership training
- Delivery of enhanced driver training
- Delivery of divisional training

Information Technology and Communications

The Information Technology and Communications (IT&C) department provides an important service to both front-line operations and back office functions, ensuring the CNC makes the best use of technology, processes and people.

IT&C is split into three functional areas: IT Services, Operational Communications and Knowledge and Information Management (KIM).

This year, Operational Communications helped integrate the civilian guard force at Sellafield with CNC's Airwave communications. This involved discussions nationally with accreditors and licence authorities as well as giving the guards training and ensuring stringent control processes for the radios. Training always features highly and a new NCALT learning package was developed in conjunction with CLD to help officers refresh their knowledge.

For KIM, Information Assurance activities have featured highly this year using the new Information Assurance Maturity Model with a self-assessment in conjunction with the Communications and Electronic Security Group (CESG), the national authority on electronic and information security.

IT Service Management upgraded the Lotus Notes system to a newer version and the video conference network capability was enhanced to allow more units to interconnect. The new armoury at Dounreay was connected to the network. All copiers/printers were replaced across the CNC with new machines which will enable secure printing, reduce 'lost' print incidents and reduce print costs. Work is now required at almost all sites as accommodation is changing which requires re-routing network cabling, a significant task on a nuclear licensed site.

Communications

Day-to-day communication with staff mainly takes place via electronic media and regular team briefings.

Staff are kept up-to-date with the CNC's progress via emailed messages, internal posters, briefings and a series of newsletters. Formal updates are also issued in the form of CNC orders and Operation Support and Security briefings.

The communications team spent most of 2012/13 writing a communications strategy and preparing for a CNC wide communications review to be rolled out in the next reporting year.

Freedom of Information Requests

Between 1 April 2012 and 31 March 2013, 74 Freedom of Information Act requests were submitted.

Requests were received for the following subject areas:

- Minor violent crimes
- Spot bonuses paid
- Pension payments
- Bonuses paid to senior officers
- Language service costs
- Mobile phone contracts
- Disciplinary information
- Secondments
- Away day costs

The number of questions contained within each request ranged from 1-19.

The breakdown of timescales for completion is as follows:

Timescale for completion	Number of FOI requests
1-10 days	29
11-15 days	10
16-20 days	21
20 + days	11
Withdrawn	Nil
Ongoing	3

Extensions to the 20 day deadline were requested on occasion, as a result of the bulk of information needing to be assessed and/or redacted before release. Two requests for internal reviews were received during the reporting year.



Estates

The organisation does not own any buildings or accommodation either in part or outright.

With unit and headquarter functions located at 16 sites in England, Scotland and Wales, the objective is to ensure a consistent standard of accommodation, which is fit for purpose and meets the requirements for the delivery of the Mission.

Policies and Procedures

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

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



Key Performance Indicators

In order to populate the Key Performance Indicator (KPI) figures, operational data is sourced directly from the OPUs and specialist data (i.e. absence management records) is obtained from centralised departments such as HR.

Circumstances affecting our staffing resource	2011/12 Target	2011/12 Actual	2012/13 Target	2012/13 Actual
Absence management				
Average number of working hours lost per annum due to sickness per officer	84 hours	99 hours	84 hours	97.4 hours
Average number of working hours lost per annum due to sickness per staff member	55.7 hours	35.9 hours	55.7 hours	64.3 hours
Recruitment and retention				
% strength against establishment	N/A	95%	N/A	95%
Officer turnover rate	N/A	4.5%	N/A	6.3%
Staff turnover rate	N/A	8.3%	N/A	8.9%
Protecting nuclear material and facilities				
Operational compliance				
Deploy armed officers to planned duties	100%	99.1%	100%	99.2%
Completion of search and alarm activity	100%	100%	100%	100%
Officers at OPUs qualified for Personal Safety Programme	95%	96%	95%	96%
Developing and sustaining a modern workforce				
Firearms Training to Plan	95%	93%	N/A*	95%
Response courses – Training to Plan	100%	90%	N/A*	89%
Other training within annual training plan to plan	70%	91%	N/A*	90%

* This year the emphases of the targets were on the numbers trained rather than on course attendance.

7. Sustainability Report

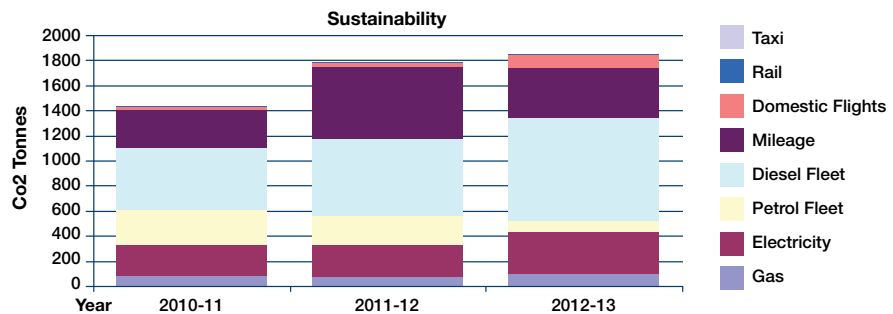
The following information covers the Constabulary's performance on sustainability during the reporting year.

This includes information on energy use and business travel along with associated carbon emissions and related financial expenditure. We have been granted exemptions from the Greening Government Commitment as the organisation has been required to grow in the interests of National Security.

Green House Gas

Green House Gas Emissions		2010-11	2011-12	2012-13
Non-Financial Indicators (tCo2e)	Direct GHG emissions (known as Scope 1)	443.29	605.5	615
	Energy indirect emissions (known as Scope2)	320.06	329.72	430.06
	Emissions attributable to Scope 3 official business travel	706.03	851.74	806.34
Financial Indicators (£k)	CRC Gross Expenditure (2010 Onwards)			
	Expenditure on accredited offsets (e.g. GCOF)	N/A	N/A	N/A
	Expenditure on official business travel	1,649	2,191	2,314

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



1. The CNPA has no control over premises occupied on civil nuclear licensed sites. Information relating to Greenhouse Gas Emissions on these sites is therefore excluded from this report. The CNPA is reporting only against the occupation of its headquarters and training school at Culham.
2. The majority of electricity and gas charges for CNPA headquarters and the training school are apportioned by floor area and the cost spread across multiple tenants. As it stands, the CNPA cannot assess the effectiveness of activities to reduce the usage of electricity and gas as it cannot influence the behaviour of other significant tenants who are not subject to the same requirements. During the course of 2013/14, the CNPA will investigate the cost and practicality of installing individual meters to these premises. If the CNPA can establish an accurate basis for consumption in 2013/14, then it can set a target for reduction.
3. The CNPA is reporting against all staff for all official business travel, including mileage and fleet. Such travel will link closely to operational effectiveness of the organisation and therefore to limit that aspect may

have an undesired consequence. The CNPA will alter its travel processes so that it can identify where business has no operational impact and will aim for a 25% reduction in the volume of travel by 2015 for those aspects of travel that will not impact on operational deployment.

4. The CNPA's diesel and petrol fleet is operational and therefore the mileage that it accumulates is unavoidable due to the fact that its activities are defined. The CNPA is committed to the procurement of evermore efficient vehicles to ensure that the environmental impact is minimised and will continue to pursue this objective. The CNPA aims to deploy 100% of the most efficient fit-for-purpose operational vehicles over the course of the next three years. The petrol fleet has been slowly replaced by diesel vehicles and diesels are also used more now through our hire car contract.
5. The CNPA does not currently assess the emissions from its firearms training activities. Any attempt to reduce the volume of rounds discharged will likely have an undesired consequence.

Direct Impacts Commentary

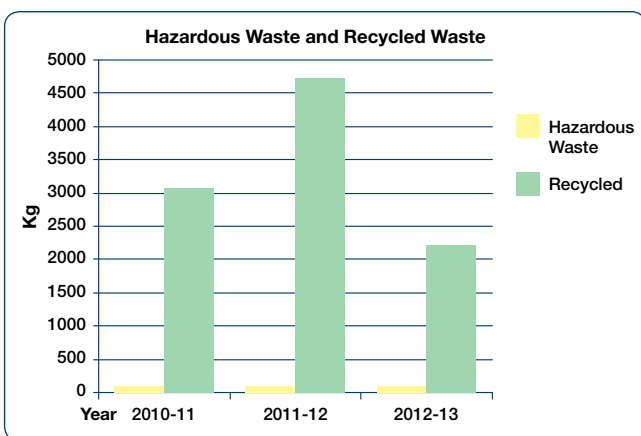
1. The main direct impacts for the CNPA are business travel and car usage, including fleet. As noted above, the scope to reduce this is very limited due to the direct link between this and operational activities. Exemptions have been applied for activities that pertain to operational effectiveness.
2. CNPA ensures that staff are aware of where they can minimise travel and utilise alternatives such as video / tele conferencing. Staff are encouraged to use more environmentally friendly modes of transport where practicable; bearing in mind the remote locations of operational CNPA sites.

Overview Of Indirect Impacts

1. The CNPA has extremely limited resources with which to manage indirect impacts.
2. The CNPA ensures that its supply chain delivers goods and services with the least environmental impact where practical. This will be incorporated into the assessment process for future tenders, taking appropriate steps to ensure that the process continues to be transparent, objective, non-discriminatory and reflects value-for-money.

Waste

Waste		2010 -11	2011 -12	2012-13	
Non-financial Indicators (kg)	Total waste (Minimum requirement)	3,178.5kg+	4,863kg+	2,352.05kg*	
	Hazardous waste*	Total	71kg+	69kg+	73.6kg*
	Non Hazardous waste* *Report if possible	Landfill	N/A	N/A	N/A
		Reused / recycled	3,107.5kg +	4,794.5kg+	2,278.45kg*
		Incinerated / energy from waste	N/A	N/A	N/A
Financial Indicators (£k)	Total disposal cost (minimum requirement)	2.7+	3.1+	5.4+	
	Hazardous waste - Total disposal cost*	N/A	N/A	N/A	
	Non Hazardous waste* - Total disposal cost* *Report if possible	Landfill	N/A	N/A	N/A
		Reused / recycled	N/A	N/A	N/A
		Incinerated / energy from waste	N/A	N/A	N/A



1. The CNPA has no control over premises occupied on Licensed Nuclear Sites. Information relating to waste on these sites is therefore excluded from this reporting. The CNPA is, therefore, reporting only against its occupation of its Headquarters and Training School at Culham.
2. The CNPA's Landlord at Culham processes the majority of office waste on behalf of all Tenants. The Landlord does not have the means to attribute waste to individual tenants. The Landlord is an NDPB; United Kingdom Atomic Energy Authority so they should be reporting all of their waste management processes as part of this same regime. The NDPB cannot provide a breakdown of the disposal costs to the CNPA as this is incorporated into overall charges for occupation.
3. The CNPA currently recycle waste using the United Kingdom Atomic Energy Authority NDPB recycling scheme. This site scheme covers office paper, newspapers, magazines, small cardboard items, drink and food cans, plastic bottle, plastic cups, domestic glass bottles / jars and take-away coffee cups. This forms part of the site's overall waste disposal and at this time cannot be apportioned to individual tenants. The Landlord is an NDPB; United Kingdom Atomic Energy Authority so they should be reporting all of their waste management processes as part of

this same regime. The NDPB cannot provide a breakdown of the disposal costs to the CNPA as this is incorporated into overall charges for occupation.

4. The CNPA uses a company to recycle computer equipment, furniture, office equipment, electrical items and print cartridges. All items are recycled in compliance with EU Waste and Environmental Directives and nothing is sent to landfill. Continue to process 100% such items through an appropriate disposal route.
5. Clothing and Equipment. The CNPA has negotiated with the MOD to remove a stockpile of old clothing and equipment. The MOD will recycle wherever possible. The aim is that 100% of old clothing and equipment to be processed by the MOD.
6. The CNPA also has 2 recycling buckets for batteries not covered by 4. above. But consumption is minimal.
7. The CNPA recycles 100% waste ammunition cartridges, but does not currently record any quantifiable data*. This waste cannot be limited without an undesirable outcome.

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

Direct Impacts Commentary

1. The main direct impacts for the CNC are in relation to Office and Operational Activities. The CNC will continue to ensure that wherever possible items are recycled and that the environmental impact is minimised. A new MOD contract will improve the management of waste Clothing and Equipment.
2. Waste emanating from firearms activities cannot be limited.

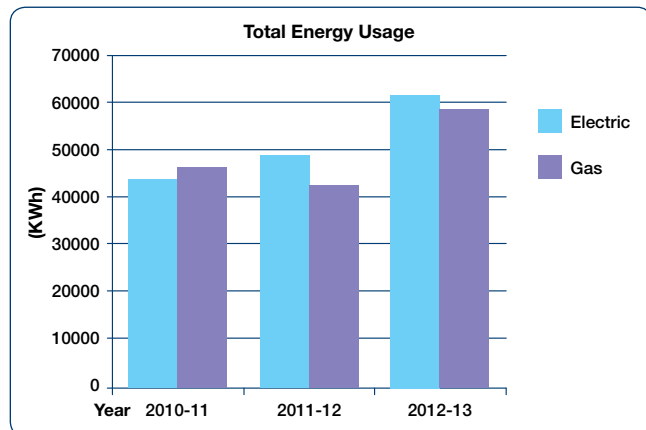
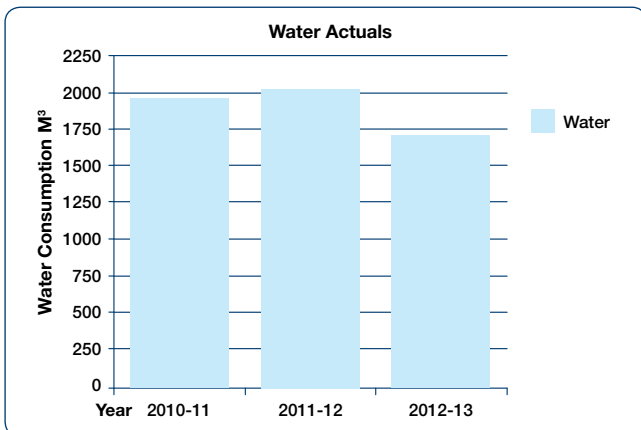
Overview Of Indirect Impacts

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

Finite Resource

Finite Resource Consumption – Water/Energy			2010 -11	2011 -12	2012-13
Non-Financial Indicators	Water consumption (M3)	Supplied	1,948	2,023	1,705
		Abstracted	N/A	N/A	N/A
Financial Indicator (£k)	Water Supply Costs		2	2	1.9

Finite Resource Consumption - Energy			2010-11	2011-12	2012-13
Non-Financial Indicators	Energy Consumption (kWh)	Electricity – non Renewable	441,926	484,140	617,476
		Electricity - Renewable	N/A	N/A	N/A
		Gas	471,112	412,493	578,013
		LPG	N/A	N/A	N/A
		Other	N/A	N/A	N/A
Financial Indicator (£k)	Total Energy Expenditure		54	68.5	86



1. The CNPA has no control over premises occupied on Licensed Nuclear Sites. Information relating to greenhouse gas emissions on these sites is therefore excluded from this reporting. The CNPA is, therefore, reporting only against its occupation of its Headquarters and Training School at Culham.
2. The majority of water/energy charges for CNPA HQ and the Training School are apportioned by floor area and the cost spread across multiple

tenants. As it stands, the CNPA cannot assess the effectiveness of activities to reduce the usage of water/energy as it cannot influence the behaviour of other significant tenants who are not subject to the same requirements. During the course of 2013 - 2014, the CNPA will investigate the cost and practicality of installing individual meters to these premises. If the CNPA can establish an accurate basis for consumption in 2013 - 2014, then it may be able to establish a strategy to minimise consumption.

Direct Impacts Commentary

1. Our main direct impacts for water consumption are office and training activities. This relates to toilets, showers and rest facilities that are necessary to satisfy legislative and regulatory requirements. Scope to reduce consumption is unclear and limited to awareness campaigns and possibly changing staff behaviours.
2. Our main direct impacts for energy consumption are office and training activities. This relates to the provision of facilities that are necessary to satisfy legislative and regulatory requirements. Scope to reduce consumption is therefore limited.

Overview Of Indirect Impacts

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



8. Management Commentary



Principal Activities

The CNPA is a body corporate, established by the Energy Act 2004 and classified as an executive non-departmental public body (NDPB), which operates under the aegis of the Department of Energy and Climate Change.

The CNPA is charged, pursuant to the Act, with securing the maintenance of an efficient and effective CNC whose primary function is the protection of licensed nuclear sites not used wholly or mainly for defence purposes and the safeguarding of nuclear material in the UK and elsewhere. The CNPA has oversight of the CNC and employs its officers and staff. The Constabulary provides a dedicated on site armed response and policing capability for the nuclear industry, with operational and support units based at licensed nuclear sites. Together with site operators and carriers, the Constabulary shares responsibility for the protection of nuclear materials and facilities, and for the safe and secure movement of nuclear material within the UK and internationally.

Operating Environment

CNPA is part of the counter measures to terrorist threats and is tied into national arrangements through the nuclear security regulator and through the Association of Chief Police Officers Committee on Terrorism and Allied Matters.

CNPA protects the energy sector of the critical national infrastructure by providing policing at nuclear power stations.

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

Objectives and Strategies

CNPA's activities in 2012/13 were attributed to eight strategic objectives that are listed on page 10.

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

Review of Activities

A review of the development of the CNPA during the year, of events since the year end, and of future plans is given in the Chairman and Chief Constable's Statement on page 7 and in the Summary of Performance on pages 12 to 21.

Financial Performance

CNPA has reported a deficit of £3,552,000 for the year ended 31 March 2013.

This is due to the provision of early departure costs for police officers and staff at Springfields, Capenhurst and Chapelcross OPUs. CNPA is no longer required to provide protective security to these sites and is unable to relocate these officers to other OPUs. The Energy Act 2004 does not permit early departure costs arising from cessation of policing to be recharged to CNPA's customers. These costs are being met in full by DECC as and when they fall due for payment. Payment by DECC will be through grant-in-aid and will be recognised by CNPA on a cash basis in the year in which the payment is received. CNPA is not permitted to recognise equal and offsetting income to match its early departure costs, which has resulted in it posting a deficit for the year ended 31 March 2013.

CNPA is expected to recover its remaining operating costs in full each year. Income of £81,594,000 for the year ended 31 March 2013 (2011/12: £73,548,000) represents a re-charge of running costs to Site Licence Companies (SLCs) of £80,735,000 (2011/12: £73,398,000) and miscellaneous

income of £859,000 (2011/12: £150,000). Miscellaneous income was generated by recharging secondment costs, including the costs for seconding officers to help police the London 2012 Olympic and Paralympic Games, providing policing services to non-SLCs, communications support for the unescorted transport of nuclear materials throughout the UK and charging for training provided to Russian nuclear power station security staff.

Expenditure for the year ended 31 March 2013 was £85,138,000 (2011/12: £73,547,000). The increase in expenditure was due largely to increased staff costs of £6,264,000 to £63,252,000 (2011/12: £56,988,000). The increase was due to recruitment of increased numbers of officers deployed to civil nuclear sites and staff employed at corporate departments. Other expenditure increased by £5,327,000 to £21,886,000 (2011/12: £16,559,000).

Interest receivable of £14,000 (2011/12: £10,000) was earned on cash balances held by CNPA. This was matched by interest payable of the same amount, as CNPA is not permitted to retain any interest earned but required either to remit it back to DECC to be surrendered to the Consolidated Fund, or offset it against requests for capital funding from DECC.

Financial Position

The carrying value of property, plant and equipment at 31 March 2013 was £6,331,000 (2011/12: £6,456,000).

Asset additions in 2012/13 amounted to £1,291,000 (2011/12: £1,996,000) and depreciation of £1,408,000 was charged to the Statement of Comprehensive Income (2011/12: £1,008,000). Asset additions comprised £506,000 for 21 replacement vehicles, which included £168,000 for an armoured vehicle for the road escort fleet, £361,000 on plant and machinery, operational and firearms training equipment and £22,000 of IT equipment. Payments on account and assets under construction of £317,000 and furniture and fittings of £85,000 made up the balance of asset purchases.

The carrying value of intangible assets reduced by £182,000 to £509,000 at 31 March 2013 (2011/12: £691,000). Intangible asset additions of £27,000 comprised the purchase of software licences and hardware for a number of IT applications used by the Constabulary. Amortisation of £209,000 was charged to the Statement of Comprehensive Income (2011/12: £122,000).

Trade and other receivables due after one year amounted to £592,000 (2011/12: £189,000). These balances represent amounts owed by CNPA's pension scheme for staff who retired early and housing loans to staff. CNPA pays the lump sums to staff that are granted early retirement. These amounts are reimbursed to CNPA by the pension scheme when the employees reach normal retiring age.

Inventories at 31 March 2013 amounted to £1,192,000 (2011/12: £1,134,000). The increase in inventory was due to an increase in operation equipment less the decrease in clothing and ammunition held at the end of the reporting period.

Provisions for liabilities and charges increased to £4,426,000 (2011/12: £384,000) following the provision of early departure costs for officers and staff at Springfields, Capenhurst and Chapelcross OPUs who are unable to be relocated. The net effect of amounts provided for during the year of £4,199,000, payments made against existing provisions of £91,000 and a release to the Statement of Comprehensive Income of £66,000 for unused provisions. £4,132,000 of provisions provided during the year was due to the recognition of early departure expenditure for members of staff who are expected to retire early due to the withdrawal of policing from three locations.

Taxpayers' equity decreased by 17% at 31 March 2013 to £12,298,000 (2011/12: £14,867,000). This comprised a £3,552,000 income and expenditure reserve movement less a net increase in financing of £983,000.

Cash Flows

Cash generated from operations in 2012/13 was an inflow of £1,843,000 (2011/12: inflow of £2,222,000).

Interest received on CNPA's cash balances amounted to £14,000 (2011/12: £10,000). Payments of £1,380,000 (2011/12: £3,583,000) were made to purchase property, plant and equipment and £26,000 (2011/12: £276,000) were made to acquire intangible assets. The net cash inflow from financing was £1,784,000 (2011/12: inflow of £3,215,000), which comprised capital grant receipts of £815,000 (2011/12: £1,295,000), grants from CNPA's parent department, DECC, of £818,000 (2011/12: £1,764,000) and other financing contributions of £151,000 (2011/12: £156,000). This resulted in an overall increase in cash held in 2012/13 of £2,235,000 (2011/12: increase of £1,588,000).

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

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

Resource Availability

The CNPA Board has approved a revenue expenditure budget of £94.3 million for 2013/14 to cover the organisation's operating costs.

This represents an increase of 7% on the approved budget of £88.3 million for 2012/13. £61.4 million of the 2013/14 revenue expenditure budget is to fund CNPA's 'business as usual' activities with the balance of £32.9 million to fund the organisation's uplift in operational capacity. A provision of £4.1 million was recognised in 2012/13 to meet early departure costs arising from cessation of policing at 3 sites. These costs are being met in full by DECC. This arrangement will cover both the payment of these provisions, but ensure CNPA is not exposed to liquidity risk. The discounted value of these payments payable by DECC in 2013/14 is estimated at £2.5 million. Further information is provided in notes 1.1, 15 and 16 to the financial statements.

A capital expenditure budget has been set for 2013/14 at £4.0 million (2012/13: £8.8 million). This is split £1.2 million for the Constabulary's 'business as usual' asset replacement programme, which consists of replacement vehicles, IT security upgrades and risk management software. The balance of £2.8 million is to fund the uplift in the Constabulary's operational capacity.

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

Key Stakeholders

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

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

The future of the organisation is closely related to the future of its key stakeholders. Any changes to the Energy Act 2004 may directly affect the organisation. As the nuclear decommissioning process continues to proceed, the organisation may still face a reduction in the number of sites to be policed in the short to medium term; however, publication of the government's new build programme for nuclear power stations expands the remit of the organisation in the longer term.

Policies

CNPA's policies on community engagement and environmental matters and the extent to which they have been successfully implemented are included in the Summary of Performance on pages 12 to 21.

Employees

The average number of employees and details of employment costs are set out in note 4 to the financial statements.

CNPA's policies on employees and the extent to which policies have been successfully implemented are included in the Summary of Performance on pages 12 to 21. Sickness absence data and actions to develop the provision of information to, and consultations with, employees are provided in the Summary of Performance on pages 12 to 21.

Key Performance Indicators

Performance against the CNPA's 2012/13 key performance indicators is included in the Summary of Performance on pages 12 to 21.

Sustainability Report

CNPA produces a sustainability report that reports performance for greenhouse gas emissions, waste minimisation and management and the use of finite resources and their related expenditure.

This is included on page 22.

Personal Data Related Incidents

There were no personal data related incidents formally reported to the Information Commissioner's Office during 2012/13.

Further information is provided in the Summary of Performance on pages 10 to 21.

Accounts Direction

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



Financial Risk Management

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

Events After the Reporting Period

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

Payment of Suppliers

CNPA complies with the British Standard for Achieving Good Payment Performance in Commercial Transactions (BS 7890), and with the Late Payment of Commercial Debts (Interest) Act 1998 as amended.

CNPA's policy is to pay its suppliers within contracted payment terms or, without specifically agreed terms, within 30 days of receiving a valid invoice.

In 2012/13, CNPA paid 96% of its invoices on time (2011/12: 97%). CNPA, in line with other public sector organisations, has sought to comply with central government's commitment to speed up the payment process and pay suppliers within 10 working days from receipt of a valid invoice. For the year to 31 March 2013, CNPA paid 84% of its invoices within 10 working days (2011/12: 90%).

Pension Arrangements

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

Auditors

The financial statements have been audited by the Comptroller and Auditor General.

The cost of the statutory audit was £42,000 (2011/12: £42,000). The external auditors received no remuneration during the year for the provision of non-audit services.

Disclosure of Information to Auditors

In accordance with s234ZA of the Companies Act 1985:

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

A handwritten signature in black ink that reads "Mike Griffiths".

Mike Griffiths

Chief Executive Officer
and Chief Constable

13 June 2013

9. Remuneration Report

The CNPA Board operates within the principles set out in the Civil Nuclear Police Authority Management Statement and Financial Memorandum with regard to Industry Representative Board Members, Independent Board Members 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 Board Members' is determined by the Secretary of State with the approval of HM Treasury in accordance with the Energy Act 2004.

The remuneration of the Executive Team is set by the CNPA Board (within the terms of the Management Statement and Financial Memorandum) through its Senior Appointments Committee as detailed below. Industry Representative Board Members do not receive any remuneration.

Membership of the Senior Appointments Committee:

- Sir Philip Trousell – Chairman
- Mr George Beveridge
- Dame Elizabeth Neville (to 31 December 2013)

Statement of Remuneration Policy

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

Fees

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

Salaries and Allowances

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

Bonus

Members of the Executive Team who held office at the beginning and end of the financial year have had their performance-related bonus bought out. Bonuses are no longer payable to members of the Executive Team and their service contracts have been amended to reflect this.

Benefits in Kind

The CNPA Chairman and members of the Executive Team are entitled to the benefit in kind of a fully maintained car. Members of the Executive Team who held office at the beginning of the financial year were entitled to private health care for themselves and their spouses or partners and dependent children. This benefit was withdrawn during 2012/13 and is no longer available. The Executive Team's service contracts have been amended to reflect this.

Pensions

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

Terms of Appointment and Service Contracts

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

Name	Date of continuous service	Unexpired term at 31 March 2013	Notice period
Ian Abbott¹ Industry Representative Member (Nuclear Decommissioning Authority)	13 July 2012	2 years	Not stated
Stephen Barrett Independent Member	1 April 2010	3 years	3 months
George Beveridge Industry Representative Member (Sellafield Ltd)	3 August 2009	2 years	Not stated
Alistair Cook Director of Business Transformation	7 January 2013	1 year, 9 months	6 months
Alan Cooper Assistant Chief Constable	7 January 2008	–	6 months
Mike Griffiths² Chief Executive Officer and Chief Constable	1 October 2012	–	6 months
Roger Hardy³ Industry Representative Member (Dounreay Site Restoration Ltd)	12 July 2012	1 month	Not stated
Paul Kernaghan⁴ Independent and Policing Advisor Member	5 February 2013	3 years, 2 months	3 months
Simon Middlemas³ Industry Representative Member (Dounreay Site Restoration Ltd)	25 July 2011	–	Resigned 17 July 2012
Dame Elizabeth Neville⁴ Independent and Policing Advisor Member	23 March 2005	–	Contract Expired 31 December 2012
Alan Rae¹ Industry Representative Member (Nuclear Decommissioning Authority)	10 January 2011	–	Resigned 13 July 2012
Justin Rees Director of Corporate Services	17 August 2009	1 years, 5 months	6 months
John Sampson² Deputy Chief Constable	1 December 2008	11 months	6 months
Matt Sykes Industry Representative Member (EDF Energy Nuclear Generation Ltd)	1 April 2007	2 years	Not stated
Richard Thompson² Chief Constable	11 June 2007	–	Contract expired 10 June 2012
Sir Philip Trousdell Chairman and Independent Member	23 May 2011	6 months	3 months
Robert Wright Independent Member	4 January 2010	2 years, 9 months	3 months

¹ Alan Rae resigned on 13 July 2012 and has been succeeded by Ian Abbott.

² Richard Thompson's service contract expired on 10 June 2012. John Sampson was appointed Acting Chief Constable and Interim Accounting Officer during the period between Mr Thompson's departure and the commencement of the new Chief Executive Officer and Chief Constable, Mike Griffiths, on 1 October 2012.

³ Simon Middlemas resigned on 17 July 2012 and has been succeeded by Rodger Hardy.

⁴ Dame Elizabeth Neville's contract expired on 31 December 2012 and she has been succeeded by Paul Kernaghan.

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

The following information is subject to audit.

Remuneration

Remuneration payable to CNPA Board members in 2012/13 was as follows:

Name	2012/13 Salary and allowances £000	Bonus Buy Out £000	Benefits in kind (to nearest £100) ¹	2011/12 Salary and allowances £000	Bonus £000	Benefits in kind (to nearest £100)
Ian Abbott Industry Representative Member (Nuclear Decommissioning Authority)	–	–	–	–	–	–
Stephen Barrett Independent Member	15-20	–	–	15-20	–	–
George Beveridge Industry Representative Member (Sellafield Ltd)	–	–	–	–	–	–
Alistair Cook Director of Business Transformation	25-30 (125-130 full year equivalent)	–	–	–	–	–
Alan Cooper Assistant Chief Constable	90-95	0-5	6,700	90-95	10-15	8,900
Mike Griffiths Chief Executive Officer and Chief Constable	60-65 (120-125 full year equivalent)	–	3,600	–	–	–
Roger Hardy Industry Representative Member (Downreay Site Restoration Ltd)	–	–	–	–	–	–
Paul Kernaghan Independent and Policing Advisor Member	0-5 (15-20 full year equivalent)	–	–	–	–	–
Simon Middlemas Industry Representative Member (Downreay Site Restoration Ltd)	–	–	–	–	–	–
Dame Elizabeth Neville Independent and Policing Advisor Member	10-15 (15-20 full year equivalent)	–	–	15-20	–	–
Alan Rae Industry Representative Member (Nuclear Decommissioning Authority)	–	–	–	–	–	–
Justin Rees Director of Corporate Services	95-100	10-15	600	95-100	10-15	2,500
John Sampson Deputy Chief Constable	115-120	10-15	6,000	105-110	10-15	6,000
Matt Sykes Industry Representative Member (EDF Energy Nuclear Generation Ltd)	–	–	–	–	–	–
Richard Thompson Chief Constable	20-25 (125-130 full year equivalent)	–	1,800	125-130	15-20	8,900
Sir Philip Trousdell Chairman and Independent Member	65-70	–	3,900	60-65 (65-70 full year equivalent)	–	–
Robert Wright Independent Member	15-20	–	–	15-20	–	–

¹ Benefits in kind for Richard Thompson and Alan Cooper comprised a fully maintained car and private healthcare insurance for 2 months and 3 months respectively. John Sampson received a fully maintained car and Justin Rees received 3 months private healthcare insurance.

Hutton Review of Fair Pay

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

The banded remuneration of CNPA's highest-paid director, who was not the Chief Executive/ Chief Constable, in the financial year 2012/13 was £130,000-£135,000 (2011/12: £150,000-£155,000). This was 3.4 times the median remuneration of CNPA's employees (2011/12: 3.8 times), which was £39,234 (2011/12: £39,762). Median remuneration decreased by approximately 1% between 2011/12 and 2012/13. The average salary cost per employee fell in 2012/13 due to the increase in new officer recruits employed at the lower end of the Police Constable salary scale. This was offset by higher overtime costs incurred in providing additional capacity at operational sites.

In 2012/13, nil employees received remuneration in excess of the highest paid director (2011/12: nil). Remuneration, excluding that of the highest-paid director, ranged from £17,333 to £127,200 (2011/12: £16,058 to £128,106).

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

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 2013 and include the value of added years paid for by members of the CPS.

Members of the pension scheme have the option to pay Additional Voluntary Contributions; neither the contribution nor the resulting benefits are included in the following table.

Name	Total accrued pension at age 60 at 31 March 2013 and related lump sum £000	Real increase in pension and related lump sum at age 60 £000	Cash equivalent transfer value at 31 March 2013 £000	Cash equivalent transfer value at 31 March 2012 £000 ¹	Real increase in cash equivalent transfer value £000
Executive Team					
Alistair Cook	0-5 plus 0-5 lump sum	0-2.5 plus 0-2.5 lump sum	6	–	6
Alan Cooper	5-10 plus 15-20 lump sum	0-2.5 plus 2.5-5 lump sum	121	96	25
Michael Griffiths	0-5 plus 0-5 lump sum	0-2.5 plus 0-2.5 lump sum	15	–	15
Justin Rees	20-25 plus 70-75 lump sum	0-2.5 plus 5-10 lump sum	446	414	32
John Sampson	5-10 plus 15-20 lump sum	0-2.5 plus 2.5-5 lump sum	128	92	36
Richard Thompson	35-40 plus 105-110 lump sum	0-2.5 plus 0-2.5 lump sum	706	700	6

¹ CETVs have been restated as at 31 March 2012 due to changes in actuarial assumptions used to calculate them.

Cash Equivalent Transfer Value

A cash equivalent transfer value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time.

The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. It is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits they have accrued in their former scheme.

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

The CETV figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service scheme and for which the CS Vote has received a transfer commensurate to the additional pension liabilities being assumed. They also include additional

pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

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.



Mike Griffiths

Chief Executive Officer
and Chief Constable

13 June 2013

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

Under the Energy Act 2004, the Secretary of State (with the consent of HM Treasury) has directed the Civil Nuclear Police Authority to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction.

The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Civil Nuclear Police Authority and of its income and expenditure, changes in taxpayers' equity and cash flows for the financial year.

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

- Observe the Accounts Direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts; and
- Prepare the accounts on a going concern basis.

The Accounting Officer of the Department of Energy and Climate Change has designated the Chief Executive Officer and Chief Constable as Accounting Officer of the Civil Nuclear Police Authority. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Civil Nuclear Police Authority's assets, are set out in Managing Public Money published by HM Treasury.



11. CNPA Governance Statement

I have the privilege of being the Accounting Officer for the Civil Nuclear Police Authority (CNPA). I welcome the opportunity to inform our key stakeholders of the following disclosures relating to governance, risk and control within our business.

Our key stakeholders represent suppliers, government departments and bodies, employee and employer organisations and site licence companies. A complete list of key stakeholders can be found on page 27.

This statement reflects our organisational governance throughout the financial year. Although I took up my post in October 2012, I have reviewed the financial performance of the CNPA and its governance processes both before and after my appointment. I am therefore confident that this statement fairly and thoroughly represents the full financial year's governance arrangements.



1. Scope Of Responsibilities

Details of the CNPA's responsibilities can be found on pages 8 to 9.

2. The Governance Framework

The CNPA's governance framework has already been described in full (including Board and committee membership and structures) on pages 8 to 9. An audit of CNPA's corporate governance was undertaken by its internal auditors, RSM Tenon, as part of the approved internal audit plan for 2012/13. This concluded that the controls upon which the organisation relies to manage corporate governance are suitably designed, consistently applied and effective.

I am satisfied that the CNPA has complied in full with the Cabinet Office corporate governance 'Code of Good Practice' and can confirm that neither I nor my predecessors have received any Accounting Officer directions in 2012/13.

3. Review Of Effectiveness

Based on the assurances received, I can confirm that the CNPA's governance framework is fit for purpose. In reaching this conclusion, I have considered the following:

CNPA Board

The CNPA Board adheres to the principles contained in the 'Code of Good Practice' to ensure it is able to discharge its responsibilities effectively. An annual evaluation of the Board's effectiveness by RSM Tenon concluded that the Board is operating at an effective level and pace with strong leadership, values and culture whilst recognising that there was room for improvement and some development, which is being addressed through an action plan. The evaluation of Board performance concluded the following:

CNPA Strengths	Areas to be developed further
1. Structure and performance	1. Focus
2. Leadership	2. Individual effectiveness / contribution
3. Good meetings	3. Selection and skills mix
4. Good communication	4. Reflection
5. Culture	5. Self monitoring
	6. Board development

The Board is supported by the Audit, Risk and Governance Committee and Senior Appointments Committee. Members' attendance records at Board and Committee meetings held in 2012/13 is shown below:

CNPA Members Attendance Records (Eligibility Attendance)

Members	Board	ARGC	SAC
Sir Philip Trousdell	7/7	*	4/3
Ian Abbott	6/5	3/2	*
Stephen Barrett	7/6	*	*
George Beveridge	7/4	*	4/4
Roger Hardy	6/3	*	*
Paul Kernaghan	1/0	*	*
Simon Middlemas	1/1	*	*
Dame Elizabeth Neville	5/4	*	3/3
Alan Rae	1/1	2/2	*
Matt Sykes	7/6	5/3	*
Rob Wright	7/6	5/5	*
Mike Griffiths	4/4	*	*
John Sampson	6/6	*	*
Alan Cooper	6/4	*	*
Justin Rees	6/6	*	*
Ally Cook	2/2	*	*

* Not members of the Committees

Audit Risk and Governance Committee:

The Committee's Annual Report identified the work that the ARGC has undertaken on behalf of the Board including its duties and responsibilities (financial reporting; internal control and risk management; internal audit, external audit and governance); together with key findings and the Committee's overall conclusion on the system of internal control.

The Committee has considered the findings from internal and external audit functions and is assured that controls in the areas reviewed are generally adequate; it has also provided an input to the CNPA's risk management arrangements.

The Chair of the ARGC has carried out a review of governance arrangements and relationships between the CNPA, the CNPA Board, SAC and ARGC. This concluded that current arrangements are more effective than the structures that preceded them and they are seen to be working well from the point of view of both the non-Executives and the Executive.

Senior Appointments Committee

The Committee's remit is to ensure on behalf of the CNPA that senior appointments support its business. The Committee has engaged with Senior Executive team member appointments including a review of the leadership needs of the organisation, leading to the appointment and induction of a CEO/Chief Constable and the issue of revised service agreements for the Executive team. It has regularised the appointment of the Head of Executive Office and Legal Advisor; considered succession planning for the Executive team and supported the case for the appointment of a Business Transformation Director to meet an

identified business need. It has also made recommendations to the Secretary of State in relation to the extension of member contracts and the appointment of a new independent member.

Risk Management

As part of the strategic planning process, the CNPA Board identified 11 strategic risks that could impact on the organisation's ability to deliver against its strategic objectives.

In addition to creating activities for the delivery of the strategic objectives, mitigating actions were agreed to reduce these risks and these were monitored throughout the financial year.

Responsibility for developing and monitoring the risk management framework, including the maintenance of the risk register and the subsequent tracking of actions to treat the risks identified, is delegated to the Deputy Chief Constable.

Internal Inspection:

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

The majority of findings were positive with officers displaying a good understanding of the Gold Strategy, Concept of Operations and the threats to their site. The team did highlight the following areas of development: two operational units have

been recognised as areas of good practice surrounding the competency testing of officers – these units will be offered as guides to all other units. The North and South Divisions were found to have different styles for their respective Policing Plans although they both successfully monitor their performance against objectives. It is recommended that greater correlation is achieved in future to aid the reporting of performance.

Internal Audit:

RSM Tenon has provided an internal audit service which has complied with Government Internal Audit standards throughout the year. The internal audit plan is informed by the CNPA's risk profile and by the work of other review mechanisms. These plans are reviewed for effectiveness and synergy with other audit activity.

RSM Tenon confirmed that they are satisfied that sufficient internal audit work has been undertaken to allow them to draw a reasonable conclusion on the adequacy and effectiveness of the CNPA arrangements. In their opinion, based upon the work undertaken for the 12 months ended 31 March 2013, the CNPA has adequate and effective risk management, control and governance processes to manage the achievement of the organisation's objectives.

Certificates of Assurance and Internal Control Checklists:

On 7 January 2013, an alternative approach for the evidence gathering process on behalf of this year's Governance Statement was agreed. The new approach required subject matter experts to confirm organisational practices, prepare governance statements and provide evidence (where possible) of governance on behalf of the organisation. Information Asset Owners were then asked to confirm that they are aware of, and follow the principles of, the governance practices highlighted by signing the Certificate of Assurance on behalf of their area of responsibility. All Information Asset Owners (IAOs) confirmed their compliance and signed accordingly.

An opportunity was given to the IAOs to raise any governance issues with the Accounting Officer during this process. This highlighted the need to continue reviewing business continuity plans with the organisation prioritising critical systems and information assets outside of the Constabulary Control Centre. Also, it was recognised during the exercise that whilst the 'Anti Fraud' and 'Bribery, Corruption and Money Laundering' policies have been developed, they are yet to be published and fully integrated.

Professional Standards Department (PSD):

Based on the view of this department, I can confirm that there were no substantial issues raised concerning governance. Further details of the work undertaken by PSD can be found on page 13.

Data Security

No security breaches involving personal data were reported to the Information Commissioners Office. A summary of other security breaches and security incidents are shown on page 12.

Information Assurance Maturity Model (IAMM)

The IAMM was developed to assist Senior Information Risk Owners (SIROs) establish and monitor an effective programme of work to change the culture and approach to information risk management and report progress to the Board. Use of the IAMM provides an objective assessment of the CNPA across a wide range of disciplines and helps to identify where additional work may be required to achieve the desired level of maturity.

CESG provided a Supported Self-Assessment to review the level of maturity achieved to date. The organisation achieved level 3 in the majority of areas, which is ahead of target, although there were still areas for improvement; evidence gathering regards business benefits, review of information flow and dependency across the organisation, appraisal of business continuity, disaster recovery, Information Asset Register and privacy impact assessments.

Governance Issues Identified for 2013/14

Contracts for the provision of CNPA's network and IT services end in May 2014. A project team is engaged in both securing and managing the successful transition to alternative network and IT 'services' providers to ensure the continuity of CNPA's IT services and the smooth running of its operations.

Recognising the tight fiscal environment, the CNPA Board plans to identify and exploit collaborative opportunities, strategic alliances and the use of shared services where possible including IT&C services, fleet management, clothing and equipment, payroll and travel. Work is underway with the Ministry of Defence Police to consider joint working – particularly in relation to intelligence sharing, procurement and training activities.

Further opportunities to improve value for money will be sought wherever possible.

4. Significant Governance Issues

I can confirm that the issues raised in the 2011/12 Governance Statement have been resolved. These issues surrounded accountability between the CNPA and DECC, payroll monitoring and project management.

I am able to report that there were no significant weaknesses in the CNPA's internal controls in 2012/13 that affected the achievement of the CNPA's key policies, aims and objectives.

Mike Griffiths

Chief Executive Officer
and Chief Constable

13 June 2013

12. The Audit Report of the Comptroller and Auditor General to the Houses of Parliament

I have audited the financial statements of the Civil Nuclear Police Authority for the year ended 31 March 2013 under the Energy Act 2004.

The financial statements comprise: the Statement of Comprehensive Income; the Statement of Financial Position; the Statement of Cash Flows; the Statement of Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Board, Accounting Officer and auditor

As explained more fully in the Statement of Civil Nuclear Police Authority's and Accounting Officer's Responsibilities, the Board 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. My responsibility is to audit and express an opinion on the financial statements in accordance with the Energy Act 2004. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Civil Nuclear Police Authority's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Civil Nuclear Police Authority; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income 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.

Opinion on regularity

In my opinion, in all material respects the expenditure and income 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.

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Civil Nuclear Police Authority's affairs as at 31 March 2013 and of the net income 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 other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions made under the Energy Act 2004; and
- the information given in the Chairman and Chief Constable's Statement, the Summary of Performance, the Sustainability Report and the Management Commentary 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 part of the Remuneration 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.

Amyas C E Morse
Comptroller and Auditor General

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

17 June 2013

Statement of Comprehensive Income

For the year ended 31 March 2013

	Notes	2012/13 £000	2011/12 £000
Income	3	81,594	73,548
Expenditure			
Staff costs	4	(63,252)	(56,988)
Other expenditure	6	(21,886)	(16,559)
Operating deficit		(3,544)	1
Loss on disposal of property, plant and equipment		(8)	(1)
Deficit on ordinary activities before financing costs		(3,552)	-
Financial income – interest receivable		14	10
Financial expense – interest payable		(14)	(10)
Net financing costs		-	-
Total comprehensive expenditure for the year		(3,552)	-

All operations are continuing.

The notes on pages 42 to 61 form part of these financial statements.

Statement of Financial Position

As at 31 March 2013

	Note	2012/13 £000	2011/12 £000
Non-current assets			
Property, plant and equipment	8	6,331	6,456
Intangible assets	9	509	691
Trade and other receivables	12	592	189
Total non-current assets		7,432	7,336
Current assets			
Inventories	11	1,192	1,134
Trade and other receivables	12	10,374	9,208
Cash and cash equivalents	13	8,527	6,292
Total current assets		20,093	16,634
Total assets		27,525	23,970
Current liabilities			
Trade and other payables	14	(8,780)	(7,082)
Provisions	15	(2,595)	(150)
Total current liabilities		(11,375)	(7,232)
Non-current assets plus net current assets		16,150	16,738
Non-current liabilities			
Trade and other payables	14	(2,021)	(1,637)
Provisions	15	(1,831)	(234)
Total non-current liabilities		(3,852)	(1,871)
Assets less liabilities		12,298	14,867
Taxpayers' equity			
Income and expenditure reserve	16	(3,552)	-
Financing reserve	16	15,850	14,867
		12,298	14,867

The financial statements on pages 38 to 61 were approved by the CNPA Board on 12 June 2013 and signed on its behalf by:

Mike Griffiths

Chief Executive Officer and Chief Constable

13 June 2013

The notes on pages 42 to 61 form part of these financial statements.

Statement of Cash Flows

For the year ended 31 March 2013

	Note	2012/13 £000	2011/12 £000
Cash flows from operating activities			
Retained deficit for the year		(3,552)	-
Adjustments for:			
Loss on disposal of property, plant and equipment		8	1
Amortisation of intangible assets		209	122
Depreciation of property, plant and equipment		1,408	1,008
Release of capital grant		(321)	(114)
Operating cash flows before changes in working capital and provisions		(2,248)	1,017
Increase in trade and other receivables		(1,569)	(1,184)
(Increase)/Decrease in inventories		(58)	43
Increase in trade and other payables		1,676	2,452
Increase/(Decrease) in provisions		4,042	(106)
Cash generated from operations		1,843	2,222
Interest received		14	10
Net cash inflow from operating activities		1,857	2,232
Cash flows from investing activities			
Purchase of property, plant and equipment		(1,380)	(3,583)
Purchase of intangible assets		(26)	(276)
Net cash outflow from investing activities		(1,406)	(3,859)
Cash flows from financing activities			
Capital grant received		815	1,295
Grants from parent department		818	1,764
Other financing contributions		151	156
Net financing		1,784	3,215
Net increase in cash and cash equivalents in the period	13	2,235	1,588
Cash and cash equivalents at the beginning of the period	13	6,292	4,704
Cash and cash equivalents at the end of the period	13	8,527	6,292

The notes on pages 42 to 61 form part of these financial statements.

Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2013

	Note	Income and expenditure reserve £000	Financing reserve £000	Total £000
Balance at 31 March 2011		-	12,937	12,937
Changes in taxpayers' equity 2011/12	16			
Grant-in-aid received		-	1,764	1,764
Other financing contributions		-	166	166
Balance at 31 March 2011		-	14,867	14,867
Changes in taxpayers' equity 2012/13	16			
Grant-in-aid received		-	818	818
Other financing contributions		-	165	165
Comprehensive expenditure for the year		(3,552)	-	(3,552)
Balance at 31 March 2013		(3,552)	15,850	12,298

The notes on pages 42 to 61 form part of these financial statements.

Notes to the Accounts

1. Statement of Accounting Policies

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

Statement of Compliance

These financial statements have been prepared pursuant to Schedule 10 of the Energy Act 2004 which requires the Police Authority to prepare financial statements on the basis set out in its Accounts Direction. In meeting this requirement the financial statements have been prepared in accordance with the 2012/13 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of CNPA for the purpose of giving a true and fair view has been selected. The particular policies adopted by CNPA are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

1.1 Basis of Preparation

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 International Financial Reporting Standards (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; and
- Inventory obsolescence.

CNPA has reported a deficit of £3,552,000 for the year ended 31 March 2013. This is due to the provision of early departure costs for police officers and staff at Springfields, Capenhurst and Chapelcross OPUs. CNPA is no longer required to provide protective security to these sites and is unable to relocate these officers to other OPUs. The Energy Act 2004 does not permit early departure costs arising from cessation of policing to be recharged to CNPA's customers. These costs are being met in full by DECC, through grant-in-aid funding, as and when they fall due for payment. In addition, CNPA's budget for 2013/14 has been approved, which provides sufficient resources to cover its operating costs for the next 12 months. The CNPA Board therefore continues to adopt the going concern basis in preparing the financial statements. More information is provided in notes 15 and 16 to the financial statements. Further information about CNPA's operating activities, together with the factors likely to affect its future development, performance and position, is set out in the Management Commentary.

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

IFRS not yet applied

Certain new standards, amendments to standards and interpretations that have been issued by the International Accounting Standards Board (IASB) are not yet effective for the year ended 31 March 2013 and have not been applied in preparing these financial statements. CNPA does not anticipate that the adoption of these standards and interpretations in future periods will have a material impact on its financial statements.

1.3 Property, Plant and Equipment

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

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

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

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

1.4 Intangible Assets

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

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

Software licences	Life of licence
Information technology	Up to 5 years

1.5 Impairment of Assets

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

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

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

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

1.6 Income Recognition

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

1.7 Taxation

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

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

1.8 Employee Benefits

Staff costs

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

Pension costs

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

1.9 Provisions and Contingent Liabilities

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

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

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

1.10 Grant-in-Aid and Capital Grants

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

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

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

1.11 Operating Leases

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

1.12 Foreign Currencies

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

1.13 Inventories

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

1.14 Financial Instruments

Cash and cash equivalents

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

Trade and other receivables

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

Trade and other payables

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

Financial income and financial expense

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

1.15 Segment Reporting

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

Notes to the Accounts

2. Segment Information

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

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

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

2012/13	Operational Policing Units	Corporate Departments	Total
	£000	£000	£000
Income	81,594	–	81,594
Expenditure			
Staff costs	(51,427)	(11,825)	(63,252)
Other expenditure	(7,848)	(8,609)	(16,457)
Depreciation and amortisation	(766)	(851)	(1,617)
Release of capital grants	308	13	321
Provisions provided for in year	–	(4,199)	(4,199)
Provisions not required written back	–	66	66
Operating surplus/(deficit)	21,861	(25,405)	(3,544)
Loss on disposal of property, plant and equipment	(8)	-	(8)
Surplus/(deficit) on ordinary activities before financing costs	21,853	(25,405)	(3,552)
Finance income – interest receivable	-	14	14
Finance charges – interest payable	-	(14)	(14)
Retained surplus/(deficit) for the year	21,853	(25,405)	(3,552)
Assets and liabilities			
Segment assets	4,027	23,498	27,525
Segment liabilities	(7,698)	(7,529)	(15,227)
Net assets	(3,671)	15,969	12,298
Taxpayers' equity			
Income and expenditure reserve	(3,552)	-	(3,552)
Financing reserve	-	15,850	15,850
Taxpayers' equity	(3,552)	15,850	12,298

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

Geographical areas

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

Major customers

CNPA is reliant on income from a small number of Site Licence Companies for a significant proportion of its income. Transactions with four SLCs (2011/12: Four SLCs) individually amounted to 10% of CNPA's total income. This income is reported within the OPU's operating segment. A breakdown of income by major customer is provided below:

	2012/13		2011/12	
	£000	%	£000	%
SLC 1	29,669	36	32,293	44
SLC 2	17,126	21	10,977	15
SLC 3	12,184	15	8,792	12
SLC 4	8,138	10	8,342	11
Others	14,477	18	13,144	18
Total	81,594	100	73,548	100

3. Income

CNPA is required to recover its full operating costs each year. Income of £81,594,000 for the year to 31 March 2013 (2011/12: £73,548,000) represents a re-charge of running costs to SLCs of £80,735,000 (2011/12: £73,398,000) and miscellaneous income of £859,000 (2011/12: £150,000). All activities are regarded as continuing.

4. Staff Numbers and Related Costs

Staff costs comprise:

	Permanently employed staff	Temporary and agency staff	Total
	2012/13	2012/13	2012/13
	£000	£000	£000
Wages and salaries	48,936	2,534	51,470
Social security costs	4,686	227	4,913
Other pension costs	6,506	275	6,781
Agency staff	-	88	88
Sub-total	60,128	3,124	63,252
Less costs recovered in respect of outward secondments	(22)	-	(22)
Total staff costs	60,106	3,124	63,230

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

Average number of persons employed

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

	Permanently employed staff	Temporary and agency staff	Total
	2012/13	2012/13	2012/13
Total average staff numbers	1,217	77	1,294

	Permanently employed staff	Temporary and agency staff	Total
	2011/12	2011/12	2011/12
Total average staff numbers	1,089	57	1,146

Exit packages

	2012/13	2011/12
	Number of packages	Number of packages
Compulsory redundancies		
Less than £10,000	–	1
£10,000 - £14,999	–	1
Other departures		
Less than £10,000	–	1
Total number of exit packages	–	3

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

5. Pension Costs

All employees of CNPA are eligible to be members of the Combined Pension Scheme of the United Kingdom Atomic Energy Authority for the year ended 31 March 2013. The CPS is a contributory unfunded statutory defined benefit public service pension scheme.

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

With effect from 1 April 2006, the methodology to assess the employer contributions to the CPS changed. From that date, employer contributions are set using the Superannuation Contributions Adjusted for Past Experience (SCAPE) methodology established by HM Treasury having regard to the advice of the scheme actuary (the Government Actuary). Under the SCAPE methodology, the employer contribution from CNPA effective from 1 April 2006 was established at 16.2% of pensionable earnings. This rate is expected to continue throughout the 2013/14 scheme year.

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

6. Other Expenditure

	Notes	2012/13 £000	2011/12 £000
External charges			
Subsistence		2,771	2,246
Car hire		678	553
Mileage allowance		512	556
Other travel and subsistence costs		449	347
Rentals under operating leases		374	318
Commercial property rental		585	547
Telecommunications		1,005	798
IT support charges		1,797	1,571
Training costs		43	18
Professional services		455	628
Course fees		531	434
Insurance		359	311
Repairs and maintenance		704	595
Relocation		358	282
Recruitment		323	267
Payments under service level agreements		91	106
Site support charges		178	147
Legal fees		106	66
Regulatory charges		24	70
Security vetting		359	317
Range fees		337	326
Professional subscriptions and memberships		117	140
Consultancy		82	160
Staff medical costs		256	233
Other external charges		613	620
Total external charges		13,107	11,656
Operating materials			
Motor fuel		476	429
Weapons		67	145
IT equipment		147	195
Inventory withdrawals		1,740	1,817
Stationery		79	107
Non-capital equipment		381	368
Firearms spares and supplies		169	416
Dog related expenditure		30	30
Electricity charges		58	55
Inventory items written off		–	14
Other operating materials		51	155
Total operating materials		3,198	3,731
Other operating charges		152	154
Non-cash items			
Amortisation of intangible assets	9	209	122
Depreciation	8	1,408	1,008
Capital grants		(321)	(114)
Provisions provided in the year	15	4,199	59
Provisions not required written back	15	(66)	(57)
Total non-cash items		5,429	1,018
		21,886	16,559

7. Operating deficit

Operating deficit is stated after charging:

Notes	2012/13 £000	2011/12 £000
Operating lease rentals:		
Plant and machinery	36	28
Others	338	290
Auditors' remuneration		
Audit fees	42	42
Payments to auditors for internal audit services	68	106

8. Property, Plant and Equipment

	Transport equipment £000	Plant and machinery £000	Furniture and fittings £000	Information technology £000	Payments on account and assets under construction £000	Total £000
Cost or valuation						
At 1 April 2012	3,817	3,889	438	2,589	38	10,771
Additions	506	361	85	22	317	1,291
Disposals	(333)	(25)	–	(13)	–	(371)
At 31 March 2013	3,990	4,225	523	2,598	355	11,691
Depreciation						
At 1 April 2012	1,921	1,004	249	1,141	–	4,315
Charged in year	458	529	34	387	–	1,408
Disposals	(327)	(23)	–	(13)	–	(363)
At 31 March 2013	2,052	1,510	283	1,515	–	5,360
Net book value at 31 March 2013	1,938	2,715	240	1,083	355	6,331
Asset financing						
Owned	1,938	2,715	240	1,083	355	6,331
Net book value at 31 March 2013	1,938	2,715	240	1,083	355	6,331

	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 2011	3,049	2,773	411	918	2,023	9,174
Additions	901	863	27	153	52	1,996
Disposals	(133)	(6)	–	(3)	–	(142)
Reclassifications	-	259	–	1,521	(2,037)	(257)
At 31 March 2012	3,817	3,889	438	2,589	38	10,771
Depreciation						
At 1 April 2011	1,849	625	204	770	–	3,448
Charged in year	204	385	45	374	–	1,008
Disposals	(132)	(6)	–	(3)	–	(141)
At 31 March 2012	1,921	1,004	249	1,141	–	4,315
Net book value at 31 March 2012	1,896	2,885	189	1,448	38	6,456
Asset financing						
Owned	1,896	2,885	189	1,448	38	6,456
Net book value 31 March 2012	1,896	2,885	189	1,448	38	6,456

Payments on account and assets under construction represent assets that are incomplete or not yet in productive use by CNPA. At 31 March 2013 this related to £56,000 (2011/12: £38,000) for police control room equipment, £287,000 for weaponry (2011/12: £nil) and £12,000 for information technology equipment (2011/12: £nil).

9. Intangible Assets

	Software licences	Technology Information	Total
	£000	£000	£000
Cost or valuation			
At 1 April 2012	376	718	1,094
Additions	13	14	27
At 31 March 2013	389	732	1,121
Amortisation			
At 1 April 2012	75	328	403
Charged in year	105	104	209
At 31 March 2013	180	432	612
Net book value at 31 March 2013	209	300	509
Asset financing			
Owned	209	300	509
Net book value at 31 March 2013	209	300	509

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

Amortisation charge

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

10. Financial Instruments

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

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

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

Credit risk

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

Exposure to credit risk

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

Loans and other receivables	2012/13	2011/12
	£000	£000
Total receivables (excluding prepayments)	10,705	9,207
Cash and cash equivalents	8,527	6,292
	19,232	15,499

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

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

	2012/13	2011/12
	£000	£000
Not past due	10,281	8,954
Past due less than 1 month	343	253
Between 1 and 2 months	81	–
	10,705	9,207

No receivables balances were considered impaired at the end of the reporting period (2011/12: £nil). There are no receivables that would otherwise be past due or impaired whose terms have been renegotiated (2011/12: £nil).

Liquidity risk

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

At 31 March 2013	Within 1 month	Between 1 and 3 months	Between 3 and 12 months	Total contractual maturity
	£000	£000	£000	£000
Trade payables	99	–	–	99
Accrued expenses	–	5,169	–	5,169
Other payables	1,226	–	–	1,226
	1,325	5,169	–	6,494

At 31 March 2012	Within 1 month	Between 1 and 3 months	Between 3 and 12 months	Total contractual maturity
	£000	£000	£000	£000
Trade payables	129	–	–	129
Accrued expenses	–	3,561	–	3,561
Other payables	1,594	–	–	1,594
	1,723	3,561	–	5,284

The former Department of Trade and Industry provided working capital of £6 million when CNPA was established. This is used to fund timing differences between receipts from customers and payments to creditors. In addition, CNPA has an overdraft facility of £1 million with the Royal Bank of Scotland Plc, repayable on demand, and used to meet short-term working capital requirements. This facility was not used during the reporting period.

Market risk

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

Currency risk

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

Interest rate risk

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

Other price risk

CNPA had no significant other price risk.

Carrying amount and fair value of financial assets and liabilities

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

At 31 March 2013	Loans and receivables	Other financial liabilities	Total carrying amount	Total fair value
	£000	£000	£000	£000
Financial assets				
Trade receivables	8,201	–	8,201	8,201
Early departure receivables	732	–	732	732
Other receivables	1,772	–	1,772	1,772
Cash at bank and in hand	8,527	–	8,527	8,527
Financial liabilities				
Trade payables	–	(99)	(99)	(99)
Accrued expenses	–	(5,169)	(5,169)	(5,169)
Other payables	–	(1,226)	(1,226)	(1,226)
	19,232	(6,494)	12,738	12,738

At 31 March 2012	Loans and receivables	Other financial liabilities	Total carrying amount	Total fair value
	£000	£000	£000	£000
Financial assets				
Trade receivables	8,227	–	8,227	8,227
Early departure receivables	151	–	151	151
Other receivables	829	–	829	829
Cash at bank and in hand	6,292	–	6,292	6,292
Financial liabilities				
Trade payables	–	(129)	(129)	(129)
Accrued expenses	–	(3,561)	(3,561)	(3,561)
Other payables	–	(1,594)	(1,594)	(1,594)
	15,499	(5,284)	10,215	10,215

Estimation of fair values

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

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

Early departure receivables

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

Cash at bank and in hand

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

11. Inventories

	2012/13	2011/12
	£000	£000
Clothing	251	182
Ammunition	712	780
Other inventory items	229	172
	1,192	1,134

During the reporting period £nil (2011/12: £14,000) of obsolete, slow moving or defective items of inventory was written off.

12. Trade Receivables and Other Assets

12(a) Analysis by type	2012/13	2011/12
	£000	£000
Amounts falling due within one year:		
Trade receivables	8,201	8,227
Early departure receivables due from pension scheme	201	–
Prepayments and accrued income	261	190
Other receivables	1,711	791
	10,374	9,208
Amounts falling due after more than one year:		
Early departure receivables due from pension scheme	531	151
Other receivables	61	38
	592	189

12(b) Intra-government balances	2012/13	2011/12
	£000	£000
Amounts falling due within one year:		
Balances with other central government bodies	6,186	462
Balances with public corporations and trading funds	–	730
Balances with English local government	26	3
Balances with Scottish local government	6	–
Intra-government balances	6,218	1,195
Balances with bodies external to government	4,156	8,013
Total receivables at 31 March	10,374	9,208
Amounts falling due after one year:		
Balances with other central government bodies	531	151
Intra-government balances	531	151
Balances with bodies external to government	61	38
Total receivables at 31 March	592	189

13. Cash and Cash Equivalents

	2012/13	2011/12
	£000	£000
Balance at 1 April	6,292	4,704
Net change in cash and cash equivalent balances	2,235	1,588
Balance at 31 March	8,527	6,292

The following balances at 31 March were held at:

	2012/13	2011/12
	£000	£000
Commercial bank	8,527	6,292
	8,527	6,292

14. Trade Payables and Other Current Liabilities

14(a) Analysis by type

	2012/13	2011/12
	£000	£000
Amounts falling due within one year		
Trade payables	99	129
Other taxation and social security	1,508	1,427
Accrued expenses	5,169	3,561
Deferred income	778	371
Other payables	1,226	1,594
	8,780	7,082
Amounts falling due after more than one year:		
Deferred income	2,021	1,637
	2,021	1,637

14(b) Intra-government balances

	2012/13	2011/12
	£000	£000
Amounts falling due within one year:		
Balances with other central government bodies	2,656	2,606
Balances with English local government	81	30
Balances with Welsh local government	8	2
Balances with public corporations and trading funds	2	–
Balances with Northern Ireland	2	–
Intra-government balances	2,749	2,638
Balances with bodies external to government	6,031	4,444
Total payables at 31 March	8,780	7,082
Amounts falling due after one year:		
Balances with bodies external to government	2,021	1,637
Total payables at 31 March	2,021	1,637

15. Provisions for Liabilities and Charges

	Insurance claims £000	Dilapidations £000	Early departure costs £000	Total £000
At 1 April 2011	157	190	143	490
Provided in the year	40	18	1	59
Provisions utilised in the year	(50)	–	(58)	(108)
Provisions not required written back	(57)	–	–	(57)
At 31 March 2012	90	208	86	384
Provided in the year	67	–	4,132	4,199
Provisions utilised in the year	(31)	–	(60)	(91)
Provisions not required written back	(66)	–	–	(66)
At 31 March 2013	60	208	4,158	4,426
Expected timings of cash flows				
Within one year	60	–	2,535	2,595
Between two and five years	–	–	1,037	1,037
After five years	–	208	586	794
	60	208	4,158	4,426

Insurance claims

A provision has been included for five new insurance claims. Of the nine claims open at 1 April 2012 the provision is unchanged for one and the remaining eight have been utilised or written back during the reporting period.

Dilapidation

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

Early departure costs

This provision has been made to cover pension payments to former members of staff who have retired early. These payments continue until the date at which the staff member would have reached normal retirement age. Pension payments have been indexed in line with rules set out by the Official Committee on Occupational Pensions; that is pension payments are indexed annually in line with the Consumer Prices Index to the previous September. Forecast Consumer Prices Index (CPI) has been taken from the Budget Report published in March 2013 by HM Treasury.

A provision for early departure costs has been recognised as at 31 March 2013 for payments to be incurred as a result of the commitment to withdraw from Springfields, Capenhurst and Chapelcross sites in 2013/14. CNPA is no longer required to provide protective security to these sites and will cease policing at these sites. It is unable to relocate these officers and staff to other OPUs.

16. Taxpayers' Equity

Reconciliation of movement in taxpayers' equity

	Income and expenditure reserve	Financing reserve	Total
	£000	£000	£000
At 1 April 2011	–	12,937	12,937
Grant-in-aid received	–	1,764	1,764
Other financing contributions	–	166	166
At 1 April 2012	–	14,867	14,867
Grant-in-aid received	–	818	818
Other financing contributions	–	165	165
Comprehensive expenditure for the year	(3,552)	–	(3,552)
At 31 March 2013	(3,552)	15,850	12,298

Income and expenditure reserve

The income and expenditure reserve shows accumulated surpluses and deficits. CNPA is required to recover its full operating costs each year through charges to customers to whom it provides a service. The deficit of £3,552,000 is due to the provision of early departure costs for 26 police officers and members of police staff at Springfields, Capenhurst and Chapelcross OPUs. CNPA is no longer required to provide protective security to these sites and will cease policing at these sites. It is unable to relocate these officers and staff to other OPUs. Early departure costs are not considered operating costs and cannot be recharged to CNPA's customers. These costs are being met in full by DECC, through grant-in-aid funding, as and when they fall due for payment and will be recognised by CNPA on a cash basis in the year in which the payment is received.

Financing reserve

The finance reserve relates to grant-in-aid provided by CNPA's sponsoring department. It is credited to the financing reserve as it is regarded as a contribution from a controlling party giving rise to a financial interest in the residual interest of CNPA. Other financing contributions comprised £14,000 (2011/12: £10,000) of interest earned on CNPA's bank accounts and £151,000 (2011/12: £156,000) from charges made to operating companies to finance purchases of property, plant and equipment. Other financing contributions are payable to DECC and, by agreement with DECC, included within financing.

17. Capital Commitments

Contracted capital commitments at 31 March 2013 not otherwise included in these financial statements comprised:

	2012/13	2011/12
	£000	£000
Property, plant and equipment	474	308
Intangible assets	-	14
	474	322

18. Commitments Under Operating Leases

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

Office accommodation	15 years
Photocopiers	3 - 4 years

During the year to 31 March 2013, £374,000 (2011/12: £318,000) was recognised as an expense in the Statement of Comprehensive Income in respect of operating leases.

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

	2012/13	2011/12
	£000	£000
Leasehold properties		
Less than one year	345	345
Between one and five years	806	1,151
	1,151	1,496

	2012/13	2011/12
	£000	£000
Leasehold plant and equipment		
Less than one year	42	7
Between one and five years	11	4
	53	11

19. Other Financial Commitments

CNPA has entered into non-cancellable contracts (which are not leases or Private Finance Initiatives contracts) for access to the Airwave communication network. The payments to which CNPA is committed are as follows:

	2012/13	2011/12
	£000	£000
Less than one year	783	689
Between one and five years	3,893	2,969
Later than five years	1,068	1,621
	5,744	5,279

20. Contingent liabilities

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

21. Losses and Special Payments

There are no reportable losses or special payments for the year ended 31 March 2013.

22. Related-Party Transactions

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

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

United Kingdom Atomic Energy Authority;

United Kingdom Atomic Energy Authority Pension Scheme;

Health and Safety Executive; and

Home Office.

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

23. Events After the Reporting Period

There are no reportable events after the reporting period. These accounts were authorised for issue by the Accounting Officer on 17 June 2013 the date that the accounts were certified by the Comptroller and Auditor General.

24. Accounts Direction

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

13. Glossary

ACPO	Association of Chief Police Officers in England, Wales and Northern Ireland	KPI	Key Performance Indicator
AVC	Additional Voluntary Contribution Scheme	MoD	Ministry of Defence
GESG	Communications and Electronic Security Group	mSv	Millisievert
GETV	Cash Equivalent Transfer Value	NAO	National Audit Office
CGI	Corporate Governance Institute	NCALT	National Centre for Applied Learning Technologies
CLD	Centre for Learning and Development	NDA	Nuclear Decommissioning Authority
CNC	Civil Nuclear Constabulary	NDPB	Non-departmental public body
CNPA	Civil Nuclear Police Authority	NISR	Nuclear Industries Security Regulations 2003
COP	College of Policing	NORMS	National Objectives, Requirements and Model Standards
CPI	Consumer Prices Index	NPIA	National Policing Improvement Agency
CPS	Combined Pension Scheme	ONR(CNS)	Office for Nuclear Regulation (Civil Nuclear Security)
DECC	Department of Energy and Climate Change	OPU	Operational Policing Unit
FReM	HM Government Financial Reporting Manual	PCCS	Police Complaints Commissioner for Scotland
HM	Her Majesty's	PM	Protectively Marked
HMG	Her Majesty's Government	PO	Portfolio Office
HMIC	Her Majesty's Inspectorate of Constabulary	PSD	Professional Standards Department
HQ	Headquarters	REPIIR	Radiation (Emergency Preparedness and Public Information) Regulations 2001
HR	Human Resources	RIDDOR	Reporting of Injuries, Diseases and Dangerous Occurrences Regulations
HSE	Health and Safety Executive	SAC	Senior Appointments Committee
IAMM	Information Assurance Maturity Model	SB	Special Branch
IAO	Information Asset Owner	SCAPE	Superannuation Contributions Adjusted for Past Experience
IASB	International Accounting Standards Board	SIRO	Senior Information Risk Owner
IFRS	International Financial Reporting Standards	SLC	Site Licence Company
IPCC	Independent Police Complaints Commission	VAT	Value Added Tax
IT	Information Technology		
IT&C	Information Technology and Communications		
KIM	Knowledge and Information Management		





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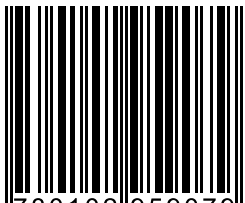
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