



2011-2012

Ministry of Defence Police and Guarding Agency
Annual Report and Accounts





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Ministry of Defence Police and Guarding Agency **Annual Report and Accounts**

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Foreword



by the Chief Constable
& Chief Executive

The period covered by this year's Report has been dominated by financial constraints and uncertainty. At the time of writing, Ministerial decisions have just been announced on the reductions in policing and guarding which the MOD is planning to implement over the course of the next 24 months or so and the outcome will be in large part to confirm the anticipated smaller footprint of the Agency after 2014. Various parallel reviews continue however into the detail of the downsizing and only when they are complete will it be possible to properly describe the future size and footprint of the MOD Police. Until then the Agency continues to work under the regime of balancing delivery of service with restrictions on recruitment and overtime, instituted in 2009.

Put simply, the combined effect of the Strategic Defence and Security Review, the Comprehensive Spending Review and the Defence Reform Programme is a very substantial reduction in the MOD's requirements for front line MDPGA policing and guarding services (and their operating and support costs); the centralisation and reduction in cost of all support services across the MOD and significant change in the current Departmental management structure.

It is a credit to both MDP and MGS officers that over the year, taskings have been met to a level of nearly 90% despite the restrictions, although a number of Defence establishments are experiencing reduced service because of vacancies in our workforce. This problem will continue and get more difficult as the MOD's Voluntary Early Release Scheme (VERS) has attracted a significant number of applicants; this will however assist towards the long term reduction in staff numbers in the MDPGA.

Nonetheless, security is not an area where decision-making can be rushed and therefore these measures are being supported by a review of policing and guarding policy by the MOD's Defence Business Resilience (DBR) team. Looking to the future, I have drawn up plans for the MDPGA's transition to being a smaller organisation with a redefined mission to meet crucial Defence needs and this has the support of the MOD Police Committee.

The national police landscape is itself changing substantially. The MDP is progressing some specific areas for interoperability between MDP and the Civil Nuclear Constabulary (CNC). A merger with the CNC may still be considered a possibility for some time in the long term future, but in the shorter term the Force will engage in specific areas where collaboration may be more useful.

Taking all of these changes into consideration it has been decided to remove Agency status and seat the organisation in the MOD's Head Office. This will not diminish its governance or accountability but instead recognises that the organisation provides services across MOD and therefore choices on its service must sit at the heart of the Department. In addition, preparations are being made to explore the separation of the MDP and MGS, with MGS potentially under current plans to become part of the Defence Infrastructure Organisation (DIO) and MDP reverting to its former status as a (statutory) police force.

Operational Policing (MDP)

National Intelligence Model (NIM) Priorities

The National Intelligence Model (NIM) Priorities are set out at the beginning of the reporting year and dictate the Agency control strategy for allocating available policing resources. The priorities were reviewed and ratified in May 2011. The current identified strategic priorities are as follows:

- Terrorism
- Public Disorder
- Protection of Key Defence Assets
- Major Financial Fraud and Corruption
- Protection of Royal Members in Military Service

Protecting the Nuclear Deterrent, Policing Protest, Public Order

During the reporting period there were an average of 10-20 collective protests or protest incidents per month of the year. The protests remain primarily focused at the sites with a nuclear interest and the US Visiting Forces locations, with the largest protests often being at HMNB Clyde, RAF Menwith Hill or Aldermaston Atomic Weapons Establishment (AWE). Lower level protest activity took place at RAF Fylingdales and at MOD Main Building in Whitehall.



The series of regular scheduled “peace camps” took place throughout the year at Aldermaston (AWE) and at HMNB Clyde (Faslane). In general their occupants were not disposed to breaking onto the sites, so arrests were not frequent, though three protesters were convicted in mid-2011 for criminal trespass offences at AWE.

On the capability side, Special Escort Group (SEG) officers took part in a training exercise with Royal Marines and members of the ACPO Terrorism committee (ACPO TAM) together with officials from the MOD’s Business Resilience team in London visited AWE to view the SEG demonstrate their role in providing Defence Nuclear Materials convoy operations which is one of the highly specialist policing roles the MDP provides. The SEG have also been in close liaison with the Civil Nuclear Constabulary (CNC) on areas of interoperability.

MDP Burghfield officers completed an annual Field Training Exercise at Bramley training area in November 2011. Officers showed their resilience and professionalism by dealing with different, challenging scenarios whilst being observed by MOD Principal Security Advisors and AWE assessors, who subsequently awarded another ‘satisfactory’ performance rating to the Force.

In Scotland (HMNB Clyde), significant progress was made on the project for the provision of the Integrated Command and Control Centre (ICCC); the vehicle-carried Automated Number Plate Reader (ANPR) capability project and additional hardened defensive positions for the Clyde Naval Base. The ICCC building work is now complete and the focus has shifted to system transfer and configuration. The mobile ANPR is now fully operational and connection to the Back Office Facility (BOF) at HQ is following on.

HM Inspector of Constabulary (HMIC) has asked the MOD Police Committee to oversee a series of recommendations made in his inspection report of March 2010. This included the development of policy, intelligence, CBRN capability and marine capability for the 2012 Olympics. Progress was made in some areas, but there is still work to be done. Confirmation of MOD’s future Statement of Requirement for MDP will be an important factor in enabling us to develop the capacity and command processes to meet the HMIC requirements.





The Force also continued to progress the implementation of agreed measures to ensure that we meet the required Public Order operational standard in line with HMIC recommendations. A bespoke Commanders Course was designed and then delivered during January 2012 to key MDP officers at Inspector and Chief Inspector level. Feedback has been encouraging and further courses are in hand.

Tactical Engagement Simulation (TES) equipment has been procured and issued at HMNB Clyde for use by MDP and Fleet Protection Group Royal Marines. The MDP Clyde Marine Unit (CMU) intends to develop a training plan for its use to increase officer awareness on the capabilities of firearms in a maritime environment.

Support to the Defence Main Effort in Afghanistan

MOD Police officers are deployed to Afghanistan under Operation Herrick, the EU Mission and the NATO Training Mission; and to Kosovo, Georgia and Palestine.

The MDP's contribution to the MOD's Afghanistan Main Effort, which has been continuous since January 2008, puts MDP officers alongside their military colleagues, jointly engaged on training and mentoring the Afghanistan National Police, including at some of the Forward Operating Bases. The MDP's contribution is significant in policing terms and to date (2008-2012) a total of 120 officers have been deployed to this challenging theatre. In this reporting year, MDP had nineteen officers deployed to Operation Herrick (Lashkar Gah, Babaji, Nahre Saraj and Nad E Ali). In total, there were eleven MDP trainers at the Regional Training Centre in Helmand Province, delivering training to Afghan National Police officers and recruits. MDP also had two officers seconded to the EU Mission, serving in Kabul.

Collaboration

At local level, joint investigations or operations with other law enforcement agencies or other public bodies are commonplace (e.g. cross-use of resources such as crime scene investigators, transport, intelligence etc). In year, those organisations included: the Royal Military Police; RAF Police; Royal Navy Police; Maritime and Coastguard Agency; Strathclyde Police; North Yorkshire Police; RAF Museums; English Heritage; SPVA (Service Personnel and Veterans Agency) ; Civil Nuclear Constabulary; UK Border Agency; the Dutch Public Prosecutor's Office and Serious Fraud Office. This is of course in addition to our routine interaction with a host of other UK police forces.

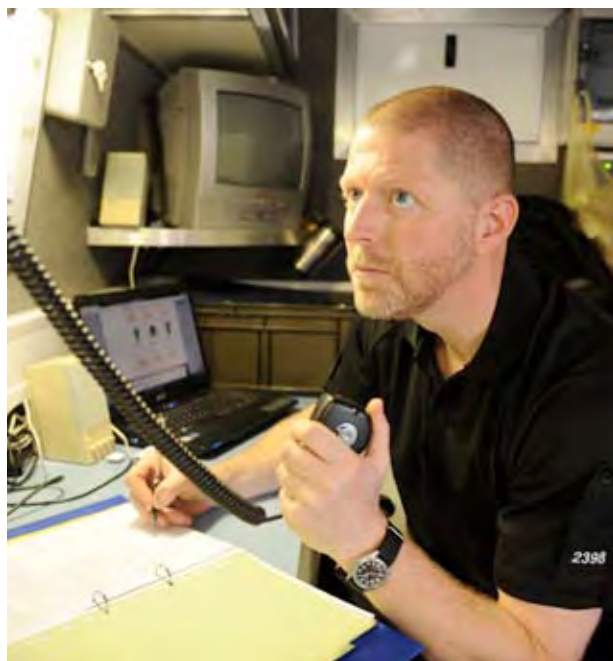
During December 2011, 110 MDP officers assisted UK Borders Agency during a one day strike. MDP officers underwent pre-deployment training and then assisted at a number of locations including; Heathrow, Gatwick, Bristol, Stansted, Leeds/Bradford airports and on the French coast at Coquelles. Early meetings have now taken place to consider a contingency plan to support the UKBA during similar future events.

Dutch Customs searched a salvage vessel from the Netherlands and discovered a cannon believed to have been salvaged from the wreck of HMS Victory which went down in 1744. MDP Collaboration through the Crown Prosecution Service with the Netherlands Public Prosecutor's Office and the Netherlands Police resulted in the recovery of the cannon. The cannon has significant historical value as well as a financial value. Our investigation is ongoing.

Professional Standards and Compliance

The introduction of Drug and Alcohol testing in the MDP now brings the MDP into line with Home Department Police Forces. The testing covers recruits, random testing of officers in safety critical roles and "with cause" testing. This year was the first full year of operation and its effectiveness will be assessed in 2012/13 together with monitoring of unsatisfactory performance issues.

This year we undertook work to confirm that our use of CCTV was appropriate and proportionate and that evidence or records arising from its use were properly handled in accordance with the Data Protection Act and recognised the requirements of the Human Rights Act. We reported to the MOD Police Committee that we were satisfied overall with our level of compliance.



Diversity

The Equality Act has removed our responsibility to maintain and publish an MDP Diversity Scheme and Action Plan. The Agency is now subsumed into the MOD's statutory responsibilities and I have a seat on the MOD's Diversity Board. I decided nonetheless to re-instate our own Diversity Board to ensure that we continued to focus on equality issues, (since they directly affected our organisation given the nature of its work at sites across the UK) and given its relationship with a varied defence community and the responsibilities of our staff.

Crime and the MOD

Criminal Investigation Department (CID) successes have included: investigations into stolen kit which was vital to operations in an overseas theatre; the identification of weaknesses in the Joint Personnel Administration (JPA) system and in procurement processes; as well as a wide range of fraud and theft cases.

The creation of the Defence Crime Board, under the chairmanship of the Director General Finance and on which we have a place, has allowed us to address the subject of enforcement, prevention and intelligence. In the current financial climate this is more important than ever, especially bearing in mind the planned reduction in the size of MDP CID and the impact it will have on the number of cases that the Force will be able to handle in the future. I very much hope that the Department will keep a clear and strong focus on preventing fraud and theft, as I believe that more effective prevention will save many millions of pounds for the Defence budget.

Successes during 2011/12 year included:

- Recovery of stolen combat clothing and equipment intended for sale on e-Bay.
- Recovery of Service medals which had been stolen from personnel serving at the Land Warfare Centre (LWC), Warminster, Wiltshire and sold on e-Bay.
- Prosecution by the Serious Fraud Office (with MDP CID in support) of four people, including 2 MOD civil servants, on charges of fraud and corruption offences. Value of contracts involved was £25m: charges and convictions related to a specimen period which was from March 1998 to February 2004.
- Prosecution of an Army Warrant Officer for false claims totalling £142,595 by using a retired person's identity.
- Eight soldiers serving in Afghanistan did not receive their salary because persons accessed their JPA pay accounts and diverted the money to a collection account. A thorough investigation resulted in two convictions.
- A Quarter Master requested and received corrupt gifts from a civilian company supplying tents to the Army. Three persons were charged with corruption. A fourth person, the Regimental Catering Manager, was charged with perverting the course of justice for producing a false document attempting to legitimise the gift as a purchase.

Defence Community Police Officers (DCPOs)

The DCPOs continued to provide a unique policing role across the MOD community - tackling anti-social behaviour and petty crime in Service Family Accommodation areas; actively supporting youth involvement in the community, including managing community events for military families whilst soldier partners were overseas in conflict zones; acting as a key liaison at Aldershot and Blandford with the Nepalese and Fijian families in those areas. These are only some of the roles played by the "beat" officers dedicated to the policing of a Defence or Service site where Service families live as a community. DCPOs were often involved in helping to police homecoming parades for military personnel returning from Afghanistan and at local military funerals, where their experience of the interface between the military and civilian communities is particularly valuable.

Notwithstanding the value of the role, the MOD has decided (on cost grounds in a hard financial climate) that it no longer requires most DCPOs and so I want to take this opportunity to pay tribute to the men and women who did this specialist MDP job over the years. It was a good example of the bespoke contribution that MDP can make to the Defence community, by finding a way of applying the benefits of good policing skills to serve the particular needs of the military community. The role was more widely recognised this year, with the DCPO at RAF Lyneham receiving an MBE for his support role to service repatriation at Royal Wootton Bassett and the DCPO at Inverness receiving a commendation from the Scottish Government Justice Secretary in the 2011 Scottish Policing Awards. The DCPO at RAF Innsworth took third place at the MOD People Awards ('Inclusivity' (Diversity) category) for his work within a multi-national Defence community. The Scotland Division MDP 'Blue-Light Disco' team won the Community Involvement category for setting up and running this initiative with the youth community from the Churchill Estate, Helensburgh (near HMNB Clyde).

London Olympics 2012

The MDP Central Operations Olympic Planning Team has liaised continuously with the national Olympic Policing Co-ordination Team (OPC), the Police National Information Coordination Centre (PNICC) and the various MOD Working Groups regarding support to the 2012 Games. MDP will be providing marine policing support to the sailing events at Weymouth and Police Search Advisors (PoSAs) to the Shooting and Archery venue at Woolwich Garrison. In addition there is likely to be a requirement for MDP to provide Specialist Dogs and Working at Height Search capability to locations in London as part of future OPC requests.



Unarmed Guarding (MGS)

Though MGS managers work closely with customers to prioritise tasking and to match resource to critical tasks, nonetheless the financial restrictions have continued to have a major impact on MGS performance. A limited amount of overtime was provided to bolster task achievement at key establishments and this provided some relief. Customers across the MOD have been unstinting in their praise of the professional standards of the MGS officers at their sites, who have striven to provide the best possible service within the financial and staffing restrictions.

Some bright spots remain. Almost 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.

Discussions are ongoing about the future of the MGS and its possible separation from the Agency to join the Defence Infrastructure Organisation (DIO) as part of the Department's wider consolidation of site facilities management.

National Security Inspectorate (NSI) accreditation

NSI external audits have been completed and the Gold Accreditation maintained. These external audits have been underpinned by a series of internal audits, which also prompt the continual raising of standards.

An MGS Quality Manual and an Operations Manual is now in place. These documents are key in ensuring that a consistent standard of performance conforming to ISO 9001 and BS 7499 is maintained.

Training

The MGS Training Centre was established in June 2011. The MGS Supervisors' Course, which uses the Agency's HYDRA training suite to create a realistic supervisory environment allowing for maximum learning, continues to run and has been highly rated by students. A Training Needs Analysis is underway to broaden the scope



of continuation training and design work is advanced in areas such as CCTV training; decision-making; and maintaining good customer relations. An Employee Relations workshop has been established and is delivered in association with the Defence Academy.

Culture Change Programme

A Continuous Improvement programme was endorsed by the MGS Management Board at its meeting in January 2012 and is being taken forward through engagement with MGS personnel at all levels. A programme of LEAN methodology training has been developed in association with the Defence Academy and is being rolled out in the first half of 2012. The MGS Head of Profession Commendation Scheme has continued to be used to recognise effort, innovation and dedication.

Agency Corporate Services

Alongside the operational arms of the Agency, there are civilians handling vitally important processes and functions without which we could not do the job the MOD requires of us. Finance, communication and information systems and procurement (of vehicles, munitions, uniforms and countless other items of necessary kit) are only the most prominent of these. The hard financial climate has made it necessary to rationalise the civilian contribution to the minimum necessary to support the Agency's key outputs. I have brought together disparate units into a newly created Corporate Services Department, under a single Director, with a remit to deliver a leaner and more flexible team to work alongside the police and guards.

Next year promises to be at least as challenging as this last, as we adjust to a new smaller footprint and separate into policing and guarding capabilities, each with its own role. The operational standards we have attained over the past decade and more keep us firmly in a high value, specialist category of policing that the MOD values and which is likely to be needed for the foreseeable future. Though both MDP and MGS will be smaller, nearly all other police forces will be smaller too, as will the MOD itself and we will all of us be working to get the maximum effectiveness out of the resources we have.

A handwritten signature in black ink, appearing to read 'Stephen Love', with a large, stylized initial 'S'.

Stephen Love

Chief Constable and Chief Executive

27 June 2012

Agency Mission Statement

What we are here for

We are here to support the UK's defence by providing specialist policing services and accredited guarding.

What we bring to Defence

i) Support the secure and uninterrupted operation of the nuclear deterrent

- a. nuclear security and defensive armed nuclear policing; and
- b. nuclear weapons movements and escort

ii) Support to the Operational effort

- a. police capacity-building in Afghanistan;
- b. looking after service families back home; and
- c. attacking theft of military materiel

iii) Protection of Defence people, materiel and estate

- a. armed policing of critical sites and strategic assets;
- b. unarmed security guarding;
- c. fraud and corruption prevention, investigation and asset recovery; and
- d. security and data loss investigation

iv) Responding to Defence major incidents

- a. nuclear guard force;
- b. major incident response and surge; and
- c. public order and protest

We also support the US Visiting Forces and wider government on a repayment basis and with MOD approval, e.g. national infrastructure and overseas police capacity building.

Ministry of Defence Police Committee

An independent Police Committee provides scrutiny and assurance that the MOD Police is exercising its powers and authority lawfully and impartially and meeting the standards required of a police force. The Committee provides its own annual report to the Secretary of State for Defence, which can be found at www.mod.uk.

List of Members 2011-12

David Riddle

Independent Chairman

Sir Keith Povey QPM

Police Adviser (England & Wales) (until 30 September 2011)
National Police Adviser (from 1 October 2011)

Andrew Brown CBE QPM (until 30 September 2011)

Police Adviser (Scotland)

Dr Marie Dickie OBE

Independent Member

Caroline Mitchell

Independent Member

Dr Parvaiz Ali

Independent Member

Susan Scholefield CMG (until 31 October 2011)

Agency Owner
Director General Human Resources & Corporate Services
Ministry of Defence

Mark Preston

Director Business Resilience
Ministry of Defence

Andy Gray (from 1 November 2011)

Director HR Transition
Ministry of Defence

Karen Feather

Clerk to the MOD Police Committee
Ministry of Defence



2011-2012

Ministry of Defence Police and Guarding Agency
Annexes and Accounts

END OF YEAR KEY PRIORITY PERFORMANCE REPORT

The Key Priorities for 2011/12 were revised from all previous years, with a sharper focus on key activities which defined the MDPGA and its purpose within the wider MOD. They were all about looking ahead and taking account of the financial constraints. For the first time the Key Priorities were a blend of numerical targets and narrative reporting.

KEY PRIORITY 1 – To support the secure and uninterrupted operation of the 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.

Fully achieved. Nuclear security and policing represents the largest element of the service the MDPGA provides in support of Defence Outputs and is important that MDPGA provide high end and specialist policing. The substantial assurance was retained in respect of this important target through exercises and quality assurance inspections by the customers.

b. To have delivered at least 98% of MDP and MGS agreed UK customer tasks at nuclear sites.

Achieved - MDP 93% and MGS 83%. It is the aim of the MDPGA to continually improve the quality of the service that we deliver to our customers and so this target increased from 95% agreed customer tasks in 2010/11 to 98% in 2011/12. The continued impact of the Departmental financial savings measures and constraints however continued to make this target increasingly challenging. Over the financial year the MDP delivered 93.16% and the MGS 83%. Towards the end of 2011/12 MDP obtained agreement from the customer at AWE to reduce some tasks to enable greater harmonisation of available resources with tasking.

KEY PRIORITY 2 – To support the Operational Effort

a. To have achieved 100% of HMG/MOD approved requirements for Afghanistan National Police capacity building.

Fully achieved. The MDPGA continued to achieve all of its international tasks through the delivery of international policing tasks requested by the Foreign and Commonwealth Office in support of wider defence and UK foreign policy initiatives.

b. To have 100% of all Defence Community Police Officers (DCPO) positions occupied.

Achieved – 87.5%. The Voluntary Early Release Schemes (VERS) during 2011 and 2012 (a further step towards making the financial savings required under the Strategic Defence and Security Review) has impacted on the achievement of this target with the proposed withdrawal of all UK mainland DCPO posts resulting in DCPO vacancies not being filled.

c. To assist the MOD in the detection and recovery of military materiel theft.

Fully achieved. The MDPGA continued to assist the MOD in the detection and recovery of military materiel theft through the use of its CID. Operation Embroil has continued with new cases still emerging during the year.

KEY 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.

Achieved – MDP 79% and MGS 84%. The required 95% delivery of agreed customer tasks for non-nuclear sites including MOD Trading Funds is a similar target to last year. For the same reasons described at Key Priority 1b this target has proved challenging. Over the financial year the MDP delivered 79.19% and the MGS 84.3%. Both MDP and MGS continue to negotiate with customers acceptable levels of performance and prioritisation of tasking. Where appropriate MDP has deployed additional resources on a temporary basis to support site security, MGS has continued to use resilience overtime funding from DE&S.

b. To assist the MOD in preventing and detecting fraud and corruption and any subsequent recovery of losses.

Fully achieved. The MDP Criminal Investigation Department (CID) has the primary responsibility within the Agency to investigate crime on the MoD Estate supported by Uniformed Police Officers located throughout the UK. Through the year CID has maintained its fraud prevention through Defence crime and fraud awareness presentations. Health checks have been completed for various departments in the MOD highlighting risk areas within their anti-fraud policies and procedures. Amongst other work CID have also been working with MoD in Continuity Education Allowance cases to establish the best methods of recovering fraudulently obtained monies. MDP have and continue to be engaged with security and data loss.

c. To assist the MOD in the investigation of security and data loss.

Fully achieved. The MDP has supported the MOD as and when required to do so. The MDP has supported the MOD in a number of data compromises, the recovery of lost MOD data in support of Home Department Police Forces (HDPFs) and the recovery of assets in the public domain.

KEY PRIORITY 4 – To provide a response to Defence major incidents

a. To have passed the annual Nuclear Guard Force assessment.

Fully achieved. This target was fully achieved with the right number of officers trained and equipped to carry out the necessary exercise programmes over the year with all Nuclear Guard Force Officers maintaining their qualification.

b. To provide a police operational and major incident surge capability that meets the Department's Statement of Requirement.

Fully achieved. There were no major incidents during 2011/12. However the MDP did support wider UK defence objectives through provision of MDP officers to some Home Department Police Forces while their officers were deployed during the London Riots in August 2011 and assisted to the UK Border Agency during the Civil Service strike in November 2011.

c. To achieve the MDP Public Order Standard.

On target. MoD establishments attract public interest and demonstrations and as such the MoD needs the capability to manage this appropriately. The achievement of the MDP Public Order Standard is on target to be in place by 31st March 2013.

KEY 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 repayment sites.

Achieved – MDP 95% and MGS 98%. The same as Priority 1 it is the aim of MDPGA to continually improve the quality of the service that we deliver to our customers. This KP demonstrates MDP and MGS performance in delivering policing and guarding outputs to our non-MOD repayment customers. VERs, short notice sickness and commitments to key operational exercises meant that over the financial year the MDP delivered 95.49% and the MGS 97.7%.

KEY 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. MDP Net 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

Achieved 9 out of 10. The Agency is subject to a number of accreditation and compliance processes and this KP recognised and highlighted the importance of these (and other) accreditations to the operational match fitness of the organisation. This Priority was fully achieved with the exception of the National Police Improvements Agency Firearms Training Licence. The requirements of the Licence have been met but the NPIA assessment was deferred until April 2012.

KEY 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.

Fully achieved. The impact of the Departmental financial savings measures and constraints has meant and will continue to mean, significant policy and resourcing changes to the MDPGA in order to successfully make the transition to a new organisation both in terms of structure, size and footprint. The milestones for the transition programme for which MDPGA are responsible for have been met and achieved.

b. To have achieved a 'Your Say' engagement score that exceeds that of the CTLB parent unit.

Fully achieved. The annual Departmental Engagement Survey is a key operational tool and provides feedback on a number of themes around working in the MOD i.e. how committed people are to the organisation, how highly they speak of the organisation and to what degree people strive to do best for the organisation as a whole. The overall MDPGA engagement score was the same as the Centre TLB at 51% (slightly above for MGS and slightly below for MDP). The main theme emerging from the survey was the need to keep MDPGA staff informed of change particularly through this transitional period.

KEY PRIORITY 8 – To ensure that the MPDGA delivers on budget

To deliver specified outputs within 1% of authorised control total.

Fully achieved. The MDPGA negotiated with the CTLB an acceptable window of financial performance to take into account the reality of delivering PR11/12 savings against the timetable for the tools available to reduce the workforce i.e. customer tasking reviews, new MOD security policy and VERS. The accepted performance was a £15M - £19M overspend window, MDPGA achieved a £15.1M overspend.

Agency Key Targets / Priorities 2009 - 2012

Support of the UK's Nuclear Deterrent / Providing a response to Defence major incidents

By 31 March 2012 to retain substantial assurance from the DE&S Strategic Weapons Project Team (SWPT) and DE&S Principal Security Advisor (PSyA) quality assurance inspection process. **GREEN**

By 31 March 2012 to have passed the annual Nuclear Guard Force assessment. **GREEN**

By 31 March 2012 to provide a police operational and major incident surge capability that meets the Department's Statement of Requirement (**Performance reported as a narrative report**).

By 31 March 2012 to achieve the MDP Public Order Standard. **GREEN**

Crime Detection/Strategy*

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

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

By 31 March 2012 to assist the MOD in the detection and recovery of military materiel theft (**Performance reported as a narrative report**)

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

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. **GREEN**

For 2012 see Key Priority on Accreditations, Compliance and Standards.

Customer Satisfaction

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). **GREEN/RED**

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

No Key Priority on Customer Satisfaction for 2012.

Customer Tasking

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

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

By 31 March 2012 to have delivered at least 98% of MDP agreed UK customer tasks at nuclear sites. **YELLOW**

By 31 March 2012 to have delivered at least 98% of MGS agreed UK customer tasks at nuclear sites. **RED**

By 31 March 2012 to have delivered at least 95% of MDP agreed UK customer tasks at non-nuclear sites including MOD Trading Funds. **RED**

By 31 March 2012 to have delivered at least 95% of MGS agreed UK customer tasks at non-nuclear sites including MOD Trading Funds. **RED**

By 31 March 2012 to have delivered 100% of MDP agreed UK customer tasks at non-MOD payment sites. **YELLOW**

By 31 March 2012 to have delivered 100% of MGS agreed UK customer tasks at non-MOD payment sites. **YELLOW**

Fraud Reduction / Protection of Defence people, assets, information and estate

No Key Target on Fraud Reduction in 2009/10.

No Key Priority on Fraud Reduction in 2010/11.

By 31 March 2012 to assist the MOD in preventing and detecting fraud and corruption, and any subsequent recovery of losses (**Performance reported as a narrative report**).

By 31 March 2012 to assist the MOD in the investigation of security and data loss (**Performance reported as a narrative report**).

International Capability

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

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

By 31 March 2012 to have achieved 100% of HMG/MOD approved requirements for Afghanistan National Police capacity building. **GREEN**

Financial Management

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

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

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. **YELLOW**

By 31 March 2011 to have delivered specified outputs within Resource Control Totals. **RED**

By 31 March 2012 to deliver specified outputs within 1% of authorised control total. *(MDP negotiated an agreed outturn level rather than performance against control total to recognise that the ability to deliver PR11/12 measures was outside the Agency's control)* **GREEN**

Accreditation, Compliance and Standards

By 31 March 2011 to have met and maintained external MDP and MGS accreditation and compliance for:

- 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 **GREEN**

By 31 March 2012 to have met and maintained 100% of MDP and MGS accreditation and compliance for:

- a. MDP Net accreditation **GREEN**
- b. NPIA Firearms Training Licence **AMBER**
- c. MDP Level 2 Investigation Programme **GREEN**
- d. ACPO accreditation for Police Dog Training Instructors **GREEN**
- e. Information Assurance Maturity Model Level 3 **GREEN**
- f. National Crime Recording Standards (NCRS) / Scottish Crime Recording Standards (SCRS) **GREEN**
- g. National Standard for Incident Recording (NSIR) **GREEN**
- h. Diversity through incorporation into the MOD's new Equality Act framework **GREEN**
- i. External MGS accreditations for:
- j. The National Security Industry Gold Standard **GREEN**
- k. Security Industry Authority Standard **GREEN**

Defence Community Police Officers (DCPOs)

By 31 March 2012 to have 100% of all Defence Community Police Officers (DCPO) positions occupied. **RED**

Transition

By 31 March 2012 to have achieved 100% of agreed Agency transition programme milestones for 2011/12. **GREEN**

By 31 March 2012 to have achieved a 'Your Say' engagement score that exceeds that of the CTLB parent unit. **GREEN**

KEY

BSC Colour	Definition of target / priority achievement
GREEN	TARGET / PRIORITY ACHIEVED
YELLOW	MINOR DEVIATION FROM TARGET / PRIORITY SET
AMBER	MAJOR DEVIATION FROM TARGET / PRIORITY SET
RED	SERIOUS WEAKNESS IN PERFORMANCE AGAINST TARGET / PRIORITY SET
Narrative Report	For the first time in 2012 the Key Priorities were a blend of numerical targets (achievement shown using the balanced scorecard traffic light colours) and narrative reporting.

KEY PRIORITIES 2012 - 2013

KEY PRIORITY 1

To support the secure and uninterrupted operation of the nuclear deterrent.

Targets

- a. To retain substantial assurance from the DE&S nuclear security and safety assurance inspection process.
- b. To have delivered 98% of MDP and MGS agreed UK customer tasks at nuclear sites.

KEY PRIORITY 2

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

Targets

- a. To have delivered 95% of MDP and MGS agreed UK customer tasks at territorial policing sites including MOD Trading Funds.
- b. To assist the MOD in preventing and detecting fraud and corruption and any subsequent recovery of losses.

KEY PRIORITY 3

To provide an effective response to Defence major incidents.

Targets

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

KEY PRIORITY 4

To meet the agreed requirements of cross-government customers.

Targets

- a. To have delivered 100% of MDP and MGS agreed UK customer tasks at non-MOD repayment sites.
- b. To have achieved 100% of HMG/MOD approved requirements for overseas policing requirements.
- c. To have achieved 100% of HMG/MOD approved requirements for Olympic and other cross-government support.

KEY PRIORITY 5

To maintain MDP and MGS professional and operational standards.

Targets

To have met and maintained MDP accreditation and compliance for:

- a. MDP Net 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

To have maintained external MGS accreditations for:

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

To have:

- a. Met all the MDPGA's requirements in the MOD's Diversity and Equality Plan.
- b. Established the MDPGA's Green Energy Strategy.

KEY PRIORITY 6

To ensure that the MDPGA Transition Programme is on track.

Targets

- a. To have achieved 100% of agreed MDPGA Transition Programme milestones for 2012/13.
- b. To have achieved a 'Your Say' engagement score that exceeds that of the MOD's Head Office and Corporate Services.
- c. To remain within agreed spending limits.

Annex B

Personnel Statistics
Strength as at 31 March 2012

Police	Female	Male	Total
Chief Constable		1	1
Deputy Chief Constable		1	1
Assistant Chief Constables		1	1
Chief Superintendents		4	4
Superintendents	1	17	18
Chief Inspectors	5	53	58
Inspectors	11	109	120
Sergeants	48	402	450
Constables	242	2089	2331
Total Police Officers	307	2677	2984

MGS	Female	Male	Total
CSO1	1	5	6
CSO2	4	16	20
CSO3	17	76	93
CSO4	30	351	381
CSO5	295	2354	2649
Total	347	2802	3149

Civilians	Female	Male	Total
SCS		2	2
Band B2		3	3
Band C1 (Senior Executive Officer)	5	12	17
Band C2 (Higher Executive Officer)	13	27	40
Band D (Executive Officer)	39	22	61
Band E1 (Administrative Officer)	110	32	142
Band E2 (Administrative Assistant)	12	2	14
Others	21	12	33
Total	200	112	312
Grand Total	854	5591	6445

Annex C

MDP Professional Standards

Complaints against the Police 2009 - 2012

	2009/10	2010/11	2011/12
Total number of complaints	30	49	54
Outcomes			
Withdrawn (Discontinued/De-recorded)	5	5	6
Locally resolved	10	23	18
Dispensation granted by IPPC	2	0	1
Unsubstantiated	12	10	11
Substantiated	5	7	2
Total cases completed	34	45	38

Disciplinary Hearings (2004 Regulations) 2009 - 2012

Classification	2009/10	2010/11	2011/12
Dismissal from the Force	0	0	0
Requirement to Resign	2	0	2
Reduction in Rank	1	1	0
Reduction in Pay	0	0	0
Fine	0	3	1
Reprimand	2	0	0
Caution	0	0	0
Not Guilty	0	0	0
Total	5	4	3

Misconduct Meetings and Hearings (2009 Regulations) 2010 – 2012

Meetings Classification	2010/11	2011/12
Final Written Warning	5	11
Written Warning	5	14
Management Advice	23	0
Finding of Misconduct but no Further Action	7	0
Total	40	25

Hearings Classification	2010/11	2011/12
Dismissal from the Force	0	1
Final Written Warning	0	2
Written Warning	0	0
Management Advice	0	0
Finding of Misconduct but no Further Action	0	0
Discontinued	0	1
Total	0	4

Annex D

MDP Crime Statistics 2011- 2012

OFFENCE CATEGORY

CRIME	ENGLAND, WALES & NORTHERN IRELAND		SCOTLAND		% Solved
	Recorded	Solved	Recorded	Solved	
Assaults Non-Police	103	39	18	17	46.28
Assaults on Police	5	4	2	2	85.71
Bomb Hoaxes	5	0	0	0	0
Burglary	272	13	31	1	4.62
Child Sexual Offences	8	1	0	0	12.50
Criminal Damage	319	21	63	10	8.11
Customs Offences	1	0	0	0	0
Drugs Offences	17	14	0	0	82.35
Forgery	8	3	2	1	40.00
Fraud	132	33	10	14	33.09
Life Threatening	3	1	2	1	40.00
Other Child Offences	0	0	0	0	0
Other Offences	94	33	35	18	39.53
Other Theft Act	1204	95	137	23	8.8
Public Order Offences	8	2	3	1	27.27
Sexual Offences	21	3	1	0	13.64
State Offences	0	0	1	1	100.00
Traffic Offences	0	7	3	3	333.33
Totals	2200	269	308	92	14.39
United Kingdom overall total	Recorded	2508	Solved	361	14.39

Note: Some crimes are solved in a later year to the year they were originally recorded. The percentage figure for crimes solved in that later year can therefore exceed 100%, since the figure includes both the crimes recorded and solved in that year and any crimes recorded in previous years but solved in 2011-12. MDP Crime Statistics are compiled according to Home Office (and Scottish Government) rules which apply to all police forces.

Extended Jurisdiction Statistics 2011 – 2012

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 2011 to 31 March 2012.

Category	Total
Requests from other Police Force/Agencies	432
Emergency Situations	112
Off duty action	8
Miscellaneous	3
Overall Total:	555

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 police on the use and carriage of firearms.

Category	Total
Terrorist Related	0
MOD Related	77
Officers Armed	96
Police Powers used	536
Vehicle/Person Searches	67
Overall Total:	776

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

2007/08	2008/09	2009/10	2010/11	2011/12
7284*	4646 *	3022*	895	555

* Inclusive of Section 44 totals; this activity ceased in 2010

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

Division	Total
AWE	89
Scotland	116
South East	154
North East	91
Western	135

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

Arrests (as part of an incident, not necessarily by MDP)	50
Traffic Management or breath tests (as part of the incident)	208 Incidents 14 Breath Tests
Response to Alarms	7
Police Dog support to incidents	54

MINISTRY OF DEFENCE POLICE AND GUARDING AGENCY Management Commentary for the year ended 31 March 2012

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 MGS was formed in 1992, following a review which identified the need for a professional unarmed guarding service across the Defence estate.

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 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 being revised following clarification of security policy changes and the allocation of resources available and will be published in 2012/13.

Up until November 2011 ownership of the Agency rested with the Director General Human Resources and Corporate Services (DGHRCS) within the MOD Centre; this then transferred to the Director General Transformation and Corporate Services (DGT&CS).

A written statement was made by Ministers on 29th February 2012 to confirm that MDPGA will cease to have the status of an Executive Agency of the MOD from 1st April 2012. However activities and services will continue to be provided within the MOD.

PRINCIPAL ACTIVITIES

The principle activities of the MDPGA are:

- 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 2012 were £336.7M. Income totalled £36.4M. The balance, representing net operating costs, as detailed in the Statement of Comprehensive Net Expenditure was £300.3M. In the previous accounting period, 2010/11, net operating costs were £325.9M. This reduction is because of MOD Departmental savings targets and commitment controls which were

implemented against the MDPGA in the 2009 MOD Forward Financial Planning Round which led to restrictions on recruitment and overtime costs. In addition, 2011/12 saw 525 staff departures from the organisation through the MOD's Voluntary Early Release Scheme.

Total Assets were £15.0M at 31 March 2012. This represented Total Current Assets of £7.0M and Non Current Assets of £8.0M. Total liabilities and charges were £9.3M resulting in total Net Assets of £5.7M. In the previous accounting period, 2010/11, total net assets were £4.9M.

Up until November 2011 the Agency was a Management Group reporting to the DGHRCS Higher Level Budget (the Agency Owner) which is part of the Central Top Level Budget (CTLB), from November 2011 onwards MDPGA became a higher level budget reporting directly to CTLB. As part of the MOD hierarchy the Agency separately 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 is a resource gap between that which the Agency is tasked to do and the budget allocation provided by the CTLB as a result 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 2011/12 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.

SUSTAINABILITY

The MDPGA is a lodger unit within some 200 locations across the UK where responsibility for sustainability issues around energy use on site is the responsibility of the Defence Infrastructure Organisation (DIO). Of course MDPGA, as a consumer of energy, contributes to delivery of the MOD sustainability targets through its behaviours and means of delivering its service. Since 2010 the MDPGA no longer has responsibility for site management, utilities costs, water management or waste management for its headquarters at Wethersfield. The respective financial, management and reporting responsibilities have transferred to the DIO and are included within the MOD Resource Accounts. MDPGA continues to monitor its achievement against MOD departmental sustainability targets through its own internal sustainable development committee.

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 the options to reduce MDPGA services was announced in March 2012 and subsequently there is a need for formal consultation with the Defence Police Federation (DPF) and the non-industrial civil service trade unions concerning implementation. 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 that started in 2011/12.

The impact of these changes is reflected in the MDPGA Corporate Risk Register and a MDPGA Transition Programme has been established to see the changes implemented.

EQUAL OPPORTUNITIES POLICY AND THE EMPLOYMENT AND TRAINING OF DISABLED PERSONS

Up until 31 March 2012 the Agency had a Diversity and Equality Unit (DEU), the role of which is to promote and build upon a systematic approach to diversity. The DEU is supported by a MDPGA Diversity Programme Board and a MDPGA Diversity Plan.

Further information regarding diversity and equality can be found in the foregoing report. The Agency employed 175 disabled personnel (MDP – 59, Civilian – 116) as at 31 March 2012.

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 QPM

Chief Constable and Chief Executive

DCC Gerry McAuley

Deputy Chief Constable

ACC John Bligh QPM

(Retired on 30th August 2011)

Assistant Chief Constable Professional Development

ACC Robert Chidley

Assistant Chief Constable Central Operations (formally Operational Support)

ACC Dave Allard

Assistant Chief Constable Divisional Operations

David Wray

Head of Unarmed Guarding

David King

Agency Secretary

John Harris

Non-Executive Board Member

Details of the remuneration of the Executive members of the Management Board 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 2011/12: £11k)
(Date of appointment Jan 2004 – extended as of March 2011)

Paul Smith

Non-Executive Director
(Remuneration in 2011/12: £4k)
(Date of appointment Oct 2007 – extended as of Oct 2010)

Peter Hargrave

Non-Executive Director
(Remuneration in 2011/12: £4k)
(Date of appointment June 2009)

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 Defence Business Services (DBS). In 2011/12 DBS had a target of paying 80% of correctly presented UK bills within 5 working days of receipt as part of the Government's prompt payment initiative. Actual performance against this target for MDPGA was 82.22%. There were no interest payments 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 52,179 days (2010/11 73,312 days) and through short term sickness were 33,279 days (2010/11 39,385 days) being the equivalent of 12.3 days (2010/11 15.17 days) per employee.

PERSONAL DATA RELATED INCIDENTS

In common with other Government and public bodies, MOD agencies are 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 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 2011-12

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, identifying and addressing any weaknesses and ensures continuous improvement of its systems.			

TABLE 2: SUMMARY OF OTHER PROTECTED PERSONAL DATA RELATED INCIDENTS IN 2011-12

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

Category	Nature of incident	Total
I	Loss of inadequately protected electronic equipment devices or paper documents from secured Government premises.	Nil
II	Loss of inadequately protected electronic equipment, devices or paper documents from outside secured Government premises.	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 2011-12

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
2010-11	Nil	Nil	Nil	Nil	Nil	Nil
2009-10	Nil	Nil	Nil	Nil	Nil	Nil
2008-09	Nil	Nil	Nil	Nil	Nil	Nil
2007-08	Nil	Nil	Nil	Nil	Nil	Nil
2006-07	Nil	Nil	Nil	Nil	Nil	Nil

	I	II	III	IV	V	Total
2010-11	Nil	Nil	Nil	Nil	Nil	Nil
2009-10	Nil	Nil	Nil	Nil	Nil	Nil
2008-09	Nil	Nil	Nil	Nil	Nil	Nil
2007-08	Nil	Nil	Nil	Nil	Nil	Nil
2006-07	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 (2011: £83,000). 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
 27 June 2012



MINISTRY OF DEFENCE POLICE AND GUARDING AGENCY Remuneration Report for the year ending 31 March 2012

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 Review Body on Senior Salaries (SSRB). The SSRB provides independent advice to the Prime Minister and the Secretary of State for Defence on the remuneration of Senior Civil Servants (SCS) and senior officers of the Armed Forces.

The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations. Further information about the work of the Review Body can be found at www.ome.uk.com.

Performance and Reward

The MOD implements its own pay and non-consolidated award arrangements within the Cabinet Office framework through an agreed pay strategy. Any non-consolidated award is based on a judgement of how well an individual has performed against their peers and awarded to individuals judged to have made the highest in-year contribution to MOD's business objectives. There is no restriction on the nature of the contribution; the only requirement is that it benefits the Department or Defence more widely. Recommendations for awards – which are considered by moderation committees - must be linked to demonstrable evidence of delivery.

SCS pay increases are normally calculated using the relationship between their percentage progression across the pay scale and their performance group assessment at the end of the moderation committee process. Minima and maxima of SCS pay bands are set by the Cabinet Office. The SCS have not received any base pay increases since 1 April 2009 and there have been no increases to pay band minimums since that date. Furthermore, following the announcement in June 2010 that the public sector would have a freeze on pay increases for two years from 2011-12, the SCS entered their third year of pay freeze on 1 April 2012. Non-consolidated awards for performance year 2011-12 will be limited to the top 25% of the SCS population.

The following information is subject to audit.

Salaries and Pension Entitlements

The salary and pension entitlements of the Board Members of the MDPGA were as follows (with comparative salary disclosures for 2010/11):

	Salary Paid 2011-2012	Bonus Payments 2011-12	Salary Paid 2010-11	Bonus Payments 2010-11	Real Increase in Pension and Lump Sum at Age 60	Total Accrued Pension at Age 60 and Lump Sum at 31 March 2012	Cash Equivalent Transfer Value (CETV) at 31 March 2011	Cash Equivalent Transfer Value at 31 March 2012	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	160-165	-	155 - 160	-	0-2.5 plus Lump sum N/A	10-15 plus Lump sum N/A	194	246	31
G P McAuley	115-120	5-10	115 -120	0-5	(-2.5)-0 Lump sum (-2.5)-0	40-45 plus 125-130 Lump sum	651	700	-6
D King	75-80	5-10	75 - 80	0-5	(-2.5)-0 Lump sum (-2.5)-0	30-35 plus 100-105 Lump sum	708	751	-18
D Allard	100-105	0-5	100 - 105	0-5	0-2.5 plus 5-7.5 Lump sum	35-40 plus 115-120 Lump sum	622	706	31
J P Bligh	45-50*	0-5	105 - 110	0-5	0-2.5 plus Lump sum N/A	10-15 plus Lump sum N/A	272	295	7
R Chidley	105-110	0-5	105 - 110	0-5	0-2.5 plus Lump sum N/A	10-15 plus Lump sum N/A	197	238	21
D K Wray	70-75	-	70 - 75	5-10	(-2.5)-0 Lump sum (-2.5)-0	25-30 plus 75-80 Lump sum	468	499	-9
S MacCormick**	-	-	65-70	5-10	-	-	152	-	-
J Harris***	10-15	-	-	-	-	-	-	-	-
2011-12			2010-11						
Band of Highest Paid Director's Total Remuneration (£'000)			160-165			Band of Highest Paid Director's Total Remuneration (£'000)			155-160
Median Total Remuneration (£)			30,209			Median Total Remuneration (£)			29,716
Ratio			5.4			Ratio			5.3

* The salary quoted is for the period from 1 April 2011 to 4 September 2011. The full year equivalent is £105,000 - £110,000.

** S MacCormick left the Agency on 31 March 2011.

*** J Harris became a Non-Executive Board Member on 21 February 2012.

None of the above received any benefits in kind.

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. This was extended by a mutual agreement in March 2009. 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. This report is based on accrued payments made by the MOD and thus recorded in these accounts.

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 2011-12 relate to performance in 2010-11 and the comparative bonuses reported for 2010-11 relate to the performance in 2009-10.

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 updated 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.

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 2008 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.

Median Total Remuneration

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

The median remuneration of the reporting entity's staff is the total remuneration of the staff members lying in the middle of the linear distribution of the total staff, excluding the highest paid director. This is based on annualised, full-time equivalent remuneration as at the reporting period date.

For all remuneration calculations, this is the sum of the amounts already required to be disclosed for Director's – this includes salary, non-consolidated performance-related pay, benefits-in-kind allowances as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

The ratio is calculated by comparing the median of the total remuneration with the mid-point of the banded remuneration of the highest paid director. The banded remuneration of the highest-paid director in MDPGA in financial year 2011-12 was £160-165,000 (2010-11, £155-160,000). This was 5.4 times (2010-11, 5.3) the median remuneration of the workforce, which was £30,209 (2010-11, £29,716).

In 2011-12, no employees received remuneration in excess of the highest paid director. (2010-11, Nil).

S B Love
Chief Executive
 27 June 2012



MINISTRY OF DEFENCE POLICE AND GUARDING AGENCY
Accounts for the year ending 31 March 2012

**Statement of the Agency's and
Chief Executive's Responsibilities**

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 2011. 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'.

Governance Statement – 2011 - 2012

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 that public funds and departmental assets are used in an economic, efficient and effective manner.

Whilst I have responsibility for full operational command of the Agency's outputs, there are many services that sit outside my direct control and where I look to others to take or share responsibility to ensure delivery of the Agency objectives. The new Defence Business Services Organisation (DBSO) has responsibility for Human Resources service delivery in respect of all Agency staff. The new Defence Infrastructure Organisation (DIO) has responsibility for management and maintenance of the infrastructure and site services at MDPGA HQ Wethersfield. Defence Business Resilience (DBR) continues to play an important role as MOD process owner for defence security policy that drives the Agency deliverables. These organisations are bound by the same MOD governance arrangements as the MDPGA and are subject to scrutiny by the Defence Internal Audit (DIA) department and therefore I am satisfied that these organisations are monitored for assurance and compliance to minimise the risk to the MDPGA.

2. The Governance Framework

The governance framework sets out how the Agency delivers its services to its key stakeholders in a manner that is compliant with Ministry of Defence (MOD) policies and best practice in the policing and security community, while allowing it to discharge its legal responsibilities and be accountable for its actions.

A significant part of the governance framework is the system of internal control. The Agency's system of internal control is designed to identify, prioritise and address the risks to achievement of the key priorities of the Agency, its compliance with MOD and Government policy and the delivery of services to the Defence community and its wider customers. It is designed to manage risk to a reasonable level rather than eliminate all risk of failure.

The Agency's governance framework has been in place for the year ending 31 March 2012 and up to the date of approval of this Governance Statement and the annual report and accounts. From 1st April 2012 the MDPGA ceased to be an Agency and has now become a higher level budget (HLB) area within the MOD Director General Transformation & Corporate Services top level budget (TLB). The MDPGA will continue to use its acronym until the current MOD Change and Transformation programme is completed which may take 12 to 18 months.

The MDPGA will continue to operate within the MOD and remains bound by MOD policy including personnel management, financial propriety, security, risk management and contractual authority. The Chief Executive, will be accountable to the Head Office Corporate Services top level budget management board for financial performance, delivery of business plan objectives and management of significant risks. The Chief Executive, will continue to receive a letter of delegation but this will now be from the MOD Director General Transformation and Corporate Services (DGT&CS). In respect of overall governance assurance the Defence Internal Audit (DIA) department has agreed to continue to provide a programme of audits specifically for the Chief Executive in addition to any pan-MOD audits that involve MDPGA, however DIA will no longer provide a specific assurance statement.

The most notable changes are that MDPGA's financial statements will no longer be separately audited by the NAO and laid before Parliament and it has also been decided

that there will no longer be a MDPGA Audit Committee and instead a permanent Non-Executive Board Member (NEBM) post has been established on the MDPGA Management Board to bring independent challenge on issues of governance and assurance, as they affect policy, performance and delivery of the MDPGA business objectives.

During the year ended 31 March 2012, the key elements of the systems and processes that comprise the Agency's governance framework included the following:

2.1 Planning

The Agency's Corporate Plan was approved in July 2011 to cover the period to 2015 and sets out the six key priorities that represent the Agency's primary purpose, including service delivery levels, standards and financial performance.

The Agency's internal performance management systems continue to monitor its delivery standards in accordance with the requirements set out by MOD security policy, customer demands and targets within the Corporate Plan.

2.2 Risk Management

The Agency's risk management strategy and processes, which see risk management operating across the organisation up to and including the Agency's Corporate Risk Register, were renewed for 2011/12. This was further enhanced in 2011/12 by the introduction of operational risk registers.

2.3 Financial Delegation

The Agency's forward financial plan and funding settlement from MOD Centre, sets out the budgetary envelope in which the Agency must deliver services up to and including 2015/16.

The Agency continued to operate under the principle of delegated responsibilities from the Chief Executive to members of the Agency Management Board (AMB) and sub-delegated appropriately to directorates. To maximise the effectiveness of these responsibilities, the AMB was refreshed in 2011 leading to the establishment of a new Head of Corporate Services with greater responsibility for financial management, policy and procurement.

The Agency's financial scrutiny arrangements continued to be robust and firmly in place during 2011/12, ensuring that decisions meet the challenge of affordability, value for money and propriety. Scrutiny has covered such areas as recruitment, travel expenses and equipment investment.

3 Corporate Governance

3.1 Accountability

Up until November 2011, the Agency had a formal owner within the MOD, Director General Human Resources & Corporate Services, who chaired a quarterly Owners Advisory Board (OAB) to review the performance of the Agency against its key business objectives. Since the beginning of 2012 this has been succeeded by a Change Implementation Steering Committee with responsibility for monitoring the performance of the Agency in delivering changes in MOD security policy, workforce reductions and financial savings over the next four years. Furthermore, a Guarding Transition Board was established by Defence Business Resilience (DBR) in 2011 to also ensure the delivery of changes in MDPGA services.

The Ministry of Defence Police (MDP) Committee, which is made up of Non-Executive Director members with responsibility to Secretary of State for Defence for an independent assessment of the MDP's performance in discharging of its policing responsibilities, has continued its role during 2011/12.

The MDPGA Audit Committee, made up of three Non-Executive Director members separate from those on the MDP Police Committee, has also continued to meet quarterly during 2011/12. It monitored the Agency's compliance with internal audit recommendations, compliance with MOD policies, the robustness of the annual accounts and challenged the Agency's arrangements for mitigating its most significant risks as well as assisting management to review its assurance processes. During 2011/12, the Chair of the Audit Committee was made the Non Executive Board Member of the MDPGA Management Board.

An Agency Transition Programme was established during 2011/12 to co-ordinate the organisation's response to a significant financial challenge set by the MOD to reduce its MDPGA costs by 2015/16. To ensure this is delivered the Agency Management Board was reviewed and refreshed to incorporate transition programme management.

3.2 The Management Board

The Agency Management Board has continued to meet monthly during the whole of 2011/12. Its membership includes:

- Chief Executive,
- Deputy Chief Constable,
- Assistant Chief Constable of Operations,
- Assistant Chief Constable Central Operations,
- Head of Unarmed Guarding,
- Agency Secretary and
- Non-Executive Board Member, the Chair of the MDPGA Audit Committee.

Also in attendance as advisors are the Head of Finance, the Head of Agency Business Services, the Human Resources Business Partner, Head of the Criminal Investigation Department, the Head of Information Management and Operational Assurance, the Defence Police Federation and a representative from the civilian trade unions.

The Management Board's responsibilities have remained to agree new policy, assess performance and review the most significant risks facing the organisation. Every meeting includes a review of the Corporate Risk Register, monthly performance against the key priorities in the Corporate Plan, financial performance against budget and absence management. In 2011 the Chief Executive revised the Board structure to include operational briefings from the Ministry of Defence Police (MDP), the Ministry of Defence Guard Service (MGS) and Defence Security and to establish a permanent NED with responsibility to challenge issues concerning assurance and risks management. These meetings are recorded by a secretary and published under the Freedom of Information (FOI) publication scheme. The Management Board is then further supported by internal quarterly meetings between the Chief Executive and AMB members to review performance, risk and internal controls within each portfolio area.

3.3 Corporate Code Compliance

As part of Government the MDPGA is bound by the HM Treasury and Cabinet Office code of good practice in corporate governance and MDPGA aims to conform to this code as much as it possibly can within itself but also within the wider framework of the MOD in which the MDPGA sits as a component part. However there are some areas in which the MDPGA has not conformed as follows:

- There has not been a formal, independent review of Board effectiveness however the Chief Executive restructured Board member responsibilities in 2011. Nonetheless delivery of key priorities is independently reviewed by the Police Committee and Board members are subject to quarterly personal performance reviews with the Chief Executive. In addition the DIA conducted an audit on the Corporate Governance arrangements including the operation of the Management Board and gave a substantial assurance assessment.
- The MDPGA does not have a nominations committee however all appointments to Board positions are conducted with involvement from senior staff within the MOD and where appropriate, independent members of the MDP Committee.
- The MDPGA does not have a professionally qualified Finance Director as a Board member however the Head of MDPGA Finance is a permanent advisor to the Board and is suitably qualified.
- The Chair of the Agency Audit Committee became a member of the Agency Management Board during the year which meant he was not a wholly independent member of the Board.

In terms of regular Board attendance during 2011/12 each individual member has attended as follows:

Board Member	Attendance (maximum 12 meetings)
Chief Executive	10
Deputy Chief Constable	8
Assistant Chief Constable Operations	5
Assistant Chief Constable Central Ops	8
Head of Unarmed Guarding	8
Agency Secretary	11
Non-Executive Board Member	5 out of 5

The information on which the Board makes decisions upon is sourced from a variety of providers all suitable to provide the most complete and accurate information. Tasking performance data is sourced and consolidated from every MDPGA business unit and quality assured by the Agency performance analyst. Financial data is consolidated from budget managers and scrutinised by Head of Finance as well as cross-referenced to data held on the MOD general ledger system and absence management information is sourced from the MOD Human Resources Management System (HRMS). In addition, all proposals for policy are subject to review by all heads of departments, subject matter experts and Board members before submission to the Board for approval to ensure accuracy, compliance with Departmental policy, affordability and completeness. There were some issues with the quality of data provided to the Board because of inconsistency between HRMS staff position data and actual number of posts within the organisation, the inability of HRMS to recognise MDP shift patterns in sickness reporting and the unavailability of delivery performance on units because of the departure of some staff through the MOD VERS.

4. Review of Effectiveness

During 2011/12, the Agency received observations from a range of assurance providers including the National Audit Office (NAO), the Defence Internal Audit (DIA) department and the MDPGA Audit Committee. These sources of assurance have enabled MDPGA to assess the effectiveness of its control environment.

4.1 Internal Audit

In 2011, the Audit Committee, MDPGA and the DIA agreed a three year internal audit programme up until April 2014. DIA deliver an agreed programme of audits focussed on key areas of business and report on the level of assurance obtained. In 2011/12, the DIA conducted 10 full audits and 2 follow up audits.

The DIA has given the MDPGA an overall assurance rating of 'Substantial' based on the programme of internal audits conducted within the Agency in 2011/12, plus pan-MOD audits as they affected the Agency, all weighted according to the risk associated with individual findings.

However the DIA gave limited assurance in the following areas:

- Corporate Manslaughter – concerns over risk mitigation in the marine policing environment. As a result of the audit findings, policy and doctrine is being revised and we have established projects looking at issues such as weight of equipment.
- Travel and subsistence expenses – small value non-compliance with MOD rules on detached duty expenses. As a result of the audit findings, we have introduced a new compliance management report to the Board to assist them in resolving issues within their own areas.
- Encroachments and lettings - lack of formal agreements with users of MDPGA HQ establishment. As a result of the audit findings, we have overhauled the register of encroachments and begun issuing new formal agreements to users of the site.

There was one 'no assurance' rating for mutual aid support to Home Office police forces. Mutual aid involves one police service providing support to another police service, either in emergencies or through planned operations. The no assurance rating was a result of MDP operating under its own charging policy that breached its delegated authority from the MOD and was inconsistent with both Association of Chief Police Officers (ACPO) guidance on mutual aid and MOD policy on charging for services. This issue has now been resolved by the agreement of new policy within the MDPGA.

The DIA observed that the MDPGA had an adequately designed control framework with effective processes to support corporate governance, risk management and internal control. However the DIA made a number of observations on minor weaknesses including performance evaluation of the Board, compliance with MOD policy and management intervention against non-compliance. From their observations appropriate management responses have been agreed to address any issues and action plans and timetables are in place to implement improvements; follow-up audits will take place in 2012/13.

The MOD Centre Environmental Safety Organisation (CESO) audit of MDPGA health and safety systems in 2011 showed a significant improvement from the previous audit with a reduction from 32 recommendations to just 8 with an overall assessment that control systems were largely compliant with only a small number of issues and fine tuning requiring attention.

The MOD Chief Information Officer's Department conducted an Information Assurance Maturity Model (IAMM) peer review of the Agency in October 2011. Their overall assessment was the Agency is operating at IAMM Level 2 (Level 3 in some areas). Follow up reviews took place in February and March 2012 after which it was confirmed that the Agency is "operating at Level 3". Level 3 demonstrates that MDPGA has increased awareness leading to improvements to Information Risk Management. As part of our information assurance I can confirm that up until the end of 2011/12 there were no reported losses of laptops or data within the MDPGA.

4.2 Internal Assurance

The MDPGA Audit Committee continued in 2011/12 to meet five times a year to provide an opportunity to challenge the organisation's governance arrangements and it has done this in partnership, where appropriate, with the DIA and the NAO.

The Audit Committee has focused on assurance and risk management during this year and in particular the effectiveness of the mitigation arrangements in place or being developed within the Agency and this process has now transferred to the MDPGA Management Board as part of its governance arrangements post-Agency status.

Compliance with MOD rules on expenses has remained a concern for the Committee but they were encouraged that improvements in monitoring and reporting these issues to senior management through performance reports raised awareness of these issues and again this has transferred into the new Management Board assurance procedures.

In its annual statement, the MDPGA Audit Committee remarked that overall it was content that there were proper systems of governance, risk assessment and risk management within the organisation, but spelt out the significant challenges faced by MDPGA in the future in delivering the MOD's financial targets with resources and outputs requiring alignment.

5. Significant Risks to Governance

There remains the ongoing challenge of balancing the delivery of savings as part of the MOD's Strategic Defence Security Review (SDSR) and Government's Comprehensive Spending Review whilst maintaining a sufficient level of service to meet the Agency's customers critical policing and security requirements. Deploying resources effectively at some 200 UK locations with a workforce shrinking because of the combined impact of recruitment restrictions and departures through the MOD's Voluntary Early Release Scheme has been difficult. As a result, MDPGA has been unable to meet three of its key priorities within its Corporate Plan concerning customer tasking levels.

The budget and funding given to the MDPGA by MOD was less than the expected spend because of the actual pace at which staff exits could be achieved within Government policy against our original planning assumptions. The MDPGA accordingly could not meet the financial key priority within the Corporate Plan, to deliver within 1% of budget.

Control measures to deliver the optimum security performance whilst reducing the workforce and its related cost have included the establishment of MDPGA Change Implementation Steering Group, a MOD Guarding Transition Board, the delivery of the MDPGA Change Programme and the assistance of further MOD VERS to help drive down workforce costs. The MOD VERS has provided the tool for individuals to leave, but the organisation has had to balance personal choice against the ability to maintain service levels, a balance achieved by:

- development of detailed workforce plans,
- introduction of a surplus staff management committee; and
- involvement in MOD Central Top Level Budget (TLB) VERS decision panels.

Whilst the financial background has meant a more complex environment in which to balance operational delivery and affordability the risks have been managed to mitigate what matters most, the security threat to defence assets. The Agency has introduced in 2011/12 a number of management processes by which to minimise these risks including:

- the introduction of operational risk registers focused on assessing the capability and deployment of available resources,
- negotiations with customers over priorities in terms of service delivery; and

- The temporary deployment of assets across the UK as necessary.

If the processes above are not implemented then there is a significant financial risk to the MDPGA.

5.1 Conclusion

Taking all of the evidence from this statement into consideration I as Chief Executive of the MDPGA, am satisfied that there are suitably robust governance arrangements in place to discharge my responsibility to mitigate all the significant risks faced by this organisation. There are sufficient levels of management intervention from both within and externally to the organisation to deal with delivery, performance and financial issues. Independent assessments by the Audit Committee, the DIA and NAO give me reassurance that there are no significant weaknesses with internal controls and I am content that progress is being made to address any minor problems as well. However, I am aware that significant changes in the workforce this year and the years ahead will place strain on our control processes, but the Management Board and I will continue to monitor these, with the assistance of others and deal with issues and problems as they arise.

S B Love
Chief Executive
27 June 2012

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

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 2012 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 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.

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

Opinion on Regularity

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

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view, of the state of the Agency's affairs as at 31 March 2012, and of the net operating cost; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued there under.

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 and the part of the Remuneration Report to be audited 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; or
- the Governance Statement 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

2nd July 2012

Accounts for the year ended 31 March 2012

STATEMENT OF COMPREHENSIVE NET EXPENDITURE

for the year ended 31 March 2012

		2011/2012		Restated 2010/2011
		£'000	£'000	£'000
	Note	Staff Costs	Other Costs	Income
Administration Costs:				
Staff costs	3	293,043		303,474
Other Administrative costs				Nil
Operating income	5			(34,916)
				(35,235)
Programme Costs:				
Staff costs	3	1,508		2,201
Programme costs	4		42,145	57,627
Income	5			(1,508)
				(2,201)
Totals		294,551	42,145	(36,424)
Net Operating Cost				300,272
				325,866
2011/2012				
		2011/2012		2010/2011
		£'000		£'000
	Note			
Net gain on revaluation of Property Plant and Equipment	6			(219)
				(518)
Net loss on revaluation of Inventories	8			-
				30
Total Comprehensive Expenditure for the year ended 31 March 2012				300,053
				325,378

The notes on pages 56 to 71 form part of these accounts.

STATEMENT OF FINANCIAL POSITION

as at 31 March 2012

		2012	2011
		£'000	£'000
	Note		
NON-CURRENT ASSETS			
Property, plant and equipment	6	7,518	10,998
Receivables falling due after more than one year	9	466	499
Total non-current assets		7,984	11,497
CURRENT ASSETS			
Inventories	8	1,106	1,128
Trade and other receivables	9	5,836	2,635
Cash and cash equivalents	10	82	84
Total current assets		7,024	3,847
TOTAL ASSETS		15,008	15,344
CURRENT LIABILITIES			
Trade and other payables	11	(8,413)	(8,838)
Provisions falling due in less than one year	12	(436)	(711)
Total current liabilities		(8,849)	(9,549)
NON-CURRENT ASSETS LESS NET CURRENT LIABILITIES		6,159	5,795
NON-CURRENT LIABILITIES			
Provisions falling due in more than one year	12	(504)	(943)
Total non-current liabilities		(504)	(943)
ASSETS LESS LIABILITIES		5,655	4,852
TAXPAYERS' EQUITY			
General fund		3,124	2,423
Revaluation reserve		2,531	2,429
Total Taxpayers' Equity		5,655	4,852

S B Love
Chief Executive
27 June 2012



The notes on pages 56 to 71 form part of these accounts.

STATEMENT OF CASH FLOWS

for the year ended 31 March 2012

		2011/12	2010/11
		£'000	£'000
	Note		
CASH FLOWS FROM OPERATING ACTIVITIES			
Net Operating Cost		(300,272)	(325,866)
Adjustments for non-cash transactions	4	24,224	35,982
(Increase) / Decrease in Trade and other Receivables	9	(3,168)	1,260
Decrease in Inventories	8	22	126
Inventories revaluation	8	-	(30)
(Decrease) / Increase in Payables	11	(425)	3,230
(Decrease) / Increase in Provisions add unwinding discount	12	(760)	254
Transfer of Building Non-Dwelling to DIO	6	1,062	-
Net Cash Outflow From Operating Activities		(279,317)	(285,044)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of Property, plant and equipment	6	(642)	(1,896)
Proceeds of disposal of Property, plant and equipment		126	205
Net Cash Outflow From Investing Activities		(516)	(1,691)
CASHFLOWS FROM FINANCING ACTIVITIES			
Payments on MOD Resource Account		311,564	325,132
Receipts on MOD Resource Account		(31,733)	(38,399)
Net Financing		279,831	286,733
Net decrease in cash and cash equivalents in the period		(2)	(2)
Cash and cash equivalents at the beginning of the period	10	84	86
Cash and cash equivalents at the end of the period	10	82	84

The notes on pages 56 to 71 form part of these accounts.

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

for the year ended 31 March 2012

	Note	General Fund	Revaluation Reserve	Total Reserves
		£'000	£'000	£'000
Balance at 31 March 2010		8,685	2,125	10,810
Payments on MOD Resource Account		325,132	-	325,132
Receipts on MOD Resource Account		(38,399)	-	(38,399)
Net Operating Cost		(325,866)	-	(325,866)
Net gain on revaluation on Property, Plant and Equipment		-	488	488
MOD 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
Payments on MOD Resource Account		311,564	-	311,564
Receipts on MOD Resource Account		(31,733)	-	(31,733)
Net Operating Cost		(300,272)	-	(300,272)
Net gain on revaluation on Property, Plant and Equipment		-	219	219
MOD Non-Cash Adjustments	4	20,942	-	20,942
Non-Cash charges - auditor's remuneration	4	83	-	83
Transfers between reserves		117	(117)	-
Balance at 31 March 2012		3,124	2,531	5,655

The notes on pages 56 to 71 form part of these accounts.

Notes to the Accounts

1. STATEMENT OF ACCOUNTING POLICIES

These financial statements have been prepared in accordance with the **2011-12 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 compiled in line with MOD guidance which was revised during the year. It is analysed between administration and programme income and expenditure. The revision 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, Note 5 Income and the Statement of Comprehensive Net Expenditure. The value of the restatement was £1,484k although there is no overall impact on the Net Operating Cost.

Administration costs now reflect all staff costs excluding staff working on operational tours overseas. **Programme** costs reflect all other costs. The Agency had a number of MDP officers in operational areas overseas during the year and was reimbursed the associated costs from the Foreign and Commonwealth Office (FCO). This is included within Note 5, under Programme Income.

c. 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. Liability for payment of future benefits is a charge on the PCSPS or AFPS. In respect of the defined contribution schemes, the Agency recognises the contributions payable for the year.

d. 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.

e. 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.

MDPGA calculates the balance of deferred income on contracts where income has been received prior to contracts being fully complete. A balance of accrued income is also calculated from contracts where contracts have been completed in advance of income being received.

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), 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 June 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.

f. Property, Plant and Equipment

Responsibility for accounting for MDPGA's Non-current assets rests with the Defence Business Services. 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

The Secretary of State 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 (2010/2011: £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:

Vehicles:	
- Vehicles:	5 years
- Boats:	6-20 years
Computer Equipment:	3-10 years
Communications Equipment:	3-30 years
Plant and Machinery	5-25 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 valued on the basis of fair value, by applying appropriate price indices provided by the Defence Analytical Services and Advice (DASA).

An annual impairment review is conducted by DBS during an asset verification exercise. Impairment occurs when there is a permanent diminution in the value of an asset as a result of a clear consumption of economic benefit or a reduction in service potential. Impairments due to consumption of economic benefit are charged to the Statement of Comprehensive Expenditure.

Losses on revaluation are debited to the relevant reserve and included in comprehensive net expenditure to the extent that gains have been recorded previously and otherwise to net operating cost.

Disposal of Non-Current Assets

Assets declared for disposal are removed from property, plant and equipment 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.

g. 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.

h. Trade Receivables

Administration and management of all Trade Receivables balances are performed by the DBS, but the amounts are assets of MDPGA.

i. Trade Payables

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

j. Revaluation Reserves

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

k. 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.

l. 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.

m. 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. All long-term provisions are discounted to current prices by the use of H M Treasury's Discount Rate, which is currently 2.8% (1.8% in 2010/2011).

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.

n. 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.

o. 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 DBS.

p. 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.

q. 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.

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

The Agency assesses the possible impact that any application of a new standard will have on the Agency's financial statements.

IFRS 9 (Financial Instruments) is an accounting standard which is effective but not yet in issue. The standard was issued in November 2009 and will be effective for financial reporting periods beginning on or after 1 January 2015. 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. 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. As a result of restructuring the MDPGA during the period, Operational Support was changed to Central Operations. Professional Development was disbanded and its operations were moved to either Central Operations or Corporate Services.

MDP Divisional Operations is responsible for the day to day operational delivery of police services to the MOD at all locations across the UK. This will include provision of armed security, quick response, protestor removal, community policing and other local law enforcement on MOD establishments.

MOD Guard Service is responsible for the day to day delivery of the MOD's in-house unarmed guard service at locations across the UK. These services include access control, patrols and searches.

Corporate Services is responsible for providing both the MDP and MGS with business management services including financial management, human resources, policy, health and safety advice, procurement and contract management and the provision of the in-house information and communications systems.

Central Operations is responsible for overseas deployments of police to support the UK Defence objectives, the development and delivery of operational capability to the MDP including doctrine and training, the provision of a criminal investigation capability to investigate fraud and other significant crime against the MOD and the deployment of specialist operational support units to assist in searches and protestor removal.

The Deputy Chief Constable is responsible for supporting the Chief Constable MDP on Operational decisions that affect the MDP. Responsibilities include liaison with MDP customers at a strategic level, authority to change police numbers in response to customer service requests and standards of service and behaviour by police officers.

All revenues are derived from services provided under Paragraph 1e, Notes to the Accounts.

Liabilities and non-current assets are not reported internally and has therefore not been included in the segmental reporting analysis.

Portfolio	Other Expenditure	2011/12	
		Income	Result
MDP Divisional Operations	163,055	(25,396)	137,659
MOD Guard Service	126,996	(6,976)	120,020
Corporate Services	20,038	(1,410)	18,628
Central Operations	23,525	(2,420)	21,105
Deputy Chief Constable	3,082	(222)	2,860
Total	336,696	(36,424)	300,272

Portfolio	Other Expenditure	2010/11	
		Income	Result
MDP Divisional Operations	164,048	(25,894)	138,154
MOD Guard Service	139,528	(6,774)	132,754
Corporate Services	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

3. STAFF NUMBERS AND RELATED COSTS

a. Staff costs comprise:

	2011/2012			RESTATED 2010/2011		
	MDP £ ' 000	Civilian £ ' 000	Total £ ' 000	MDP £ ' 000	Civilian £ ' 000	Total £ ' 000
Wages and Salaries	134,336	102,166	236,502	137,422	107,259	244,681
Social Security costs	11,919	7,245	19,164	11,511	7,485	18,996
Other Pension costs	22,101	16,590	38,691	23,031	17,329	40,360
Early Departure costs	96	98	194	1,246	392	1,638
Total	168,452	126,099	294,551	173,210	132,465	305,675
Of which:						
Administration costs	166,944	126,099	293,043	171,009	132,465	303,474
Programme costs	1,508	-	1,508	2,201	-	2,201
Total	168,452	126,099	294,551	173,210	132,465	305,675

Civilian Wages and salaries include costs of £61,000 (2010/11:£139,000) for agency/temporary staff.

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 2011/2012, employer's contributions of £38,647k were payable to the PCSPS (£40,317k in 2010/2011) 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 (£43k in 2010/2011) 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 2011/12 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 2010/2011) 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, 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 2011/2012 were £194k (£1,638k in 2010/2011).

Average number of persons employed

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

	2011/2012	2010/2011
	Number	Number
MDP	3,203	3,417
Civilian including MGS, Non-Industrials and Industrial	3,743	4,014
Total	6,946	7,431

3.1 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	
	2011-12	2010-11	2011-12	2010-11	2011-12	2010-11
<£10,000	-	-	5	1	5	1
£10,000 - £25,000	-	-	2	-	2	-
£25,000 - £50,000	-	-	1	2	1	2
£50,000 - £100,000	-	-	-	3	-	3
£100,000 - £150,000	-	-	-	-	-	-
£150,000 - £200,000	-	-	-	-	-	-
Total Number of Exit Packages	-	-	8	6	8	6
Total Resource Cost (£)	-	-	94,074	291,869	94,074	291,869

The above table includes early departure costs in relation to dismissals as a result of long term sickness, attendance and ill-health. These costs are met by the CTLB but are communicated to the Agency at year end.

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.

525 employees left the Agency during 2011-12 as a result of the first tranche of the department wide Voluntary Early Release Scheme (VERS). The associated costs relating to MDPGA could not be ascertained as they are not identifiable at Agency level and are therefore not included within the table above. The costs are a liability of the MOD and not MDPGA and details are included in the MOD Resource Accounts.

4. PROGRAMME COSTS

In accordance with Note 1b 2010/2011 Programme Costs were restated to include previous Administrative Costs.

	2011/2012	Restated 2010/2011
	£ ' 000	£ ' 000
MOD Non-Cash Items:		
MOD HQ Overhead	11,244	12,707
Communicated costs relating to accommodation on other MOD sites	7,517	16,709
Shared Service Centre costs for Non current assets	1,815	2,856
Rates	366	332
Other Non-Cash Items:		
Depreciation on Non Current Assets excluding Land and Buildings	3,093	3,058
Loss on disposal of Property, plant and equipment	60	212
Unwinding of discount on provisions	46	25
Auditors remuneration (notional charges)	83	83
Operational Movements	4,533	4,967
Fuel	1,024	961
Inventory Consumption	1,326	1,029
Inventory Provisions	10	55
Charges for Operating Leases	3,651	3,926
Service Charges	234	222
Utilities	6	901
Property management	128	1,601
Accommodation charges	33	43
Training, safety and welfare	700	1,239
Equipment support	1,792	1,483
IT and Telecommunications	3,094	3,845
Legal and Professional Fees	740	696
Other expenditure	650	677
Total	42,145	57,627

5. INCOME

	2011/2012	Restated 2010/2011
	£ ' 000	£ ' 000
Repayment Work for non-MOD Customers	(25,372)	(26,085)
Repayment Work for Overseas Customers	(10,500)	(10,904)
Other Income	(552)	(447)
Total income	(36,424)	(37,436)
Administration Income	(34,916)	(35,235)
Programme Income	(1,508)	(2,201)
Total Income	(36,424)	(37,436)

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

In accordance with Note 1b Income is split into Administration Income and Programme Income. Programme Income represents the cost of officers on operational tours overseas which was reimbursed to the Agency by the FCO.

6. PROPERTY, PLANT AND EQUIPMENT

	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 2011	712	23,846	2,148	292	1,251	28,249
Additions	-	606	-	-	36	642
Disposals	-	(1,823)	-	-	-	(1,823)
Revaluation	9	502	52	15	-	578
Transfers	-	179	-	46	(1,287)	(1,062)
Cost or valuation as at 31 March 2012	721	23,310	2,200	353	0	26,584
Depreciation to 1 April 2011	584	15,289	1,096	282	-	17,251
Current year Charge	44	2,799	215	35	-	3,093
Disposals	-	(1,637)	-	-	-	(1,637)
Revaluation	8	312	26	13	-	359
Transfers	-	-	-	-	-	-
Depreciation to 31 March 2012	636	16,763	1,337	330	-	19,066
Carrying Value as at 31 March 2012	85	6,547	863	23	-	7,518
Carrying Value as at 31 March 2011	128	8,557	1,052	10	1,251	10,998

	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
Carrying Value as at 31 March 2011	128	8,557	1,052	10	1,251	10,998
Carrying Value as at 31 March 2010	165	9,292	1,227	20	1,355	12,059

Transfers of £1,287k relate to £225k brought into use by the Agency and a non-dwelling building of £1,062k to DIO.

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 Defence Business Services 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, £6,302k at 31 March 2012 (31 March 2011: £3,134k). 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 2012:

	Age beyond due date (months)				Total	Total	Total
	0 to 3	3 to 6	6 to 12	>12	< 1 Year	> 1 Year	£ 000's
(Gross)							
Total							
£ 000's	215	4	1	6	220	6	226

As at 31 March 2011:

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

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-Mar-12 £'000	Carrying Value 31-Mar-11 £'000
Financial Assets			
Receivables (including cash and cash equivalents)	9,10	6,384	3,218
Financial Liabilities			
Payables and Accruals	11	8,413	8,838

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

	2012	2011
	£ ' 000	£ ' 000
Ammunition Stores	476	529
Clothing Stores	768	757
Gross Total	1,244	1,286
Revaluation	-	(30)
Less Provision for slow moving clothing inventory	(138)	(128)
Net Total	1,106	1,128

9. TRADE RECEIVABLES AND OTHER CURRENT ASSETS

	2012	2011
	£ ' 000	£ ' 000
Amounts Falling Due within one year:		
Trade Receivables	3,134	1,691
Other Receivables	534	-
Prepayments	-	85
Accrued Income	2,120	805
Staff Advances Due in less than one year	48	54
	5,836	2,635
Amounts Falling Due after more than one year:		
Staff Advances Due in more than one year	466	499
Total receivables at 31 March	6,302	3,134

	2012	2011
	£ ' 000	£ ' 000
Analysis of Balances		
Balances with other central government bodies	4,207	1,093
Balances with public corporations and trading funds	67	68
Balances with local authorities	118	120
Intra-Government Balances	4,392	1,281
Balances with bodies external to government	1,910	1,853
Total receivables at 31 March	6,302	3,134

10. CASH AND CASH EQUIVALENTS

	2012	2011
	£ ' 000	£ ' 000
Citibank		
Balance at 1 April	84	86
Net change in cash and cash equivalent balances	(2)	(2)
Balance at 31 March	82	84

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

11. TRADE PAYABLES AND OTHER CURRENT LIABILITIES

	2012	2011
	£ ' 000	£ ' 000
Amounts Falling Due within one year:		
Trade payables	-	4
Other payables	332	948
Accruals	8,081	7,886
	8,413	8,838
Amounts Falling Due after more than one year:		
	-	-
Total Payables at 31 March	8,413	8,838

	2012	2011
	£ ' 000	£ ' 000
Analysis of Balances		
Balances with other central government bodies	29	481
Balances with public corporations and trading funds	38	-
Balances with local authorities	-	2
Intra-Government Balances	67	483
Balances with bodies external to government	8,346	8,355
Total Payables at 31 March	8,413	8,838

DBS 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

MDPGA has made 100% provision for liabilities to be incurred in future years relating to early retirement departures from 1 April 1997.

	2012	2011
	£'000	£'000
Balance at 1 April	1,654	1,375
Provided in Year	194	1,638
Paid In Year	(954)	(1,384)
Unwinding of discount	46	25
Balance as at 31 March	940	1,654

Analysis of expected timing of discounted flows

	2012	2011
	£'000	£'000
Not later than one year	436	711
Later than one year and not later than five years	492	867
Later than five years	12	76
Balance at 31 March 2012	940	1,654

The MOD will continue to provide for the full costs of all employees leaving on VERS. Although there is insufficient information to include the costs at Agency level, the provision is consolidated within central MOD accounts.

13. COMMITMENTS UNDER LEASES

Operating Leases

At 31 March 2012, the Agency was committed to making the following payments under non-cancellable operating leases. These leases were in respect of radio equipment.

	2012	2011
	£'000	£'000
Obligations under operating leases comprise:		
Not later than one year	2,534	2,440
Later than one year and not later than five years	7,429	9,759
Later than five years	-	121
	9,963	12,320

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. The payments to which the Agency is committed are as follows.

	2012	2011
	£ ' 000	£ ' 000
Not later than one year	1,676	2,943
Later than one year and not later than five years	2,743	881
Later than five years	-	-
	4,419	3,824

15. LOSSES AND SPECIAL PAYMENTS

As a result of an accidental fire on 1st November 2011, 2 vehicles were beyond economical repair. Total losses amounted to £5k. There were no identified losses or special payments during the period 2010/2011.

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 Defence Business Services, 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, QinetiQ, UK Hydrographic Office, Meteorological Office, the Royal Mint and the Foreign and Commonwealth Office.

During the year none of the Board Members or key management staff have undertaken any material transactions with the Ministry of Defence Police and Guarding Agency.

17. CONTINGENT LIABILITIES

There were no contingent liabilities identified at 31 March 2012 (Nil in 2010/2011).

18. GOING CONCERN

Management have considered the impact of the loss of Agency status from 1st April 2012. A statement was made by Ministers on 29th February 2012 in a written statement to the House of Commons to confirm that MDPGA's activities will continue within the Department but it will cease to have the status of an Executive Agency of the MOD from 1st April 2012.

Services will continue to be provided within the MOD and therefore the change will have no impact on the going concern basis and the MDPGA activities will continue to be accounted for in the MOD Resource Accounts

19. EVENTS AFTER THE REPORTING PERIOD

Other than the loss of Agency status there are no events after the reporting period ending at 31 March 2012.

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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