



Ministry of Defence Police and Guarding Agency

ANNUAL REPORT AND ACCOUNTS 2010-2011



**Ministry of Defence
Police and Guarding Agency**



**ANNUAL REPORT AND ACCOUNTS
2010-2011**

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Foreword

by the **Chief Constable and Chief Executive**

This Report sets out the accomplishments and challenges of the Agency during 2010-2011 in support of the Ministry of Defence, both in the UK and abroad, and for our other customers, especially our protection of national infrastructure sites.

We continued to provide high value, niche and specialist policing services and accredited guarding across the Defence estate and to deliver them to high professional and operational standards. Our success has been achieved despite financial constraints and significant uncertainty, as the MOD balances its budget and re-examines priorities within the level and context set by the Comprehensive Spending Review and the Strategic Defence and Security Review.

These challenges will be with us for the foreseeable future. We expect a large amount of work to re-set all our MOD complements, tasks and customer agreements to meet changing requirements.

We await clarity on funding, Defence security policy changes, further budgetary pressures on Defence, and reform of the MOD itself. All of these will bring change, some of it fundamental. As things stand, after a two year standstill since the 2009 planning round, I expect the picture to start to clear in 2011, continue to clear in 2012, and to take until 2014 to put fully into place. But my firm intention as Chief Constable and Chief Executive is to deliver the MOD Police (MDP)

and the MOD Guard Service (MGS) into the 2015 Strategic Defence Review in good shape and fighting fit.

It is quite clear that the MOD will have an enduring requirement for substantial unarmed guarding and security services. It is not clear what form these will take by 2015 but as the subject matter experts and the largest guarding capability within the MOD that holds the National Security Inspectorate Gold Standard, we expect to be at the forefront of supporting whatever new arrangements emerge.

It is also clear that in 2015 and beyond, the MOD will continue to need self-sufficiency in a variety of specialist and bespoke policing capabilities that local police forces will not be capable of providing to the scale or tempo that the MOD requires, or at all. These specialist and bespoke policing requirements will be both territorial (i.e. continuously at Defence establishments) and deployable (i.e. surge and response). By volume and criticality, if criticality is defined by the consequences of failure, the dominant function of the MDP will be the armed protective policing of assets that are so important to the UK and the MOD that their loss cannot be contemplated. Of these, the nuclear security functions will remain the most critical of all.

However, the MDP function even at the most critical sites can never be purely one of armed security. The MDP function also has to

include the management of protest, non-terrorist incursions, and the full integration of site safety and emergency procedures - in short; security, safety and response.

The Agency has delivered on our performance targets for crime; on international policing, and on maintaining the MDP's professional accreditation as a police force. We delivered on maintaining the MGS's professional accreditation as a guard force, on our diversity targets and on our employee engagement ratings. We came in on our agreed budget target; and had substantial assurance from our auditors as to the effectiveness of our controls. This was some achievement, given the challenging conditions of the year. I pay tribute to the staff of the Agency who worked through those conditions and overcame all obstacles.

This is the fortieth anniversary year of the MDP. The Force has a proud track record of rising to challenges. Together with the Guard Service, the Force now has another one – to see how we can make use of the major



opportunities which all the other pressures on Defence present us with, to put forward bold and radical solutions to Defence policing and security problems. That ball is firmly in our court.

Stephen Love
Chief Constable and Chief Executive
12 July 2011

The Chief Constable in Afghanistan





Introduction

by the Agency Owner

The Agency provides essential police and guarding services across the Ministry of Defence, in the UK and overseas, as well as to other parts of Government, in particular for elements of the national infrastructure.

As Agency Owner I chair the Agency Owner's Advisory Board (OAB) and oversee its work, representing the Secretary of State, whose powers in relation to the Agency are delegated to me.

The defence of the UK and its interests requires many specialised contributions. The MDPGA is one such key contributor, providing civilian guarding services to defence sites nationwide and an armed policing presence at key sites where a high

degree of protection is required. The policing side of the Agency also brings with it other expertise, much of it focused on protecting valuable military assets.

The work of the Agency is important. But, as elsewhere across Government, priorities are being reviewed to ensure the most effective deployment of our people, the best value for money, and affordability. This will be an important part of the year ahead, to ensure clarity on future size and shape and deployment, for the Agency and those they serve. This will be challenging but essential work focused on the future whilst the Agency continues to deliver, day by day, to their high standards, to their defence and other customers.



A handwritten signature in black ink that reads "Susan Scholefield". The signature is written in a cursive style and is followed by a dashed line.

Susan Scholefield CMG
Director General HR and Corporate Services, MOD

End of Year Priorities Report

PRIORITY 1

This Priority required the Agency to ensure that the customer requirement for MDP and MGS services was matched with available resources, through proactive engagement with MOD Top Level Budgets (TLBs).

In-year the Agency has managed to secure funding for all of its services to TLBs, at the level the Agency was able to deliver, through inter-TLB funding transfers. The Defence Board has now agreed PR11 options to match MDP and HQ services and resources by 2014/15. A review of the expansion of the Military Provost Guard Service (MPGS) is currently underway that will examine resources and tasking for guarding across the Defence estate including the MGS.

PRIORITY 2

This Priority was to deliver at least 95% of MDP and MGS agreed UK customer tasks. The impact of the Departmental financial savings measures and constraints continued to make this Priority challenging. The MDP delivered an average of 90.15% and the MGS an average of 83.3%.

PRIORITY 3

This Priority was to improve MDPGA customer satisfaction rate with the services provided by the MDP and MGS at the levels achieved during 2009, which were 89.1% for the MDP and 65.8% for the MGS. The MDP had a satisfaction rate of 89.3%. The MGS are unable to directly compare with last year's position as the measurement of customer satisfaction changed. However, MGS saw an increased improvement of 6.1% from last year. MGS continue to feel the effect of Departmental savings, recruitment restrictions and an overtime ban.

PRIORITY 4

This Priority required the MDP to achieve a detection rate of at least 55% of recorded crime that significantly impacts on Defence capability. This target was exceeded with the MDP achieving a detection rate of 133.60%. This published detection rate is taken against the figures for the year, but it should be noted that some crimes detected within the year are crimes that were originally reported in previous years; similarly not all crimes reported in year are detected within that year.

PRIORITY 5

This Priority required the Agency to achieve all of its international tasks and this continued to be achieved through the delivery of international policing tasks requested by the Foreign and Commonwealth Office in support of wider defence and UK foreign policy initiatives.

PRIORITY 6

This Priority required the Agency to meet and maintain external MDP and MGS accreditation and compliance for: NPIA Firearms Training Licence; Professionalising Investigation Compliance; ACPO accreditation for Police Dog Training Instructors; Management of Police Information; Home Office Counting Rules for recording Crime and / Scottish Crime Recording Standards; National Standard for Incident Reporting; and, for MGS, the National Security Industry Gold Standard and Security Industry Authority Standard. This Priority was fully achieved.

PRIORITY 7

This Priority required the Agency to maintain or raise the Diversity Excellence Model score of 430. This Priority was fully achieved within the required timescale and resulted in the Agency's score rising to 465 points.

PRIORITY 8

This Priority was to deliver specified outputs within Resource Control Totals. Departmental financial savings measures severely impacted on the Agency's ability to meet this target but the Agency did achieve a revised target agreed in-year.

The Agency ended the year significantly over Control Total at some £15.7m. The Agency achieved the revised target agreed with MOD Centre in-year, which was to remain within a £15m - £19m overspend.



Priorities 2011-12

PRIORITY 1

To support the secure and uninterrupted operation of the UK's nuclear deterrent

- a. To retain substantial assurance from the DE&S Strategic Weapons Project Team (SWPT) and DE&S Principal Security Advisor (PSyA) quality assurance inspection process.
- b. To have delivered at least 98% of MDP and MGS agreed UK customer tasks at nuclear sites.

PRIORITY 2

To support the Defence Main Effort in Afghanistan

- a. To have achieved 100% of HMG/MOD approved requirements for Afghanistan National Police capacity-building.
- b. To have 100% of all Defence Community Police Officers (DCPO) positions occupied.
- c. To assist the MOD in the detection and recovery of military materiel theft.

PRIORITY 3

To ensure the protection of Defence people, assets, information and estate

- a. To have delivered at least 95% of MDP and MGS agreed UK customer tasks at non-nuclear sites including MOD Trading Funds.
- b. To assist the MOD in preventing and detecting fraud and corruption, and any subsequent recovery of losses.
- c. To assist the MOD in the investigation of security and data loss.

PRIORITY 4

To provide a response to Defence major incidents

- a. To have passed the annual Nuclear Guard Force assessment.
- b. To provide a police operational and major incident surge capability that meets the Department's Statement of Requirement.
- c. To achieve the MDP Public Order Standard.

PRIORITY 5

To meet the security requirements of all non- MOD repayment customers

To have delivered 100% of MDP and MGS agreed UK customer tasks at non-MOD payment sites.

PRIORITY 6

To maintain MDP and MGS operational and professional standards

To have met and maintained 100% of MDP and MGS accreditation and compliance for:

- a. MDPNet accreditation
- b. NPIA Firearms Training Licence
- c. MDP Level 2 Investigation Programme
- d. ACPO accreditation for Police Dog Training Instructors
- e. Information Assurance Maturity Model Level 3
- f. National Crime Recording Standards/Scottish Crime Recording Standards
- g. National Standard for Incident Recording
- h. Diversity through incorporation into the MOD's new Equality Act framework

External MGS accreditations for:

- a. The National Security Industry Gold Standard
- b. Security Industry Authority Standard

PRIORITY 7

To ensure that the Agency Transition programme is on track

- a. To have achieved 100% of agreed Agency transition programme milestones for 2011/12.
- b. To have achieved a 'Your Say' engagement score that exceeds that of the Central TLB parent unit.

PRIORITY 8

To ensure that the MPDGA delivers on budget

To deliver specified outputs within 1% of authorised Control Total.



Policing Report

Deputy Chief Constable, MOD Police

Policing Protest

The reporting year began with an increase in protestor activity, including small-scale protests at MOD nuclear establishments both in England and Scotland and at RAF stations where US Visiting Forces are based. Later, the Force dealt with larger scale protests including an anti-Trident demonstration at Aldermaston and environmental protests at some national infrastructure facilities. For the remainder of the reporting year, protests remained primarily focused at sites with a nuclear interest - the Atomic Weapons Establishments and the Naval establishments in Scotland. HMNB Devonport was the subject of a significant anti-nuclear protest in November 2010 which attempted to blockade the Base.

The peaceful facilitation of these protests remains resource-intensive, since in some cases large numbers of protestors are involved. On these occasions, the MDP is called upon to exercise its specialist policing skills, such as rope access and the use of expert cutting equipment, in support of its Defence customers and to maintain the key business and operational outputs of their facilities.

Demonstrations by student bodies and other organisations, campaigning against various changes to the educational system and how it is financed, were an unexpected feature of the last quarter. Though the MDP's

role is to protect MOD assets, the main demonstrations took place near Parliament and therefore adjacent to MOD HQ in Whitehall. During these disturbances the MDP resource at MOD Main Building was augmented by the regional DSG (Divisional Support Group) and vital assistance was provided to the Metropolitan Police Service at the entrance to HM Treasury where a determined effort to breach the main doors was repelled.

UK and Defence Objectives Overseas

Afghanistan

Since 2008, MDP has deployed to the Afghan theatre to provide police training and mentoring to the Afghan National Police (ANP). Their work takes place either at the Helmand Police Training Centre (now renamed the Regional Training Centre, South West) or at Forward Operating Bases with active ANP units. The British Army run the Centre and play the lead role in providing the military and tactical training which is an essential part of policing in Afghanistan whilst combat operations are still active. MDP contribute to the civilian policing elements of training, teaching up to 26 separate subjects ranging from Human Rights and use of force to vehicle searches and self defence

techniques. On 29 December, the 2000th ANP student graduated from the training centre.

MDP also has officers seconded to the EU Police Mission in Kabul and an officer serving as the Senior Police Advisor in Kandahar. Other officers are serving with the NATO training mission in Kabul and on the staff of the Police Commissioner respectively.

Kosovo

The EU Rule of Law Mission in Kosovo (EULEX) is the largest civilian mission launched under the EU Common Security and Defence Policy. The central aim is to assist and support the Kosovo authorities, specifically in areas such as the police, judiciary and customs. Throughout the reporting period experienced MDP officers have served in the Mission - including one serving as Head of the Organised Crime Intelligence Unit, one as Head of Facilities at the Kosovan Police Service, one as Head of Regional Crime and one as a Regional Crime Adviser. All of these posts were secured through open competition against serving UK and European police officers and represent a considerable achievement by the individuals as well as reflecting well on the reputation of the MDP in Europe.

Georgia

MDP had officers deployed to Georgia with the EU Monitoring Mission (EUMM). The Mission is tasked to provide independent monitoring of the actions of the disputing parties in complying with the Six Points Agreement throughout Georgia, South Ossetia and Abkhazia.

Palestinian Territories

MDP has had a senior officer deployed as Police Adviser in Ramallah to the Central Training Administration, Ministry of Interior. The role is to liaise with the US Security Co-ordinator with the aim of professionalising the Palestinian security forces, and contributing to the enhancement of law and order and the improvement of security for Palestinians and Israelis.

The International Policing Advisory Board (IPAB) is now well established and MDP are represented on this forum by Assistant Chief Constable, Operational Support. At the last IPAB meeting a strand of work was approved to draw up terms of reference for the International Policing Assistance Group (IPAG), which will support the IPAB. MDP are represented on IPAG by the Head of International Policing (Superintendent rank).

Criminal Investigation

The MDP Criminal Investigation Department (CID) is the MOD's in-house criminal investigation capability providing intelligence, fraud, major incident and computer crime services. A selection of cases is detailed below which illustrate the work of MDP CID officers.

- Fraudulent activity in relation to the procurement of MOD vehicles for the Grey Fleet led to the arrest of a number of individuals. The value of the vehicles involved was approximately £250,000. The potential savings to the Army, as a result of the investigation, are in the region of £1.8 million.
- False accounting and theft offences for using an MOD Government Procurement credit card to purchase additional goods for own personal use to the value of approximately £10,000.
- False accounting, theft, fraud and handling stolen goods after property searches uncovered military clothing, body armour and other items of MOD property at a private home. Other items had been sold on the internet.
- Selling MOD ration packs and other items to the value of £11,000 on eBay.
- Misappropriation of MOD funds through false cheques worth £132,000.
- Theft of MOD property including live ammunition, pyrotechnics, military clothing, vehicle parts, general stores and medals belonging to serving soldiers.

- Following a request from the Provost Marshal (Army), to the Chief Constable, for forensic support with the repatriation of deceased service personnel, MDP Crime Scene Investigators were tasked to assist the Royal Military Police. MDP attended nearly 30 post mortems of Service personnel killed in Afghanistan, to deal with forensic issues.
- Theft of more than £100,000 from the MOD and from two Army charities.
- Fraud by a former civil servant to a total value of £400,000.
- The illegal importation into the UK of weapons and ammunition.

Defence Community Police Officers (DCPOs)

There are currently over 80 DCPOs based at 63 defence locations around the UK. Their deployment is directly supportive of the needs of Service families and so supports the Military Covenant.

Their work ranges from investigating burglaries at Service Family Accommodation properties to the delivery to defence community families of the Child Exploitation Online Protection Awareness package, designed to protect children between 5-16 years from sexual predators. Reassurance policing to families where a partner is away in theatre (eg Afghanistan) has a high priority. MDP response to incidents or concerns at Service Family Accommodation (SFA) often enables a speedy handling of quality of life issues which would otherwise affect morale if not tackled promptly. The sort of incidents covered in year are illustrated below:

- DCPO investigated a series of burglaries in Aldershot Garrison SFA which was undermining the morale of Army families. Investigations linked to the use of the Police National Computer led to the arrest of a suspect who was interviewed by the DCPO and pleaded guilty to 44 burglaries, receiving a 26 month custodial sentence.

- DCPO responded to complaints from SFA residents, concerned about local anti-social behaviour. Targeted police patrols were introduced in the areas of concern and the behaviour was abated.
- Following a rape on land adjacent to their estate, the DCPO made regular reassurance visits to the army spouses in an SFA area where most of the male partners were deployed to Afghanistan. The DCPO played a critical role in restoring confidence and morale in the family community.
- Following reports that children had been approached by an unknown male in the SFA area who may have attempted to abduct them, DCPO visited parents, school and nursery staff to provide relevant updates and also briefed senior military command, liaising with the local force for specialist support. Since no suspect was identified, the DCPO continued to provide reassurance to families.

Planning for the Olympics – MDP contribution

The Operational Support department, which has responsibility for ensuring that MDP are integrated within overall Olympic planning by the MOD, is in contact with lead forces with a view to having early sight of requests for mutual aid during the Olympic period. Indications are that there will be mutual aid requests for MDP Marine Unit assets, Search Officers or Advisors and possibly general duties officers. MDP are represented on the MOD Olympic Planning Group and other appropriate working groups. Requests for MDP support will be made through the usual Police National Information Co-ordination Centre (PNICC) channels.

Management of Police Information (MoPI)

The MDP MoPI Project has now ceased with the remaining actions brought into business as usual. The National Police Improvement Agency, which oversees the national MoPI project (launched after the Soham murders, and the Bichard Report, to bring about the linking up of key police databases) no longer maintain a caveat against non-Home Office Police Forces, so long as they can demonstrate that they have shown “due regard” to the MoPI Guidelines.

‘Due regard’ was demonstrated to NPIA by MDP through two reviews in May and December 2010. With our current set-up of the Review Retention and Disposal Unit (RRDU) and current work with CID on Police Information systems and processes, the NPIA review team was satisfied that MDP is meeting the required standard of ‘due regard’ to MoPI. This validation was required to ensure MDP inclusion on the Police National Database.

Police National Database (PND)

Work to enable the required data extraction from the MDP Crime and Intelligence system (UNIFI) to PND has advanced. The National Programme aims to have Basic PND functionality generally available from mid-April 2011 with additional increments in functionality to follow through 2011. The security environment required for PND and conformance with the Code of Connection is now under construction and should be in place by the end of the year. A high level of media interest is being predicted for PND when it is eventually announced nationally.

Drug & Alcohol testing

The Force has joined a framework agreement with other police forces which adopts best practice in testing regimes. An expert contractor was selected to provide both “random” and “with cause” testing to the Force, a process which was officially launched in December. An awareness campaign reinforced the intent and ethos of the testing regime as being preventative and to provide reassurance to customer and public, rather than punitive to officers.

Annually, 10% of officers who fall within testing eligibility criteria will be tested. The categories covered are:

- Firearms officers – all officers authorised to use firearms, or directly supervising their use.
- Firearms Tactical Advisors and Firearms Commanders.
- Police Search Advisor Teams and supervisors of such teams.
- Officers authorised to use the police exemption under the Road Traffic Act 1984, (primarily emergency response drivers).

The regime is centrally administered, but with the full engagement of Divisional Commanders.

Firearms

The National Police Improvement Agency visited the Force in December to review the firearms training plan, the MDP Strategic Threat & Risk Assessment, and compliance with the ACPO Codes of Practice. ACPO’s licensing of police firearms capability requires the highest standards. The Licence is not easily obtained and MDP were one of the first forces to meet the exacting standards. Retention of the Licence is far from a formality and regular reviews are designed to keep standards high.

Work is ongoing to ensure sufficient Taser resources to current Taser deployed locations, so that we have the resilience to meet demand. A new supplier was approved by the Home Office and supplies from the previous supplier ran down in some forces. MDP however retained full operational effectiveness during the year.

Public Order Training

Public Order training was carried out by specialist officers from the Operational Support Units, to ensure that Public Order trained officers maintain their Common Minimum Standard (CMS), in accordance with Force requirements. Random checks were also conducted to ensure the effectiveness of the procedures.

Diversity

The MDP's legal status has changed. Under previous equality statutes, the Ministry of Defence Police were required to maintain and publish an Equality Scheme, and did so: the Agency Diversity Action Plan was a key part of this scheme, and was supported by

our Diversity and Equality Unit (DEU).

The Equality Act 2010 does not contain this requirement. For the new Act's regulatory, policy and reporting purposes the MDP are now fully part of the MOD.

We are currently negotiating with MOD HQ to see how the MDP will be served by and contribute to the Department's new guidance arrangements. But if this is the end of the MDPGA's independent status on equality and diversity, we do at least go out on a high: we have improved on our Diversity Excellence Model assessment score again in 2010/11, to a new level.

Gerard P McAuley,
Deputy Chief Constable





Guarding Report

Head of Unarmed Guarding, MOD Guard Service

Customer satisfaction and performance

The severe financial restrictions have continued to have a major impact on MGS performance, as the recruiting ban means that an increasing number of vacancies are left unfilled, and the overtime restrictions mean that the required level of service for both the MOD and other customers cannot be fully achieved. MGS managers have worked closely with customers to prioritise tasking and to match resource to critical tasks. Some MOD Top Level Budget customers have agreed to fund a limited amount of overtime to prevent critical failures at key establishments, but despite this almost every MOD customer has had to accept a reduction in the number of tasks completed by the MGS. However, customers continue to praise the professional standards of the MGS officers at their sites, who strive to provide the best possible service within the financial and staffing restrictions.

Some bright spots remain. Full staffing, and thus a very high level of achievement against the requirement, has been maintained at US Visiting Forces sites and those of the MOD Trading Funds, all of which are exempt from the MOD savings regime because the customer payment to the MGS is tied to activity.

The MGS have successfully increased the size of the workforce at the former RAF Innsworth, now Imjin Barracks, to meet the move of the headquarters of the Allied Rapid Reaction Corps from Germany. The customer was particularly impressed with the transitional management, which achieved the tasking while permanent staff members were recruited, with only minor disruption.

Organisational structure

Some limited restructuring of the MGS was implemented on 1 April 2010. An interim post-project evaluation has investigated the impact on operational performance and staff work-life balance. Early indications are that the restructuring has been generally successful, but some weaknesses have been identified. A definitive conclusion would need to take account of a full round of performance appraisals and performance pay awarding. However, there is potential for rolling out the new structure to other Regions once the future size and shape of the MGS organisation is known and the implications of PR11 HQ reductions considered.

National Security Inspectorate (NSI) accreditation

NSI external audits have been completed and Gold Accreditation maintained. These external audits have been underpinned by a series of internal audits, which also prompt the continual raising of standards. These internal audits are conducted by trained MGS managers, who audit units outside their own Region. All audit results and resolutions are monitored as part of the MGS bi-lateral reporting process.

An MGS Quality Manual is now in place and an Operations Manual is near completion. These documents are key in ensuring a consistent standard of performance conforming to ISO 9001 and BS 7499 is maintained. Out of hours visits by MGS managers have been re-instated, to provide improved operational assurance during silent hours.

Training

The MGS Managers' Course has now matured, with a number of the projects undertaken by participants moving towards implementation across the MGS. The MGS Supervisors' Course, which uses the Agency's HYDRA training suite to create a realistic Supervisory environment allowing for maximum learning, has been running for around a year and has been highly rated by students. An innovative Conciliation Skills workshop has been delivered to managers across all MGS Regions in partnership with an external provider. Continuation training is in advanced stage of development, and functional coaching skills training has been successfully piloted in Portsmouth with a view to its being rolled out in other regions also. Work is continuing on the re-design of the MGS Foundation Course to ensure that it accurately reflects the requirements of MGS Operations. SIA Qualification training also continues, with courses being offered in the Regions as well as at Wethersfield, both to increase throughput and to save the travel costs of bringing staff to Wethersfield from distant units.

Culture Change Programme

The culture change programme has developed in the last year with the second phase, a Continuous Improvement programme, launched in the autumn of 2010. Improved governance through a senior management Board and learning and development in the MGS have been the cornerstones of the culture change programme. The Continuous Improvement (CI) programme is being taken forward through engagement with MGS personnel at all levels. CI Focal Points have been identified and training on Lean techniques has been delivered. The MGS Head of Profession Commendation Scheme has continued to be used to recognise effort, innovation and dedication. MGS Senior Management continue to supplement the formal Joint Consultative Committee meetings with regular, informal meetings with national trade union representatives to discuss emerging issues and to ensure that we jointly lead the way in providing best practice in maintaining positive employee relations.

David Wray,
Head of Unarmed Guarding





Corporate Services

Agency Secretary

The MDP and MGS have been supported by non-uniformed civilians across the divisions and regions as well as at Agency headquarters, providing services such as Finance, HR and IT/IS support. The most significant challenges were financial as the Agency continued to operate under severe recruitment and overtime restrictions first implemented in August 2009.

Robust commitment controls and staff wastage enabled the Agency to meet key financial targets and to reduce expenditure significantly in year, albeit with impacts upon the service levels able to be offered to defence and other customers.

The Defence Reform Review and MOD financial pressures have driven wider changes to the footprint and to the size of MDP specialist police functions and MGS services. These have impacts for corporate services too;

to their size, shape and structure. We expect to re-configure as one service provider, co-ordinating with others in the centre of MOD to provide yet more cost-effective support to our MDP and MGS 'front line'.

Changes underway will also affect Wethersfield as the Agency Headquarters, which plans for fewer Agency staff but has become a 'multi-user' site with defence suppliers, other government agencies and the emergency services as important tenants and future partners. This has provided income generation opportunities throughout the year, including the use of our training facilities by a number of outside agencies, such as the UK Border Agency and Home Department Police Forces, which will be further developed in the coming year.

David King,
Agency Secretary

Agency Key Targets / Priorities 2008 - 2011

Key Targets

2008-09 2009-10 2010-11

Crime Detection/Strategy*

By 31 March 2009, to have achieved a detection rate for crime that significantly impacts on defence capability of at least 50%.



By 31 March 2009, to produce a Strategy for Defence Crime in the light of a Statement of Requirement to be produced by MOD.



By 31 March 2010, to have achieved a detection rate of at least 55% for crime that significantly impacts on defence capability.



By 31 March 2011 to have achieved a detection rate of at least 55% of recorded crime that significantly impacts on defence capability.



* The published detection rate is taken against the figures detected for that year. However, some crimes detected within year are crimes that were originally reported in previous years and, similarly, not all crimes reported in year are detected within that year. Hence the detection figure is an ongoing "rolling" figure. The published figure gives a snapshot of the detection rate at the year end.

Diversity

By 31 March 2009, to have achieved all Agency Key Diversity Objectives contained within the Agency Diversity Action Plan.



By 31 March 2009, to have set a baseline score for the Agency using the Diversity Excellence Model.



By 31 March 2010, to have raised the Diversity Excellence Model baseline score for the Agency to 390 points (from 355 points).



By 31 March 2011 to have maintained or raised the Diversity Excellence Model score for the Agency using the results of the 2009/10 assessment as the baseline.



Key Targets

2008-09 2009-10 2010-11

Customer Satisfaction

By 31 March 2009, to have maintained our customer satisfaction rate at the baseline level set in 2007/08.



By 31 March 2010, to have maintained or improved an MDP customer satisfaction rate of 88% (the level achieved in 2008/09) and MGS customer satisfaction rate of 85% (the level achieved in 2008/09).



By 31 March 2011 to have improved MDP and MGS customer satisfaction using the 2009 survey results as a baseline.



Customer Tasking

By 31 March 2009, to have delivered at least 95% of MDP and MGS agreed customer taskings for TLBs who have fully funded tasks.



By 31 March 2009, to have achieved all UK Repayment tasks.



By 31 March 2010, to have delivered at least 95% of MDP and 95% of MGS agreed UK customer tasks.



By 31 March 2011 to have delivered at least 95% of MDP and MGS agreed UK customer tasks.



Key Targets

2008-09 2009-10 2010-11

Fraud Reduction

By 31 March 2009, to have demonstrated the recovery or prevention of loss to the Department that exceeds the cost of the MDP's Fraud Squad.



No Key Target on Fraud Reduction in 2009/10.

No Key Target on Fraud Reduction in 2010/11.

International Capability

By 31 March 2009, to have achieved all international tasks.



By 31 March 2010, to have achieved all agreed international tasks.



By 31 March 2011 to have achieved all agreed international tasks.



Financial Management

By 31 March 2009, to have delivered specified outputs within 1% of authorised outturn.



By 31 March 2009, to have agreed with the TLBs a forward tasking plan based on resources provided.



By 31 March 2010, to have agreed with the TLBs new Joint Business Agreements in which taskings match available resources.



By 31 March 2010, to deliver specified outputs within 1% of authorised outturn.



By 31 March 2011 to have ensured that the customer requirement for MDP and MGS services is matched with available resources, through proactive engagement with TLBs.



By 31 March 2011 to have delivered specified outputs within Resource Control Totals (revised).



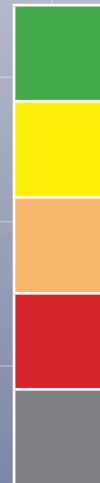
Key Targets

2008-09 2009-10 2010-11

Key Targets	2008-09	2009-10	2010-11
<p>Accreditation and Compliance</p> <p>By 31 March 2011 to have met and maintained external MDP and MGS accreditation and compliance for:</p> <ul style="list-style-type: none"> a. NPIA Firearms Training Licence b. Professionalising Investigation Programme Compliance c. ACPO accreditation for Police Dog Training Instructors d. Management of Police Information e. Home Office Counting Rules for Recording Crime/Scottish Crime Recording Standards f. National Standard for Incident Reporting g. The National Security Industry Gold Standard h. Security Industry Authority Standard 			

Key

Definition of target achievement



Personnel Statistics

Strength at 31 March 2011

Police	Total	Male	Female
Chief Constable	1	1	0
Deputy Chief Constable	1	1	0
Assistant Chief Constables	2	2	0
Chief Superintendents	5	5	0
Superintendents	26	25	1
Chief Inspectors	70	64	6
Inspectors	137	126	11
Sergeants	512	460	52
Constables	2587	2327	260
Total Police Officers	3341	3011	330
Total Probationers	46	40	6
MGS			
CSO1	8	7	1
CSO2	24	22	2
CSO3	94	78	16
CSO4	427	391	36
CSO5	2950	2636	314
Total	3503	3134	369
Civilians			
SCS	2	2	0
Band B1	1	1	0
Band B2	3	3	0
Band C1 (Senior Executive Officer)	26	17	9
Band C2 (Higher Executive Officer)	59	30	29
Investigation Officer Physical 1	0	0	0
Investigation Officer Physical 2	0	0	0
Band D (Executive Officer)	76	26	50
Band E1 (Administrative Officer)	202	48	154
Band E2 (Administrative Assistant)	22	1	21
Personal Secretary	0	0	0
Others	49	19	30
Total	440	147	293

MDP Professional Standards

Complaints Against the Police 2008-2011

	2008-09	2009-10	2010-11
Total number of complaints	41	30	49
Outcomes			
Withdrawn (Discontinued/De-recorded)	4	5	5
Locally resolved	21	10	23
Dispensation granted by IPPC	0	2	0
Unsubstantiated	5	12	10
Substantiated	3	5	7
Total cases completed	33	34	45

Disciplinary Hearings (2004 Regulations) 2008-2011

Classification	2008-09	2009-10	2010-11
Dismissal from the Force	0	0	0
Requirement to Resign	0	2	0
Reduction in Rank	0	1	1
Reduction in Pay	0	0	0
Fine	0	0	3
Reprimand	3	2	0
Caution	1	0	0
Not Guilty	1	0	0
Total	5	5	4

Complaints Against the Police 2010-2011

Meetings Classification	2010-11
Final Written Warning	5
Written Warning	5
Management Advice	23
Finding of Misconduct but no Further Action	7
Total	40

There were no Hearings under the 2009 Regulations

MDP Crime Statistics

Offence Category

Crime	England, Wales & Northern Ireland		Scotland		% Solved
	Recorded	Solved	Recorded	Solved	
Assaults Non-Police	118	34	30	8	28.37
Assaults on Police	0	1	0	0	0.00
Bomb Hoaxes	5	2	0	0	40.00
Burglary	248	54	40	16	24.30
Child Sexual Offences	5	1	0	0	20.00
Criminal Damage	325	11	73	15	6.53
Customs Offences	1	1	0	0	100.00
Drugs Offences	15	12	2	1	76.47
Forgery	9	1	1	0	10.00
Fraud	89	217	14	10	220.38
Life Threatening	11	3	0	0	27.27
Other Child Offences	1	1	1	1	100.00
Other Offences	117	45	50	38	49.70
Other Theft Act	1183	173	125	15	14.37
Public Order Offences	19	4	1	1	25.00
Sexual Offences	13	3	11	9	50.00
State Offences	0	0	0	0	0.00
Traffic Offences	0	5	3	3	266.67
Totals	2159	568	351	117	27.29
United Kingdom overall total	Recorded: 2510		Solved: 685		27.29

Extended Jurisdiction Statistics 2010-2011

Introduction

The Anti-Terrorism, Crime and Security Act (ATSCA) 2001, came into effect in December 2001 in England Wales and Northern Ireland, and in January 2002 in Scotland. The Act included provisions which extended the jurisdiction of the MDP by amending the Ministry of Defence Police Act 1987. The extension was modest and related largely to the ability to respond to another police force requesting support, and to deal with emergency situations.

Table 1 – This table shows a breakdown of the instances and categories where MDP officers used extended jurisdiction during the period from 1 April 2010 to 31 March 2011.

Category	Total
Requests from other Police Forces/Agencies	468
Emergency Situations	210
Off-duty action	2
Section 44 Stop and Search**	207
Miscellaneous	8
Total	895

Table 2 - This table provides detail of the instances where MDP officers provided assistance to other Police Forces/Agencies. The information relating to instances where officers were armed should be read in the context that MDP officers are routinely armed as part of their normal duties and are subject to ACPO policy on the use and carriage of firearms.

Category	Total
MOD Related	102
Officers Armed	124
Police Powers used	637
Vehicle/Person Searches	119
Total	982

** Use of Section 44 powers was suspended in June 2010 pending proposed changes to legislation.

Table 3 - This table provides historical information in respect of MDP use of additional powers.

2006/07	2007/08	2008/09	2009/10	2010/11
4627	7284	4646	3022	895**

** Use of Section 44 powers was suspended in June 2010 pending proposed changes to legislation.

Table 4 - This table provides a breakdown by MDP Division of the reported use of extended jurisdiction.

Division	Total
AWE	77
Scotland	164
South East	154
North East	132
Western	161

The following statistics give an indication of the sort of support or incident involvement which occurred:

Arrests (as part of the incident, not necessarily by MDP)	103
Traffic Management or breath tests (as part of the incident)	208
Response to Alarms	21
Police Dog Support to incidents	123



History

The Ministry of Defence Police (MDP) was formed in 1971 from the amalgamation of the Admiralty, War Office and Air Ministry Constabularies and in 1996 became a Defence Agency within the MOD. In 2004, the Agency was enlarged to include the MOD Guard Service (MGS) and was renamed the MOD Police & Guarding Agency (MDPGA). The Agency Chief Executive is also Chief Constable of the MDP, which has a statutory status under the Ministry of Defence Police Act 1987. The Act defines the jurisdiction of the Force and confers constabulary powers on its officers, a large number of whom carry firearms. The MGS was formed in 1992, following a review which identified the need for a professional unarmed guarding service across the Defence estate. Until 2004, MGS officers were tasked and managed locally by Service and MOD units. Since the creation of the MDPGA however, MGS has a corporate structure and its management is the responsibility of the MDPGA Management Board. Supporting the Management Board is a Divisional structure for MDP, which splits the UK into five geographical command areas each headed up by a Divisional Commander with operational responsibilities for their area, and a Regional structure for the MGS, which is comprised of five regions.

Ownership of the Agency rests with the Director General Human Resources and Corporate Services (DGHRCS) within the MOD Centre. The security and policing services the Agency provides are determined by Heads of Establishments in consultation with MOD Principal Security Advisors and in line with policy direction from Defence Security, who also determine the MOD's statement of requirement for the MDP. The current statement of requirement is due for revision following clarification of security policy changes and the allocation of resources available.

Principal Activities

- Policy: contributing to Defence policing and guarding policy.
- Uniformed Policing: the effective use of police powers to deter, detect and respond to crime and disorder.
- Defensive Armed Policing: the capability to deter and to respond to an armed attack on our customers assets.
- Protection: of the Strategic Nuclear Deterrent.
- Crime Investigation: the prevention, detection and investigation of crime that impacts significantly against Defence capability and recovery of stolen assets.
- Defence Business Continuity: the ability to reinforce the protection of Defence personnel and property.
- International Capability: the contribution of specialist Policing and Guarding expertise in support of wider Defence and foreign policy objectives.
- Guarding: the provision of unarmed guarding and access control to Defence personnel and property.

Financial Performance

The gross operating costs of the Agency for the year ended 31 March 2011 were £363.3M. Income totalled £37.4M. The balance, representing net operating costs, as detailed in the Statement of Comprehensive Net Expenditure was £325.9M. In the previous accounting period, 2009/10, net operating costs were £339.1M. This reduction is because of MOD Departmental savings measures and commitment controls which were implemented against the MDPGA in the 2009 MOD Forward Financial Planning Round which led to controls on recruitment and restrictions on overtime costs. These restrictions have been increased in 2010 and now affect the Agency's ability to commit expenditure, for example advertising, in accordance with HMT spending controls effective 26 May 2010.

Total Assets were £15.3M at 31 March 2011. This represented Total Current Assets of £3.8M and Non Current Assets of £11.5M. Total liabilities and charges were £10.5M resulting in total Net Assets of £4.8M. In the previous accounting period, 2009/10, total net assets were £10.8M and the principle differences arose from the reduction of trade and other receivables and an increase in trade and other payables.

The Agency is a Management Group reporting to the DGHRCS Higher Level Budget (the Agency Owner) which is part of the Central Top Level Budget (CTLB). As such we also produce accounts for consolidation into the MOD Departmental Resource Accounts.

Review of Activities

These are fully described in the preceding Report. There have been no significant changes to the Agency's objectives and activities. There are issues surrounding the funding of MGS that remain unresolved, as detailed in the foregoing report by the Head of Unarmed Guarding.

There is a resource gap between that which the Agency is tasked to do and the budget allocation provided by the CTLB as a future of savings in previous financial planning rounds. During 2010/11 the Defence Business Resilience (DBR) department led a review of options to balance MDPGA resources and this led to a number of security and policing policy recommendations which will see a reduction in the size and shape of the Agency and its services over the four years 2011-2015. These options have had Ministerial approval as part of the MOD's 2011 Planning Round.

MDP is subject to external assessment by HM Inspectorate of Constabulary using the baseline assessment model. MGS has qualified for the National Security Inspectorate (NSI) Gold Certificate following inspection by NSI. MGS aims to ensure all guards are trained to Security Industry Authority standards.

The strategies for achieving the Agency's objectives along with the development and performance of the Agency are highlighted in the preceding Report.

Contractual Arrangements

The Agency has a number of contractual arrangements with suppliers such as the Airwave Solutions and Capita Secure Information Systems to supply the Airwave telecommunications and command and control services.

Risks and Uncertainties

Ministerial approval for how to implement the 2011 financial planning options that reduce MDPGA services is being prepared and will determine the processes and policies needed. Subsequently there will be a need for formal consultation with the Defence Police Federation (DPF) and the non-industrial civil service trade unions. Until this is complete there remains uncertainty over the final implementation plans. Delays in implementation of changes to MDPGA services will carry significant financial risk; the funding for MDPGA has already been reduced to anticipate implementation of changes starting in 2011/12.

An option to replace significant numbers of MGS with Military Provost Guard Service (MPGS) personnel and to replace a smaller number of MDP was proposed in the 2011 planning round to enable MDPGA to balance its budget. Unfortunately this option has been deferred any decision until the 2012 planning round and therefore represents a delay in further savings.

Details of the Agency's policies for risk management can be found in the Statement on Internal Control.

Equal Opportunities Policy and the Employment and Training of Disabled Persons

The Agency has a Diversity and Equality Unit (DEU), the role of which is to promote and build upon a systematic approach to diversity. A diversity programme board has been formed to shape and direct the diversity agenda. The Agency also has a Race Equality Scheme (RES) along with a disability equality scheme. An annual report of progress on the RES has been published as part of the overall MOD report.

Further information regarding diversity and equality can be found in the foregoing report. The Agency employed 401 disabled personnel (MDP – 136, Civilian – 265) as at 31 March 2011.

Police officers who are injured or whose health deteriorates during their career are not automatically retired. Much will depend on the overall health of the individual, the nature of the injury and the likelihood of recovery in an acceptable timescale. Each case will be considered on its merits by the Occupational Health Service. Where retention is not possible, medical retirement terms are offered.

Management of the Agency

The day-to-day management of the Agency is carried out by the Agency's Management Board which during the year consisted of:

Steve Love

Chief Constable and Chief Executive

DCC Gerry McAuley

Deputy Chief Constable

ACC John Bligh QPM

Assistant Chief Constable Professional Development

ACC Robert Chidley

Assistant Chief Constable Operational Support

ACC Dave Allard

Assistant Chief Constable Divisional Operations

David Wray

Head of Unarmed Guarding

Sandy MacCormick

MGS Head of Profession

David King

Agency Secretary

Details of Management Board members' remuneration are given in the Remuneration Report.

No member of the Management Board holds any directorships or has any other significant interests that may conflict with their management responsibilities.

The Chief Executive is also advised by the MDPGA Audit Committee which during the year consisted of:

John Harris

Chair – Non-Executive Director
(Remuneration in 2010/11: £12k)

Paul Smith

Non-Executive Director
(Remuneration in 2010/11: £4k)

Peter Hargrave

Non-Executive Director
(Remuneration in 2010/11: £5k)

Audit Committee Members are not employees of the MOD. These board members receive fees for their services as shown above.

Payment Policy

All MDPGA's bills, with the exception of a very small number of minor payments through a local imprest account, are paid through the Financial Management Shared Service Centre (FMSSC). In 2010/11, FMSSC had a target of paying 80% of correctly presented UK bills within 3 working days of receipt as part of the Government's prompt payment initiative. FMSSC's actual performance against this target was 95.22%. Interest payments to the value of £188.13 were made under the Late Payment of Commercial Debts (Interest) Act 1998.

Staff Involvement

Employees are kept informed of all relevant matters through the MDP and MOD Intranets, the Talk Through (MDP) and Flashlight (MGS) magazines and through other periodic publications. Agency Weekly Notices and MDP Force Orders are issued to MDPGA staff.

Employees are represented by the Defence Police Federation, and by trade unions (membership of which is voluntary), who are involved with negotiations including the Terms and Conditions of employment.

Sickness Absence

During the year the days lost through long term sickness were 73,312 days (2009/10 71,657 days) and short term sickness were 39,385 days (2009/10 41,720 days) being the equivalent of 15.17 days (2009/10 14.66 days) per employee.

Personal Data Related Incidents

In common with other government and public bodies, MOD agencies are now required to set out in their accounts a summary of any losses (or unauthorised disclosures, or insecure disposals) of protected personal data, whether formally reported to the Information Commissioner or not formally so reported but recorded centrally by the Agency.

Personal data related incidents are as follows:-

Table 1: Summary of Protected Personal Data Related Incidents Formally Reported to the Information Commissioner's Office in 2010-11

Date of incident (month)	Nature of incident	Nature of data involved	Number of people potentially involved	Notification steps
	No incidents			
Further action on information risk	The Agency continues monitoring and assessing its information risks, in order to identify and address any weaknesses and ensure continuous improvement of its systems.			

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

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

Category	Nature of incident	Total
I	Loss of inadequately protected electronic equipment devices or paper documents from secured Government premises.	Nil
II	Loss of inadequately protected electronic equipment, devices or paper documents from outside secured Government premises.	Nil
III	Insecure disposal of inadequately protected electronic equipment, devices or paper documents.	Nil
IV	Unauthorised disclosure.	Nil
V	Other	Nil

Table 3: Year-On-Year Total Numbers of Protected Personal Data Related Incidents Prior to 2010-11

Total number of protected personal data related incidents formally reported to the Information Commissioner's Office by category number.							Total number of other protected personal data related incidents, by category number.						
	I	II	III	IV	V	Total		I	II	III	IV	V	Total
2009-10	Nil	Nil	Nil	Nil	Nil	Nil	2009-10	Nil	Nil	Nil	Nil	Nil	Nil
2008-09	Nil	Nil	Nil	Nil	Nil	Nil	2008-09	Nil	Nil	Nil	Nil	Nil	Nil
2007-08	Nil	Nil	Nil	Nil	Nil	Nil	2007-08	Nil	Nil	Nil	Nil	Nil	Nil
2006-07	Nil	Nil	Nil	Nil	Nil	Nil	2006-07	Nil	Nil	Nil	Nil	Nil	Nil
2005-06	Nil	Nil	Nil	Nil	Nil	Nil	2005-06	Nil	Nil	Nil	Nil	Nil	Nil

Auditors

The accounts of the Agency are audited by the Comptroller and Auditor General under section 7(3)(b) of the Government Resources and Accounts Act 2000. The notional cost of the statutory audit is £83,000 (2010: £85,000). The auditors received no remuneration during the year for the provision of non-audit services.

As far as I am aware, there is no relevant audit information of which the Agency's auditors are unaware; I have taken all necessary steps to make myself aware of any relevant audit information and to establish that the Agency's auditors are aware of that information.



S B Love
Chief Executive
 12 July 2011

Remuneration Policy

In the absence of a remuneration committee, the salary and pension entitlements of the senior members of the Ministry of Defence Police and Guarding Agency are determined by the advice and recommendations from the Senior Salaries Review Body.

The following information is subject to audit.

Salaries and Pension Entitlements

The salary and pension entitlements of the most senior members of the Ministry of Defence Police and Guarding Agency were as follows (with comparative salary disclosures for 2009/10):

	Salary Paid 2010-2011	Bonus Payments 2010-11	Salary Paid 2009-2010	Bonus Payments 2009-10	Real Increase in Pension and Lump Sum at Age 60	Total Accrued Pension at Age 60 and Lump Sum at 31 March 2011	Cash Equivalent Transfer Value (CETV) at 31 March 2010	Cash Equivalent Transfer Value at 31 March 2011	Real Increase in CETV After Adjustment for Inflation and Changes in Market Investment Factors
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
S Love	155 - 160	-	155 - 160	-	0 - 2.5 plus Lump sum N/A	10 - 15 plus Lump sum N/A	148	187	23
G P McAuley	115 - 120	0-5	110 - 115	0-5	0 - 2.5 plus 5 - 7.5 lump sum	35 - 40 plus 115 - 120 lump sum	531	607	30
D King	75 - 80	0-5	15 - 20*	0-5	0 - 2.5 plus 0 - 2.5 lump sum	30 - 35 plus 100 - 105 lump sum	665	714	-1
S MacCormick	65 - 70	5-10	65-70	0-5	0 - 2.5 plus Lump sum N/A	5 - 10 plus Lump sum N/A	124	152	16
D Allard	100 - 105	0-5	15 - 20^	0-5	2.5 - 5 plus 12.5 - 15 lump sum	35 - 40 plus 105 - 110 lump sum	487	606	78

					2.5 - 5 plus	10 - 15 plus			
J P Bligh	105 - 110	0-5	100-105	0-5	Lump sum N/A	Lump sum N/A	201	272	52
					0 - 2.5 plus	10 - 15 plus			
R Chidley	105 - 110	0-5	100 - 105	0-5	Lump sum N/A	Lump sum N/A	154	196	27
					0 - 2.5 plus	20 - 25 plus			
D K Wray	70 - 75	5-10	70 - 75	0-5	0 - 2.5 lump sum	70 - 75 lump sum	423	460	2

* The salary quoted is for the period from 18 January 2010 to 31 March 2010. The full year equivalent is £75,000 - £80,000.

^ The salary quoted is for the period from 4 January 2009 to 31 March 2010. The full year equivalent is £85,000 - £90,000.

None of the above, other than S Love, received any benefits in kind. The information necessary to calculate the value of the benefit is not available at this time. It is anticipated that the value will not be greater than prior year (2009-10: £9.7k).

Steve Love joined as Chief Constable and Chief Executive in May 2005. The Chief Constable was recruited through open competition and had a fixed term contract of five years with a mutually agreed extension. His appointment may be terminated in accordance with the Civil Service Management Code.

Salary

"Salary" includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation and any ex-gratia payments. This report is based on accrued payments made by the MOD and thus recorded in these accounts.

Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by the MOD and treated by the HM Revenue and Customs as a taxable emolument. Steve Love had the use of a pool car and driver.

Bonuses

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2010-11 relate to performance in 2009-10 and the comparative bonuses reported for 2009-10 relate to the performance in 2008-09.

Pension

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefits schemes; either a 'final salary' scheme (classic, premium, or classic plus) or a 'whole career' scheme (nuvos). Classic, premium and classic plus are now closed to new members. These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under nuvos, classic, premium, and classic plus are increased annually in line with changes in

the Consumer Prices Index (CPI). Members who joined from October 2002 could opt for either the appropriate defined benefit arrangement or a good quality 'money purchase' stakeholder pension with a significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium, classic plus and nuvos. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service; in addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits in respect of service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 calculated as in Premium. In nuvos a member builds up a pension based on pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and, immediately after the scheme year end, the accrued pension is uprated in line with CPI. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

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

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

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

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

The question of whether, as regards the main public service pensions schemes, there is a legitimate expectation that RPI will be used for inflation indexing is currently before the courts in judicial review proceedings. The Government case is that no legitimate expectation exists and that, in any event, even if there was a legitimate expectation this was overridden by the clear public interest in making very substantial savings at a time when the Government had adjudged that deficit reduction was a fundamental objective for the country. If the Government's case is proven, there would be no change to the accounting treatment adopted in these accounts.

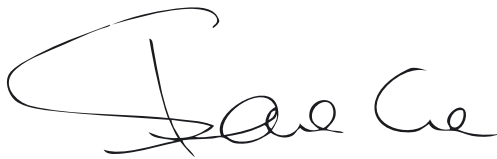
Further details about the Civil Service pension arrangements can be found at the website www.civilservice-pensions.gov.uk.

Cash Equivalent Transfer Values

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

Real Increase in CETV

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



S B Love
Chief Executive
12 July 2011

Under section 7(2) of the Government Resources and Accounts Act 2000, the Treasury have directed the Ministry of Defence Police and Guarding Agency to prepare a statement of accounts for each financial year in the form and on the basis set out in the Accounts Direction dated 22nd December 2010. The Accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the MDPGA 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 Treasury, including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards 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 Departmental Accounting Officer for the Ministry of Defence has designated the Chief Executive as Accounting Officer of the Ministry of Defence Police and Guarding Agency. 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 MDPGA's assets, are set out in the Accounting Officers' Memorandum issued by the Treasury and published in 'Managing Public Money'.

Statement on Internal Control 2010-11

1. Scope of Responsibility

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

The Ministry of Defence Police & Guarding Agency (MDPGA) is an Agency of the Ministry of Defence (MOD). Although the Secretary of State (SofS) for Defence has ultimate responsibility for determining the policy, financial framework and delegations of authority within which the Agency operates, day-to-day responsibility for this has been delegated to Director General Human Resources & Corporate Services (DG HR&CS) as Agency Owner. The Agency Owner chairs and is advised by an Owner's Advisory Board (OAB), whose membership consists of the Agency's key customers and stakeholders. As Agency Chief Executive I am also a member of the OAB.

In addition, SofS for Defence has appointed a Police Committee to provide independent assurance that the Ministry of Defence Police (MDP) delivers its policing services in accordance with the MDP Act 1987.

These responsibilities are set out in more detail in the Agency Framework Document and priorities and targets are published in the Agency Corporate Plan.

Within this financial year I have been unable to operate within the budget formally issued to me because the MOD has not yet agreed changes in security arrangements that could have achieved the necessary cost reductions within my Agency. However, the MOD Centre recognised this and afforded me the flexibility to manage costs outside that budget. In order to minimise all discretionary expenditure the Agency has introduced stringent commitment controls on Travel Costs, Recruitment, Overtime, Official Entertainment, Training, ICT Projects, Marketing/Advertising, Consultancy and all other minor expenditure.

2. The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Agency policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Agency for the year ending 31 March 2011 and up to the date of approval of the annual report and accounts and accords with Treasury guidance.

3. Capacity to handle risk

The Agency Management Board (AMB) agrees the Agency's risk approach, mindful of what is acceptable to the wider MOD. The Agency maintains a Corporate Risk Register which I review every quarter and more frequently as required, to track the management of risks and identify any new areas of concern for the Business. As well as being reviewed during the bi-lateral performance process between AMB members and me, risk management is reviewed quarterly as a standing item at the OAB, the AMB and the Audit Committee (AC). In addition the AC selects a number of risks each meeting to review with the AMB.

My Risk Management Statement and Agency Risk Management Process have been recently updated in response to an audit on risk management conducted by Defence Internal Audit (DIA). These set out the importance I personally place on the effective management of risk in the Agency and what I expect of managers at all levels across the organisation. I require risk registers to be maintained by each AMB Portfolio Head, with supporting risk registers for HQ Heads of Department, MDP Divisional Commanders and MGS Regional Managers. The Agency Risk Management Process is published on the Intranet and is easily accessible to all those involved with managing risk in the Agency. In addition I have agreed that quarterly audits to check compliance with the risk management process across the Agency are to be introduced in 2011/12.

4. The risk control framework

The Agency operating environment has been very challenging, set against the backdrop of the Comprehensive Spending Review, Strategic Defence and Security Review (SDSR), Defence Reform Review and the need for tight fiscal controls. These are leading to a change in strategic focus, a need for greater efficiency and a reduction in the cost of providing government services. The Agency has been tracking, influencing and engaging key decision-makers at the Centre involved in these reviews in order to identify and mitigate any risks to the effective delivery of services by the Agency in meeting its obligations to the MOD.

The strategic choices and their implementation arising from these reviews will continue to have a significant impact on the operational and business effectiveness of the Agency and although I will fulfil my obligations for mandatory and legal requirements it will become increasingly more difficult to develop the Agency's capabilities and competence beyond this requirement. It has therefore been critical for me to support core functions within the Agency and to manage risks on a continual basis. In order to do this I will be re-engineering my own role and the operation of the AMB so as to be best able to communicate with staff and customers and manage the period of transition arising from any Departmental policy decisions that affect the Agency.

However the most significant risk to implementing change within the Agency is the ability to manage the restructuring of its workforce. This is a problem across the Department and the MOD has launched a Voluntary Early Release Scheme (VERS) as a means of managing staff reductions. The Agency has undertaken the initial assessment of VERS applications in order to avoid undue damage to our business and to avoid losing too many of those with the skills and experience required in the locations that are most critical to our present and future operational success. Until decisions have been made by MOD Centre, first on the VERS exits and then on subsequent measures to reduce the size of the MOD Civil Service, it will not be possible to restructure the workforce to bring Agency expenditure in line with the budget levels now sought by MOD with a consequential impact on interim financial results.

My Information Management Group (IMG), chaired by the Deputy Chief Constable as Senior Information Risk Owner, monitors and keeps under review the measures we have in place to mitigate the risk of a breach in the data security of the Agency. Agency Information Asset Owners have been identified and are in the process of receiving the relevant training; and the Agency Information Asset Register has been compiled and reviewed.

The MOD Chief Information Officer's Department conducted an Information Assurance Maturity Model (IAMM) peer review of the Agency in December 2010. Their overall assessment was the Agency has made progress in establishing a clear Information Assurance regime, which is embedded into key business processes and these activities have established the Agency at Level 2 maturity. In order to ensure Level 3 compliance with the IAMM by March 2012 work continues in line with the published IMG Action Plan. Information Assurance is also included as a standing item on the AC agenda.

5. Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the Agency who have responsibility for the development and maintenance of the internal control framework and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board, the AC and a plan to address weaknesses and ensure continuous improvement of the system is in place.

My review is carried out on specific controls as part of the bi-lateral process, which assesses Portfolio Holder performance both on a quarterly basis and annually after they have completed and signed a Certificate on Internal Control in respect of their Portfolio.

The Agency's AC reports to the AMB annually on the effectiveness of the Agency's Corporate Governance. The AC meets four times a year and monitors, on my behalf as Accounting Officer, the management of significant risks, the operation of the system of internal control and the adequacy of internal/external audit and other assurance arrangements. The AC also has an additional meeting in which it reviews the financial statements. The AC consists of three Non Executive Directors as Members, the Chair of which attends the OAB and is also a member of the AMB. Both the Agency Secretary and I are in attendance throughout the meeting, with other members of the AMB present for the early agenda items and as required. Representatives of the National Audit Office (NAO) and DIA attend each meeting and in addition the AC has a separate annual meeting with each of them.

DIA are the MOD's Internal Auditors and within FY 2010/11 they have conducted Agency specific reviews on Corporate Manslaughter, Financial Management, the Complementing Process and Training Policies. In addition, the Agency has participated in Central Top Level Budget (CTLB) Reviews on Occupational Road Risk and Stress in the Workplace; and MOD Reviews on Travel & Subsistence and Low Value Purchase. Their recommendations are taken seriously and implemented appropriately within the Agency. In addition, the DIA provide an Annual Report based on the audit work performed and for FY 2010/11 this has given the Agency a substantial level of assurance. Their opinion is that the Agency has in place adequate and effective frameworks of internal control covering key processes. While the overall picture is positive, there remain opportunities to strengthen the control environment in some areas and to ensure coherent risk management.

The Agency Assurance Team (AT) provides secretariat support to the AC and reviews compliance with controls at the supporting level of management. Performance at this level of control has been consolidated into an overall Agency Assurance Dashboard, overseen by the Agency Secretary. This Dashboard now informs AC meetings and is provided to the AMB monthly. Together with the Finance Dashboard and associated Finance Management improvement plan they provide a structured and comprehensive means for review and assurance. I use these comprehensive insights and performance assessments to inform my reviews with the AMB and portfolio holders to ensure that weaknesses are addressed and continuous improvement pursued.

It is already clear that there will be substantial changes in 2011-12. I remain committed to a sound system of internal control being maintained in order to safeguard the the public funds and departmental assets for which I am responsible, and will advise MOD on what I believe is required to be in place.

A handwritten signature in black ink, appearing to read 'S B Love', written in a cursive style.

S B Love
Chief Executive
12 July 2011

The Certificate and Report of the Comptroller and Auditor General to the House of Commons

I certify that I have audited the financial statements of the Ministry of Defence Police and Guarding Agency for the year ended 31 March 2011 under the Government Resources and Accounts Act 2000. These comprise the Statement of Comprehensive Net Expenditure, the Statement of Changes in Taxpayers' Equity, the Statement of Financial Position, the Statement of Cash Flows 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 Chief Executive and auditor

As explained more fully in the Statement of the Agency's and Chief Executive Responsibilities, the Chief Executive is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000. 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 Agency's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Agency; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

Opinion on Regularity

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

Opinion on the financial statements

In my opinion:

- the financial statements give a true and fair view, of the state of the Agency's affairs as at 31 March 2011, and of the net operating cost for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury 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 HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- the information given in the Management Commentary section of the Annual Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

- adequate accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records or returns; or
- I have not received all of the information and explanations I require for my audit.
- the Statement on Internal Control does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Amyas C E Morse
Comptroller and Auditor General
National Audit Office,
157-197 Buckingham Palace Road,
Victoria
London, SW1W 9SP

July 2011

Accounts for the year ended 31 March 2011

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

		2010/2011 £'000	Restated 2009/2010 £'000
	Note	Staff Costs	Other Costs
			Income
ADMINISTRATION COSTS:			
Staff Costs	2	1,393	2,179
Other administrative costs	3		2,118
Operating income	5		(572)
PROGRAMME COSTS:			
Staff costs	2	304,282	308,069
Other programme costs	4		62,752
Income	5		(36,864)
Totals		305,675	(37,436)
Net Operating Cost			325,866
			339,111

Other Comprehensive Expenditure

	Note	2010/2011 £'000	2009/2010 £'000
Net (gain) on revaluation of Property, Plant and Equipment	6	(518)	(495)
Net loss on revaluation of Inventories	8	30	24
Total Comprehensive Expenditure for the year ended 31 March		325,378	338,640

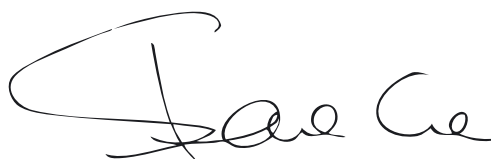
The notes on pages 50 to 68 form part of these accounts.

Statement of Financial Position

as at 31 March 2011

	Note	2011 £'000	Restated 2010 £'000	Restated 2009 £'000
NON-CURRENT ASSETS				
Property, plant and equipment	6	10,998	12,059	11,956
Receivables falling due after more than one year	9	499	483	500
Total non-current assets		11,497	12,542	12,456
CURRENT ASSETS				
Inventories	8	1,128	1,254	1,269
Trade and other receivables	9	2,635	3,911	4,245
Cash and cash equivalents	10	84	86	64
Total current assets		3,847	5,251	5,578
Total Assets		15,344	17,793	18,034
CURRENT LIABILITIES				
Trade and other payables	11	(8,838)	(5,608)	(8,241)
Provisions falling due in less than one year	12	(711)	-	-
Total current liabilities		(9,549)	(5,608)	(8,241)
NON-CURRENT ASSETS LESS NET CURRENT LIABILITIES		5,795	12,185	9,793
NON-CURRENT LIABILITIES				
Provisions falling due in more than one year	12	(943)	(1,375)	(1,679)
Total non-current liabilities		(943)	(1,375)	(1,679)
ASSETS LESS LIABILITIES		4,852	10,810	8,114
TAXPAYERS' EQUITY				
General fund		2,423	8,685	5,968
Revaluation reserve		2,429	2,125	2,146
Total Taxpayers' Equity		4,852	10,810	8,114

S B Love
Chief Executive and Accounting Officer
 12 July 2011



The notes on pages 50 to 68 form part of these accounts.

Statement of Cash Flows for the year ended 31 March 2011

	Note	2010/11 £'000	2009/10 £'000
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Operating Cost		(325,866)	(339,111)
Adjustments for non-cash transactions	4	35,982	38,830
Decrease in Trade and other Receivables	9	1,260	351
Decrease in Inventories	8	126	15
Inventories revaluation	8	(30)	(24)
Increase/(decrease) in Payables	11	3,230	(2,633)
Increase/(decrease) in Provisions less unwinding Discount	12	254	(304)
Net Cash Outflow From Operating Activities		(285,044)	(302,876)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	6	(1,896)	(3,325)
Proceeds of disposal of Property, plant and equipment		205	231
Net Cash Outflow From Investing Activities		(1,691)	(3,094)
CASHFLOWS FROM FINANCING ACTIVITIES			
Payments on Defence Resource Account		325,132	340,252
Receipts on Defence Resource Account		(38,399)	(34,260)
Net Financing		286,733	305,992
Net (Decrease)/increase in cash and cash equivalents in the period		(2)	22
Cash and cash equivalents at the beginning of the period	10	86	64
Cash and cash equivalents at the end of the period	10	84	86

The notes on pages 50 to 68 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2011

	Note	General Fund £'000	Revaluation Reserve £'000	Total Reserves £'000
Balance at 31 March 2009		5,968	2,146	8,114
Payments on Defence Resource Account		340,252	-	340,252
Receipts on Defence Resource Account		(34,260)	-	(34,260)
Restated Net Operating Cost		(339,111)	471	(338,640)
MOD Non-Cash Adjustments	4	35,259	-	35,259
Cost of capital restated		-	-	-
Non-Cash charges - auditor's remuneration	4	85	-	85
Transfers between reserves		492	(492)	-
Balance at 31 March 2010		8,685	2,125	10,810
Payments on Defence Resource Account		325,132	-	325,132
Receipts on Defence Resource Account		(38,399)	-	(38,399)
Net Operating Cost		(325,866)	488	(325,378)
Non-Cash Adjustments	4	32,604	-	32,604
Non-Cash charges - auditor's remuneration	4	83	-	83
Transfers between reserves		184	(184)	-
Balance at 31 March 2011		2,423	2,429	4,852

The notes on pages 50 to 68 form part of these accounts.

Notes to the Accounts

1. STATEMENT OF ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the **2010-11 Government Financial Reporting Manual (FReM)** issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the UK public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the MDPGA for the purpose of giving a true and fair view has been selected. The particular policies adopted by the MDPGA are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

a. Accounting Convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of property, plant and equipment and inventories.

b. Administration and Programme Expenditure

The Statement of Comprehensive Net Expenditure is analysed between administration and programme income and expenditure. Programme and Administration costs are defined in accordance with Departmental Resource Accounts Financial Instructions 2010-11 issued by Defence Resources (Planning). In accordance with these definitions Administration costs reflect the costs of running the Agency. Programme costs reflect non-administrative costs, including payments of grants and certain staff costs where they relate directly to service delivery. The classification of expenditure and income as administration or as programme follows the definition of administration costs except in the following instances:

- All depreciation costs are classified as programme costs.
- All notional charges are classified as programme costs.

c. Capital Charge

From 1 April 2010, the MDPGA complies with HM Treasury rules that the notional costs for cost of capital should not be included in the accounts. This has resulted in a change of accounting policy under IAS 8 and therefore restatement is required to prior year figures on Note 4 Programme Costs, Statement of Comprehensive Net Expenditure and Statement of Changes in Taxpayers' Equity.

d. Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) and the Armed Forces Pension Scheme (AFPS). These defined benefit schemes are unfunded and non-contributory except in respect of dependents' benefits.

The Agency recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS or AFPS of amounts calculated on an accruing basis.

e. Value Added Tax

The Agency is not separately registered for Value Added Tax (VAT). VAT collected is accounted for centrally by the Ministry of Defence. The Agency's accounts do, however, include non-recoverable VAT attributable to its activities in line with UK rates applicable before and after rate change on 4th January 2011.

f. Income

Income represents the invoiced value of transactions with the private sector, the wider public sector and government departments other than the MOD. Income is recognised when MDPGA performs its service and is accounted for in the Statement of Comprehensive Net Expenditure.

Operating Income

The MDPGA provides Policing, Guarding and Criminal Investigation services to non-MOD UK customers on a repayment basis, whose contracts are being currently renegotiated annually at full cost in accordance with MOD financial policy. These UK Customers include QinetiQ, Defence Science and Technology Laboratory (DSTL), Foreign and Commonwealth Office (FCO), Home Office, UK Hydrographic Office (UKHO), Meteorological Office (MO), Defence Support Group (DSG) and The Royal Mint.

The MDPGA also provides services to a non-UK customer, the United States Government. These services are provided to sites utilised by US Visiting Forces (USVF) within the UK. The charges for these services are in accordance with the Memorandum of Arrangement between the UK and US Governments dated 20 May 2008 (amended 10 Feb 2011).

The services that generate this income include: exercising of constabulary powers to deal with criminal activities, access control to sites, armed and unarmed security of establishments, protection of key assets and deterrence.

g. Property, Plant and Equipment

Responsibility for accounting for MDPGA's Non-current assets rests with the MOD's Financial Management Shared Service Centre (FMSSC). Nonetheless where the Agency retains the risks and rewards of ownership of assets they continue to be accounted for on the Agency's Statement of Financial Position in accordance with IAS 16. In all other cases the costs of the use of these assets are communicated to the MDPGA by the asset owners and charged to the Statement of Comprehensive Net Expenditure.

Land and Buildings

Defence Infrastructure Organisation (formerly Defence Estates) has ownership of all land and buildings currently utilised by the MDPGA.

Other Assets

Where the MDPGA retains the risks and rewards of other assets such as plant, equipment, computers, boats and vehicles these are capitalised where their cost or estimated purchase price is equal to or exceeds the Agency's capitalisation threshold of £10,000 per unit (2009/2010: £10,000) and where their useful life exceeds one year.

Depreciation

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 their estimated useful economic lives. MDPGA adopts straight line depreciation in line with the wider MOD treatment of asset costs.

The principal asset categories and their estimated useful economic lives are as follows:

Fighting Equipment:	10 years
Vehicles:	
Vehicles:	5 years
Boats:	6-20 years
Computer Equipment:	3-5 years
Communications Equipment:	12 years
Other Equipment:	3-35 years

Economic lives of individual assets are reviewed regularly by the MDPGA's parent Top Level Budget (TLB), Centre TLB, in consultation with MDPGA who in turn consult with the asset owners within the Agency.

Assets, excluding Assets under Construction, are depreciated from the first month of acquisition then throughout its useful economic life but not depreciated in the month of disposal.

Depreciation of Assets under Construction commences after they have been commissioned for introduction into service for policing and guarding activities.

Revaluation of Non-Current Assets

MDPGA's non-current assets, excluding Assets under Construction, are re-valued annually using indices provided by the Defence Analytical Services and Advice (DASA). Losses on revaluation are debited to the revaluation reserve and included in other comprehensive expenditure to the extent that gains have been recorded previously and otherwise to programme costs.

An annual impairment review is conducted by FMSSC during an asset verification exercise which covers assets over the value of £100,000. Impairments due to consumption of economic benefit are charged to the Statement of Comprehensive Net Expenditure.

Disposal of Non-Current Assets

Assets declared for disposal are removed from tangible non current assets only on disposal to a third party and any surplus or deficit is shown in the Statement of Comprehensive Net Expenditure.

Disposals are made by the MOD Disposals Services Authority (DSA) with any gain or loss on disposal communicated to MDPGA for inclusion in the accounts.

h. Inventories

Inventories are re-valued annually and as a result are stated at the lower of current replacement cost (or historical cost, if not materially different from current replacement cost) or net realisable value.

i. Trade Receivables

As of June 2010 all Trade Receivables balances across the MOD were migrated to a single owner being the Financial Management Shared Service Centre. As a result the trade receivable balances are communicated to the MDPGA at year end.

j. Trade Payables

Individual payables and accruals of less than £1k are not included as they are deemed to be immaterial.

k. Revaluation Reserves

The revaluation reserve reflects the unrealised element of the cumulative balance of revaluation and indexation adjustments on non-current assets and inventories.

l. General Fund

The General Fund represents the total assets less liabilities of the Agency, to the extent that the total is not represented by other reserves and financing items.

m. Notional and Non-Cash Charges

Intra-Departmental Charges

Non-cash amounts are included in the Statement of Comprehensive Net Expenditure for charges in respect of services provided from other areas of the MOD to the MDPGA. The amounts charged are calculated to reflect the full cost of providing these services to the Agency and include centrally provided training and administration costs.

With specific regard to accommodation on other sites, the costs communicated are based on actual costs supplied by the host establishment or estimates where actual costs were unavailable or not separately identifiable to the MDPGA.

Audit Fee

MDPGA is not charged an audit fee by the National Audit Office. The audit fee shown represents the notional charge to the Statement of Comprehensive Net Expenditure based on the cost of the services provided.

n. Provisions and Contingent Liabilities

Provisions for liabilities and charges have been established under the criteria of IAS 37 and are based on realistic and prudent estimates of the expenditure required to settle future legal or constructive obligations that exist at the reporting date.

Provisions are charged to the Statement of Comprehensive Net Expenditure. The provision for early retirement is discounted to current prices by the use of the Pensions Discount rate, which is currently 1.8% (1.8% in 2009/10).

In accordance with Civil Service White Paper (Continuity and Change) 1994, the MDPGA has made 100% provision for liabilities to be incurred in future years relating to early retirements from 1 April 1997.

Contingent liabilities have been established under the criteria of IAS 37. Any possible obligations that arise from past events and whose existence will only be confirmed by the occurrence of one or more uncertain future events are disclosed. There is no charge to the Statement of Comprehensive Net Expenditure.

o. Leases

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. All other leases are classified as operating leases.

Rentals payable under operating leases are charged to the Statement of Comprehensive Net Expenditure over the term of the lease.

There are no assets held on finance leases or on hire purchase agreements.

p. Salary Advances

Where applicable, MOD staff are entitled to salary advances for house purchase, in accordance with MOD regulations. These advances are paid through the payroll system operated and managed on behalf of the MOD by the People, Pay and Pensions Agency (PPPA).

q. Significant Estimates and Judgements

MDPGA is required, when applying its accounting policies, to make certain judgements, estimates and associated assumptions relating to assets, liabilities, income and expenditure. These judgements, estimates and associated assumptions are based on knowledge of current facts and circumstances, assumptions concerning past events and forecasts of future events and actions. Actual results may differ from these estimates.

r. Financial Instruments

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

s. Impending Application of Newly Issued Accounting Standards Not Yet Effective

The Agency provides disclosure that it has not yet applied a new accounting standard and known or reasonably estimable information relevant to assessing the possible impact that initial application of the new standard will have on the Agency's financial statements.

IAS 24 (Related Parties) and IFRS 9 (Financial Instruments) are accounting standards which are effective but not yet in issue.

IAS24: Related Party Disclosures was amended in November 2009 and will be effective for accounting periods starting on or after 1 January 2011. The revision of IAS24 simplifies and clarifies the definition of a related party, and provides government-related entities with partial exemption from the disclosure requirements relating to related party transactions and outstanding balances. The MDPGA intends to apply amended IAS24 in the 2011-12 financial year. The impact of applying this revised standard will not be material.

IFRS 9: Financial Instruments was issued in November 2009 and will be effective for financial reporting periods beginning on or after 1 January 2013. The new standard simplifies the classification and measurement of financial assets, previously reported under IAS 39 Financial Instruments: Recognition and Measurement. The application of this standard will not have a material effect on the disclosure of financial assets within the MDPGA financial statements

2. Staff Numbers and Related Costs

a. Staff costs comprise:

	2010/2011				2009/2010			
	MDP £'000	Civilian £'000	Service £'000	Total £'000	MDP £'000	Civilian £'000	Service £'000	Total £'000
Wages and salaries	137,422	107,259	-	244,681	139,467	111,399	64	250,930
Social Security costs (ERNIC)	11,511	7,485	-	18,996	11,398	7,632	7	19,037
Superannuation	23,031	17,329	-	40,360	22,973	17,311	23	40,307
Early Departure Costs	1,246	392	-	1,638	19	(45)	-	(26)
Total	173,210	132,465	-	305,675	173,857	136,297	94	310,248

Civilian Wages and salaries include costs of £139,000 (2009-10: £706,000) for agency/temporary staff. Service costs in 2009/10 were due to the secondment of a Service person during the period. There are no such service costs during 2010/11.

b. The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but the Ministry of Defence Police and Guarding Agency is unable to identify its share of the underlying assets and liabilities.

A full actuarial valuation was carried out at 31 March 2007 for the PCSPS. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation laid before the House of Commons. (www.civilservice-pensions.gov.uk)

For 2010/2011, employer's contributions of £40,317k were payable to the PCSPS (£40,256k in 2009/2010) at one of four rates in the range of 17.1% to 25.5% of pensionable pay based on salary bands. Employer's pension contributions of £43k (£51k in 2009/2010) were payable to schemes other than the PCSPS.

The scheme's Actuary reviews employer contributions every four years following a full scheme valuation.

The contribution rates are set to meet the cost of the benefits accruing during 2010/11 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees joining after 1 October 2002 could opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £Nil (£Nil in 2009/2010) were paid to one or more of a panel of four appointed stakeholder pension providers. Employer contributions are age related and range from 3% to 12.5% of pensionable pay. Employers also match employee contributions up to 3% of pensionable pay. In addition, employer contributions of £Nil, 0.8% of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirements of these employees.

Early departure costs borne by the Agency in 2010/2011 were £1,638k (£ 26k in 2009/2010).

Average number of persons employed

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

	2010/2011 Number	2009/2010 Number
MDP	3,417	3,523
Civilian including MGS, Non-Industrials and Industrials	4,014	4,211
Service	-	-
Total	7,431	7,734

2.1 Reporting of Civil Service and Other Compensation Schemes – Exit Packages

Exit Package Cost Band	Number of Compulsory Redundancies		Number of Other Departures Agreed		Total Number of Exit Packages by Cost Band	
	2010-11	2009-10	2010-11	2009-10	2010-11	2009-10
<£10,000	-	-	1	-	1	-
£10,000 - £25,000	-	-	-	4	-	4
£25,000-£50,000	-	-	2	1	2	1
£50,000-£100,000	-	-	3	5	3	5
£100,000-£150,000	-	-	-	2	-	2
£150,000-£200,000	-	-	-	2	-	2
Total Number of Exit Packages	-	-	6	14	6	14
Total Resource Cost (£)	-	-	291,869	1,071,351	291,869	1,071,351

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the MOD has agreed early retirements, the additional costs are met by the MOD and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

3. Other Administrative Costs

	2010/2011 £'000	2009/2010 £'000
Operational Movements	16	54
Utilities	387	696
Property management	941	1,137
IT and Telecommunications	13	25
Legal and Professional Fees	66	113
Other Expenditure	61	93
Total	1,484	2,118

4. Programme Costs

	2010/2011 £'000	Restated 2009/2010 £'000
MOD Non-Cash Items:		
MOD HQ Overhead	12,707	16,667
Communicated costs relating to accommodation on other MOD sites	16,709	14,958
Shared Service Centre costs for Non current assets	2,856	3,288
Rates	332	346
Other Non-Cash Items:		
Depreciation on Non Current Assets excluding Land and Buildings	3,058	2,974
Loss on disposal of Property, plant and equipment	212	512
Unwinding of discount on provisions	25	-
Auditors remuneration (notional charges)	83	85
Operational Movements	4,951	8,928
Fuel	961	819
Inventory Consumption	1,029	997
Inventory Provisions	55	23
Charges for Operating Leases	3,926	4,220
Service Charges	222	135
Utilities	514	34
Property management	660	735
Accommodation charges	43	48
Hospitality and entertainment	-	9
Training, safety and welfare	1,239	1,121
Equipment support	1,483	2,139
IT and Telecommunications	3,832	2,858
Legal and professional Fees	630	1,007
Other expenditure	616	849
Total	56,143	62,752

5. Income

	2010/2011 £'000	2009/2010 £'000
Repayment Work for non-MOD Customers	(26,085)	(24,919)
Repayment Work for Overseas Customers	(10,904)	(10,542)
Other Income	(447)	(546)
Total income	(37,436)	(36,007)
Administration Income	(572)	(834)
Programme Income	(36,864)	(35,173)
Total Income	(37,436)	(36,007)

Other Income derives from the use of parts of the MDPGA estate by non-MOD organisations.

6. Property, Plant and Equipment

All assets owned by MOD.

	Plant & Machinery	Transport Other	Single Use Military Equipment	IT & Comms	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation as at 1 April 2010	686	22,787	2,090	279	1,355	27,197
Additions	-	956	-	-	940	1,896
Disposals	-	(2,059)	-	-	-	(2,059)
Revaluation	26	1,118	58	13	-	1,215
Transfers	-	1,044	-	-	(1,044)	-
Cost or valuation as at 31 March 2011	712	23,846	2,148	292	1,251	28,249
Depreciation to 1 April 2010	521	13,495	863	259	-	15,138
Current year Charge	44	2,794	209	11	-	3,058
Disposals	-	(1,642)	-	-	-	(1,642)
Revaluation	19	642	24	12	-	697
Transfers	-	-	-	-	-	-
Depreciation to 31 March 2011	584	15,289	1,096	282	-	17,251

	Plant & Machinery	Transport Other	Single Use Military Equipment	IT & Comms	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Net Book Value as at 31 March 2011	128	8,557	1,052	10	1,251	10,998
Net Book Value as at 31 March 2010	165	9,292	1,227	20	1,355	12,059
	Plant & Machinery	Transport Other	Single Use Military Equipment	IT & Comms	Assets Under Construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost or Valuation as at 1 April 2009	755	25,526	2,096	318	1,205	29,900
Additions	-	1,085	-	-	2,240	3,325
Disposals	(84)	(6,966)	(19)	(40)	-	(7,109)
Revaluation	15	1,052	13	1	-	1,081
Transfers	-	2,090	-	-	(2,090)	-
Cost or valuation as at 31 March 2010	686	22,787	2,090	279	1,355	27,197
Depreciation to 1 April 2009	537	16,487	654	266	-	17,944
Current year Charge	58	2,679	205	32	-	2,974
Disposals	(84)	(6,242)	-	(40)	-	(6,366)
Revaluation	10	571	4	1	-	586
Transfers	-	-	-	-	-	-
Depreciation to 31 March 2010	521	13,495	863	259	-	15,138
Net Book Value as at 31 March 2010	165	9,292	1,227	20	1,355	12,059
Net Book Value as at 31 March 2009	218	9,039	1,442	52	1,205	11,956

7. Financial Instruments

Agencies are required to provide disclosures in respect of the role of financial instruments on performance during the period, the nature and extent of the risks to which the Agency is exposed and how these risks are managed. For each type of risk arising from financial instruments, the Agency is also required to provide summary quantitative data about its exposure to the risk at the reporting date.

As the cash requirements of the Agency are primarily met through Ministry of Defence (MOD) funding, financial instruments play a more limited role in creating risk than would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts for non-financial items in line with the Agency's expected purchase and usage requirements and the Agency is therefore exposed to little liquidity risk.

The Agency is subject to credit risk in respect of its commercial customers and MDPGA staff. The latter are included as long term receivables as they relate to personnel that acquired salary advances for house purchase. The salary advances are recovered by the People, Pay and Pensions Agency via salary every month and therefore represents little credit risk to the MDPGA. The carrying amount of receivables, from these customers, represents the Agency's maximum exposure to credit risk, £3,134k at 31 March 2011 (31 March 2010: £4,394k). Trade and other receivables consist of a large number of diverse customers spread over a diverse geographical area. Receivables are impaired where there is sufficient knowledge to indicate that recovery is improbable including the probability that the customer will enter bankruptcy or financial reorganisation, that the customer is facing financial difficulties or that economic conditions are likely to lead to non-payment. An analysis of receivables details those past their due date and the impairments made and are shown in the table below:

As at 31 March 2011:

(Gross)	Age beyond due date (months)				Total	Total	Total
	0 to 3	3 to 6	6 to 12	> 12	< 1 Year	> 1 Year	£000's
Total	74	19	1	-	94	-	94
£000's							

As at 31 March 2010:

(Gross)	Age beyond due date (months)				Total	Total	Total
	0 to 3	3 to 6	6 to 12	> 12	< 1 Year	> 1 Year	£000's
Total	92	64	-	-	156	-	156
£000's							

No impairments have been made as these balances are considered to be recoverable.

Significant Accounting Policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial instrument are disclosed in Note 1 to the financial statements.

Categories of Financial Instruments

Details of the Financial Instruments, by category, were:

	Note	Carrying Value 31 March 2011 £'000	Carrying Value 31 March 2010 £'000
Financial Assets			
Receivables (including cash and cash equivalents)	9, 10	3,218	4,480
Financial Liabilities			
Payables and Accruals	11	8,838	5,608

The net gains and losses in respect of Financial Instruments are taken through to the Statement of Comprehensive Net Expenditure.

Interest Rate Risk Management

The Agency has no financial assets and liabilities on which interest is earned or paid, and is therefore not exposed to significant interest rate risk.

Foreign Currency Risk

The Agency does not hold assets or liabilities denominated in a foreign currency, and income and expenditure denominated in a foreign currency is negligible. The Agency is therefore not exposed to significant currency risk.

Liquidity Risk

The Agency is not exposed to significant liquidity risk, as liquidity requirements are met by financing from the Ministry of Defence Resource Account, and it has no borrowing facilities. The Department's resource requirements are voted annually by Parliament.

Embedded Derivatives

Derivatives embedded in other financial instruments or host contracts are treated as separate derivatives when their risks and characteristics are not closely related to those of host contracts and the host contracts are not measured at fair value with changes in fair value recognised in the Statement of Comprehensive Expenditure. The Agency operates a commercial framework whereby it does not currently hold financial risks of this nature, and places restrictions on doing so in the future.

No embedded derivatives exist in the agreements the Agency has entered into with customers or suppliers.

8. Inventories

	2011 £'000	2010 £'000	2009 £'000
Ammunition Stores	529	603	421
Clothing Stores	757	748	824
Gross Total	1,286	1,351	1,245
Revaluation	(30)	(24)	74
Less Provision for slow moving clothing inventory	(128)	(73)	(50)
Net Total	1,128	1,254	1,269

9. Trade Receivables and Other Current Assets

	2011 £'000	2010 £'000	2009 £'000
Amounts Falling Due within one year:			
Trade Receivables	1,691	3,200	2,795
Other Receivables	-	9	19
Prepayments	85	2	46
Accrued Income	805	641	1,340
Staff Advances Due in less than one year	54	59	45
	2,635	3,911	4,245

Amounts Falling Due after more than one year:			
Staff Advance Due in more than one year	499	483	500
	3,134	4,394	4,745

	2011 £'000	2010 £'000	2009 £'000
Intra-government Balances			
Balances with other central government bodies	1,093	1,265	199
Balances with public corporations and trading funds	68	502	614
Balances with local authorities	120	192	11
Intra-Government Balances	1,281	1,959	824
Balances with bodies external to government	1,853	2,435	3,921
Total Receivables at 31 March	3,134	4,394	4,745

10. Cash and Cash Equivalents

	2011 £'000	2010 £'000	2009 £'000
Citibank			
Balance at 1 April	86	64	11
Net change in cash and cash equivalent blances	(2)	22	53
Balance at 31 March	84	86	64

The cash balances represent recoveries made under the Proceeds of Crime Act.

11. Trade Payables and Other Current Liabilities

	2011 £'000	2010 £'000	2009 £'000
Amounts Falling Due within one year:			
Trade payables	4	20	54
Other payables	948	761	1,630
Accruals	7,886	4,827	6,557
Amounts Falling Due after more than one year			
	-	-	-
Total Payables at 31 March	8,838	5,608	8,241

	2011 £'000	2010 £'000	2009 £'000
Intra-government Balances:			
Balances with other central government bodies	481	66	287
Balances with public corporations and trading funds	-	-	-
Balances with local authorities	2	12	-
Intra-Government Balances	483	78	287
Balances with bodies external to government	8,355	5,530	7,954
Total payables at 31 March	8,838	5,608	8,241

FMSSC are the Agency's bill paying Department, and as such its targets are included under Payment Policy within the Management Commentary.

12. Provisions for Liabilities and Charges

The provisions relate to Early Retirement Pensions.

	2011 £'000	2010 £'000	2009 £'000
Balance at 1 April	1,375	1,679	1,234
Provided in Year	1,638	-	478
Paid In Year	(1,384)	(304)	(33)
Unwinding of discount	25	-	-
Balance as at 31 March	1,654	1,375	1,679

Analysis of expected timing of discounted flows

	2011 £'000
Not later than one year	711
Later than one year and not later than five years	867
Later than five years	76
Balance at 31 March 2011	1,654

13. Commitments Under Leases

Operating Leases

At 31 March 2011, the Agency was committed to making the following payments under non-cancellable operating leases in the years to 31 March 2017. These leases were in respect of radio equipment. On further review of contractual commitments during 2010/11, required revisions to the 2009/10 disclosures were identified and amended accordingly.

	2011 £'000	Restated 2010 £'000
Obligations under operating leases comprise:		
Not later than one year	2,440	3,451
Later than one year and not later than five years	9,759	7,501
Later than five years	121	2,850
	12,320	13,802

14. Other Financial Commitments

The Agency has entered into non-cancellable contracts (which are not leases and other service concession arrangements), for IT, Communications and Estate Management. On further review of contractual commitments during 2010/11, required revisions to the 2009/10 disclosures were identified and amended accordingly. The payments to which the Agency is committed are as follows.

	2011	2010
	£'000	£'000
Not later than one year	2,943	2,462
Later than one year and not later than five years	881	2,316
Later than five years	-	-
	3,824	4,778

15. Losses and Special Payments

There have been no identified losses or special payments during the period. (31 March 2010: £Nil).

16. Related Party Transactions

The Ministry of Defence Police and Guarding Agency is an executive agency of the Ministry of Defence.

The Ministry of Defence is regarded as a related party. During the year, the Ministry of Defence Police and Guarding Agency had a significant number of material transactions with the Ministry of Defence and with other entities for which the Ministry of Defence is regarded as the parent department. These include the People, Pay and Pensions Agency, Defence Support Group and the Defence Science and Technology Laboratory.

In addition, the Ministry of Defence Police and Guarding Agency has had a significant number of transactions with the Home Office, UK Hydrographic Office, Meteorological Office, the Royal Mint and the Foreign and Commonwealth Office.

During the year none of the Board Members, key management staff or other related parties has undertaken any material transactions with the Ministry of Defence Police and Guarding Agency.

17. Segmental Reporting

In accordance with IFRS 8, the Agency has the following operating segments included within the table below. The Agency uses its portfolio structure as a basis of operating segments. All revenues are derived from services provided under Paragraph 1f, Notes to the Accounts. Liabilities and non-current assets are not reported internally.

Portfolio	Other Expenditure	2009/10 £'000 Income	Result
MDP Divisional Operations	164,048	(25,894)	138,154
MOD Guard Service	139,528	(6,774)	132,754
Agency Secretary	7,516	(708)	6,808
Professional Development	16,723	(464)	16,259
Operational Support	32,236	(3,372)	28,864
Deputy Chief Constable	3,251	(224)	3,027
Total	363,302	(37,436)	325,866

Portfolio	Other Expenditure	2009/10 £'000 Income	Result
MDP Divisional Operations	166,643	(23,192)	143,451
MOD Guard Service	144,663	(8,300)	136,363
Agency Secretary	8,032	(883)	7,149
Professional Development	18,844	(634)	18,210
Operational Support	33,446	(2,778)	30,668
Deputy Chief Constable	3,490	(220)	3,270
Total	375,118	(36,007)	339,111

18. Contingent Liabilities

Following the Strategic Defence and Security Review announcements in October 2010, the Ministry of Defence introduced a Department-wide Voluntary Early Release Scheme (VERS) in February 2011 as a first step in achieving the 25,000 civilian head-count reductions required by 31 March 2015. The first tranche of employees will be released during 2011-12, a proportion of which will come from MDPGA. As at 31 March 2011 the number of positions and associated costs relating to MDPGA could not be ascertained, as these are contingent on future decisions within the Department.

There were no contingent liabilities identified at 31 March 2010.

19. Going Concern

These accounts have been prepared on a going concern basis. Whilst there have been discussions with the Ministry of Defence on the future of the Agency and the potential for its functions to be brought back into main Department in the future, no decisions have yet been made on this and the Agency is expected to continue for the foreseeable future.

20. Events after the Reporting Period

There are no events after the reporting period ending at 31 March 2011.

The accounts were authorised for issue by the Accounting Officer on the same date as the signature on the Comptroller and Auditor General's audit certificate.



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