



Civil Nuclear Police Authority

Annual Report and Accounts 2007/08



Presented to Parliament pursuant to Schedule 10, Part 4,
Section 12, Paragraphs 8 and 9 of the Energy Act 2004

Ordered by the House of Commons to be printed 14 July 2008

HC817

London: The Stationery Office

£13.90

Civil Nuclear Police Authority

Hinton House

Risley

Warrington

Cheshire WA3 6AS

Tel: 01925 833300

Fax: 01925 833301

Web: www.cnpa.police.uk

Civil Nuclear Constabulary

Culham Science Centre

Abingdon

Oxfordshire

OX14 3DB

Tel: 01235 466606

Fax: 01235 466279

Web: www.cnc.police.uk

© Crown Copyright 2008

The text in this document (excluding the Royal Arms and other departmental or agency logos) may be reproduced free of charge in any format or medium providing it is reproduced accurately and not used in a misleading context.

The material must be acknowledged as Crown copyright and the title of the document specified.

Where we have identified any third party copyright material you will need to obtain permission from the copyright holders concerned.

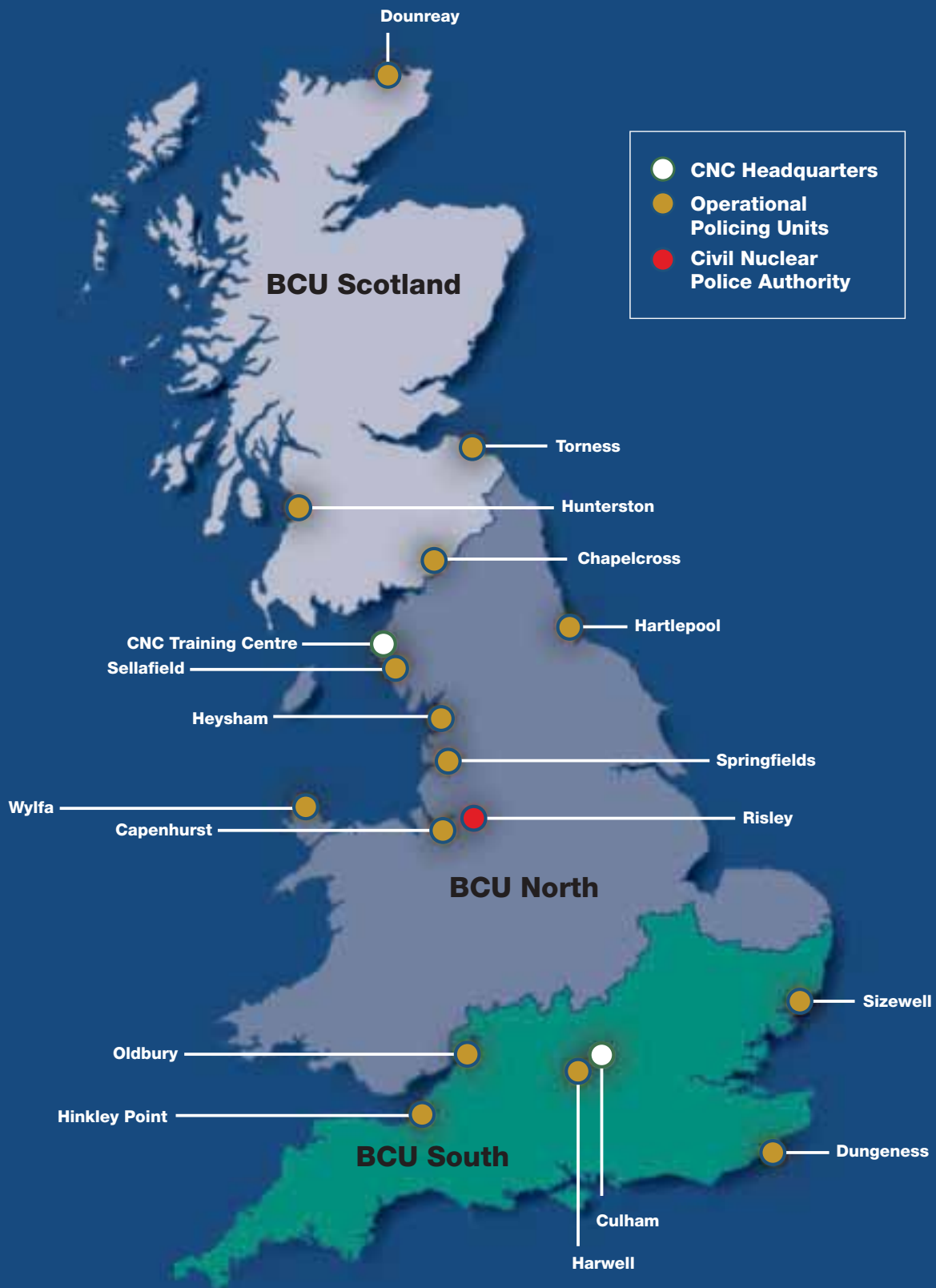
For any other use of this material please write to Office of Public Sector Information, Information Policy Team, Kew, Richmond, Surrey TW9 4DU or e-mail: licensing@opsi.gov.uk

ISBN: 9780102955583



Contents

Chairman's Statement	3
Civil Nuclear Police Authority	4
Chief Constable's Foreword	7
Summary of Performance	8
Management Commentary	25
Remuneration Report	30
Statement of Civil Nuclear Police Authority's and Accounting Officer's Responsibilities	34
Statement on Internal Control	35
Audit Certificate	40
Financial Statements 2007/08	42
Glossary	58



Chairman's Statement

The close of another highly successful and demanding year in the life of the UK's youngest Police Authority gives us the opportunity to take stock of just how far we have come since we were created by the Energy Act 2004.

This, our fourth year of operation, has seen many significant changes that have contributed to the strategic aims of the Authority and its stakeholders. None has been more important than the appointment of our new Chief Constable, Richard Thompson, whose arrival has brought a new perspective to the leadership of the Constabulary. Richard has been warmly welcomed into the wider policing community and has quickly established a series of strategic reviews of the Constabulary's capacity and capability to deliver its core mission of maintaining defensive denial to civil nuclear sites and related nuclear materials.

Another key appointment was that of the Constabulary's first Assistant Chief Constable, Alan Cooper who, working with the Deputy Chief Constable, will provide a depth of resilience and breadth of policing experience that the Constabulary will need in meeting the challenges of the years ahead.

The primary purpose of an Annual Report is to allow people to see how the organisation has performed and how we have achieved what we said we would. So far as our performance is concerned I am pleased to be able to report that in countering terrorism we have deployed armed officers to planned duties, attended all alarm indications, been able to conduct offsite duties to programme, confirmed fence integrity, tested security equipment functionality, and searched vehicles and personnel to ensure that all sites and materials remained safe and secure at all times.

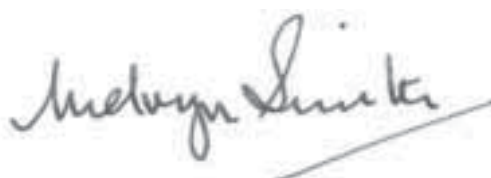
In managing critical incidents we were successful in holding regular meetings with site operators and other security organisations therefore ensuring that everyone was best prepared to protect lives and the integrity of all sites at all times.

We were also successful in maintaining and improving understanding between the organisation and its nuclear customers, the public and stakeholders by attending every meeting planned with site management as well as the Nuclear Decommissioning Authority's stakeholder meetings, and making available published materials for the public to review.

The detail of these and other successes can be found in the following pages.

Over the past year we have formed and reinforced several significant strategic partnerships with other organisations including our counterparts in the Ministry of Defence Police and Guarding Agency, the British Transport Police Authority and the City of London Police Authority, all of whom now form a 'virtual' Region for the purposes of our representative body, the Association of Police Authorities.

On the firm foundations we have created and the progress we have made in meeting increased threat levels, we look forward to continuing our progress in the coming year.



Melvyn Smith J.P.
Chairman
Civil Nuclear Police Authority



Civil Nuclear Police Authority

The Energy Act 2004 created the Civil Nuclear Police Authority (the Authority) as an executive non-departmental public body (NDPB) which is sponsored by the Department for Business, Enterprise and Regulatory Reform (BERR). Members of the Police Authority are appointed by the Secretary of State.

The Police Authority has an independent Chairman, two independent members and four representatives from the nuclear industry.

The function of the Authority is to ensure that the Civil Nuclear Constabulary (the Constabulary) is efficient and effective and meets the policing requirements of stakeholders in the nuclear industry in accordance with the strategic direction set by the Authority. Objectives and performance targets for the Constabulary are agreed between the Chief Constable and the Authority and are then published as part of the *Three-Year Strategic Policing Plan* (which is available on our websites: www.cnpa.police.uk and www.cnc.police.uk).

A key objective for the Authority is to verify the continued effectiveness of Constabulary operations in line with the security standards set by the Director of Civil Nuclear Security. The Authority provides the framework for strong strategic governance and accountability to the Secretary of State and is also responsible for increasing openness and transparency in the activities of both the Authority and the Constabulary.

The Authority's members are appointed under Part 1 of Schedule 10 of the Act. The Act allows for between 7 and 13 members, all of whom are appointed by the Secretary of State. Independent members are appointed in accordance with the Code of Practice issued by the Commissioner for Public Appointments. Members employed by the companies that operate the nuclear

sites policed by the Constabulary are put forward by their companies as potential Authority members.

Committee Structures

Since the Authority was established in 2005, five functional committees have been formed to enable the Authority to manage its functions and responsibilities. The purpose of the committees is to ensure that Police Authority business is pursued with efficiency and depth, allowing the full Authority meetings to gain an overview of responsibilities.

Audit and Risk Management Committee

The responsibility of this Committee is to ensure compliance with Cabinet Office guidelines, the Management Statement and the *Combined Code of Corporate Governance July 2003*. To fulfil this area of responsibility, all key processes, policies and procedures fall under the remit of this Committee. There is an open invitation to the National Audit Office (NAO) to all meetings and NAO representatives attend regularly. In the area of risk management, the Authority has taken a proactive role to embed a risk management culture throughout the organisation. Authority members have taken part in a strategic risk workshop and provide direction to the Constabulary in assessing and addressing areas of corporate risk.

Consultation and Policing Plans Committee

The key responsibility for this Committee is to promote openness and transparency. This was exercised through the development and preparation of the Police Authority *Annual Policing Plan* and Strategic Plan. This involved effective partnership working with stakeholders, operating companies and local communities, as appropriate. To that end, the Authority members have participated in several National Stakeholder Group meetings held by the Nuclear Decommissioning Authority (NDA) and also held a Police Authority meeting in public. In the coming year, the Authority will extend the outward-facing aspect of its role through increasing the number of public meetings and other consultation and communication events. Strategic planning events that have taken place this year have involved key stakeholders

such as the NDA, the Office for Civil Nuclear Security (OCNS), BERR and the Constabulary.

Financial Performance and Review Committee

The Authority has submitted the third set of accounts: these are endorsed by the Financial Performance and Review Committee and scrutinised by the Audit and Risk Management Committee. The accounts are certified by the Police Authority's external auditors (the NAO) and laid before the Houses of Parliament before its summer recess in July.

Human Resources and Professional Standards Committee

This Committee focuses on setting the direction for improvement and tasking the Constabulary with relevant work-streams relating to people management strategies, workforce modernisation, recruitment, retention and performance management, and health and safety. Corporate bonuses are awarded through this Committee.

Senior Appointments Committee

This Committee has responsibility for the appointment and conditions of service for the Command Team which comprises the Chief Constable, the Deputy Chief Constable, the Assistant Chief Constable, the Director of Corporate Services and the Executive Director.

Committee Review

During 2007/08, a further review of the committee structure was undertaken and the Authority agreed to consolidate its committee structure, removing all committees save those for Audit and Risk Management and Senior Appointments, with a further agreement that such arrangements are to be reviewed after six months. This will result in a still further streamlined committee structure for 2008/09 which is in line with the Authority's desire to operate in an efficient and effective manner.

Police Authority Members

The Police Authority members who served during the year were:

Chairman

Melvyn Smith J.P. (Independent)

Members

John McNeill,
Chair of the Audit and Risk Management Committee
(Independent)

Dame Elizabeth Neville,
Police Advisor to the Police Authority (Independent)

Matt Sykes,
British Energy Generation Ltd (from 1 April 2007)

Dr John Crofts,
United Kingdom Atomic Energy Authority
(to 8 August 2007)

Trevor Farrington,
Enrichment Technologies UK Ltd (to 31 March 2008)

Dr Roger Howsley,
British Nuclear Fuels Plc (to 31 March 2008)

Lawrence Williams,
NDA (from 1 April 2007 to 31 March 2008)

Colin Bayliss,
United Kingdom Atomic Energy Authority
(from 28 September 2007)

Executive Director

Fraser Sampson

The Civil Nuclear Police Authority Management Statement and Financial Memorandum, agreed with the former Department of Trade and Industry, set out the arrangements for the operation of the Police Authority. In doing so it recognises that some members are put forward by the nuclear site operating companies. Such members in practice are directors of, or are employed by, the organisations that operate nuclear sites and have declared that, although they are employed by the operators, in practice no questions of conflict have arisen. Over the previous year the Executive Director has received no declaration of any interests that may conflict with members' fiduciary duties.

Police Authority Contact Details

Civil Nuclear Police Authority
Hinton House
Risley
Warrington
Cheshire
WA3 6AS

Telephone: 01925 833300

Fax: 01925 833301

Email: info@cnpa.pnn.police.uk

Web: www.cnpa.police.uk



Chief Constable's Foreword

I was appointed as Chief Constable and Accounting Officer in June 2007; this report marks the conclusion of my first year in command of the Civil Nuclear Constabulary. Building upon the foundations laid by my predecessors, this has been another year of significant change for the Constabulary.

We have seen the Command Team strengthened by the appointment of Alan Cooper as Assistant Chief Constable and Joyce Robertson as Chief Superintendent, the creation of a fifth Superintendent post and an agreement to implement a minimum command level of Inspector at each Operational Policing Unit. These developments give an indication of the significant investment that has been made by the Constabulary's stakeholders with the aim of supporting operational policing and ensuring that this service is delivered in the most efficient and effective manner.

Our service delivery was of a consistently high standard during 2007/08. Our operational performance has met regulatory requirements and we have deployed the specified number of armed officers at each site for 24 hours per day, every day of the year.

In England, Scotland and Wales, we continue to work in partnership with Home Office and Scottish Government police forces and we are working to identify opportunities for further collaboration both with them and with our colleagues in other non-Home Office policing organisations, some of whom share challenges similar to our own.

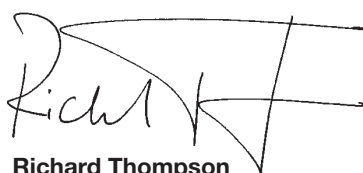
We have conducted internal reviews in order to leverage the greatest possible effectiveness from finite resources. The Constabulary continues to work with Her Majesty's Inspectorate of Constabulary to identify improvements and efficiencies, and to ensure that we remain cognisant of best practice across the police service.

The role of the Constabulary is shaped by the persistent and uncompromising challenge of the terrorist threat; we do not underestimate the significance of this threat nor the need for our resolve to meet the challenge that it represents. In order to ensure that the Constabulary is as fully prepared as possible, I instigated a review of its capabilities and

its capacity in October 2007. The results of this strategic analysis, when set alongside the revised Mission Statement for the Constabulary approved by the Police Authority in January 2008, will now provide the terms of reference for a wider programme of enhancements during 2008/09. These enhancements are all designed to generate improved reassurance with regard to the safety and security of those civil nuclear facilities and materials that the Constabulary is required to defend and protect, this in accordance with the developed Mission Statement.

We have continued to integrate ourselves further into the national counter-terrorist architecture, by seconding a number of officers to national agencies. We are playing a full part in contributing to Lord West's review of the levels of protective security for dangerous and hazardous substances.

In late 2007, we conducted a far-reaching survey of all police officers and staff. Close to 58% responded, providing the Command Team with an invaluable insight on a range of issues. While there were some significant positives in the high level of morale, commitment and team spirit expressed in the responses, some areas of concern were also identified which will now become the focus of our attention. As a first step a new set of core values, borne of an extensive Constabulary-wide consultation process, has been agreed and will serve as the bedrock for the Constabulary's future performance.



Richard Thompson

Chief Constable





Summary of Performance

Introduction

The Civil Nuclear Police Authority and Civil Nuclear Constabulary were established on 1 April 2005, as directed by the Energy Act 2004. The organisation operates under the strategic direction of the Department for Business, Enterprise and Regulatory Reform (BERR).

The Constabulary is a specialist armed police service dedicated to the civil nuclear industry, with Operational Policing Units based at 15 civil nuclear sites in England, Scotland and Wales and over 800 police officers and staff. The Constabulary headquarters is at Culham in Oxfordshire. The civil nuclear industry forms part of the UK's critical national infrastructure and the role of the Constabulary contributes to the overall framework of national security.

The purpose of the Constabulary is to protect licensed civil nuclear sites and to safeguard nuclear material in transit. The Constabulary works in partnership with the appropriate Home Office or Scottish Government police force at each site. Policing services required at each site are agreed with nuclear operators in accordance with the Nuclear Industries Security Regulations 2003 (NISR) and ratified by the UK regulator, OCNS. To comply with the NISR, armed policing services are required at most civil nuclear sites in the United Kingdom. The majority of officers in the Constabulary are Authorised Firearms Officers (AFOs).

Civil nuclear security is kept under constant review by the Command Team and the OCNS. Changes to operational tactics are frequent and irregular due to a range of factors and in order to limit the predictability of the police response to any incident. The Constabulary has a solid

reputation for delivering policing services to the civil nuclear industry, a reputation that it intends to maintain through its clear operational focus.

The focus on counter-terrorist operations leads to key differences between the Constabulary and Home Office/Scottish Government police forces. These differences are clearly visible in the end-of-year data: for example, Constabulary crime statistics are very low in comparison with Home Office/Scottish Government forces, reflecting the operational context of nuclear facilities where site workers are subject to security clearance and regular checks. Crime is taken very seriously and will affect the employment contract of the individual concerned; this is a clear deterrent.

The Constabulary is recognised by the Association of Chief Police Officers of England, Wales and Northern Ireland (ACPO) and the Association of Chief Police Officers in Scotland (ACPOS). Through the National Co-ordinated Policing Protocol, the Constabulary has established memoranda of understanding (MOUs) with the local police forces at all 15 Operational Policing Units. Mutual support and assistance enable the Constabulary to maintain focus on its core role.

The patrol strategy employed by the Constabulary is intended to give reassurance to the public in the vicinity of civil nuclear sites, and to deter and deal with minor crime. In these areas this constrains and disrupts the operating environment for those with terrorist intent. While it is the aim of the Constabulary to gain wider recognition of its role and provide this reassurance to the public about civil nuclear security, the information contained in this report



does not include operational details that could present opportunities to any person or group planning to attack a nuclear facility.

Command Team

The day-to-day management on behalf of the Police Authority is carried out by the Command Team, which during the year consisted of:

Richard Thompson

Chief Constable (from 11 June 2007)

James Smith

Deputy Chief Constable

Alan Cooper

Assistant Chief Constable (from 7 January 2008)

Rod Mercer

Director of Corporate Services (to 11 November 2007)

James Coupland

Temporary Deputy Chief Constable
(to 16 November 2007)

Peter Driver

Temporary Assistant Chief Constable
(to 31 January 2008)

James Smith was Acting Chief Constable until 11 June 2007 when Richard Thompson took up the post of Chief Constable. The Corporate Services portfolio transferred to James Smith, following the resignation of Rod Mercer.

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

The Constabulary's Business Model

During the last year, the Constabulary has instigated a new approach to the management of its business by adopting the policing National Intelligence Model (NIM), which was originally used purely as an intelligence tool. Within an operational and business context, the model ensures that data is fully researched, developed and analysed to provide information/intelligence that managers can use to:

- give strategic direction;
- make tactical resourcing decisions about policing; and
- manage risk.

NIM has already been shown to provide managers, both individually and collectively, with the framework to achieve the above, through the tasking and co-ordination groups that have been created to support the NIM, chaired by senior management from the Constabulary's Command Team. These groups have the authority to deploy the necessary resources and comprise police officers and police staff with key functional responsibilities for the planning and execution of the Constabulary's effort.

All Constabulary business falls under one of the following tasking and co-ordination groups:

- Operations;
- Material Assets;
- Corporate Systems; and
- People Management.

This section of the report is structured around these groups in order to review this year's achievements.

Operations

Capability and Capacity Review

Following a Constabulary strategic conference in October 2007, a review of the Constabulary Mission Statement was undertaken in support of the Government's strategy to mitigate the threat of international terrorism within the UK. In developing a new Mission Statement, the organisation (i.e. the Police Authority and the Constabulary) has commenced a process of enhancing its capability and capacity to provide an excellent service to key stakeholders and the public. In January 2008 the following revised Mission Statement was agreed:

- The Constabulary will defend and protect those sites to which it is deployed with a view to denying unauthorised access to nuclear material and, if necessary, recover control of any nuclear material that may have been lost to any unauthorised persons.
- The Constabulary will provide for the safe and secure movement of nuclear material within the UK and internationally.

Taking into account ongoing developments within the National Policing Improvement Agency (NPIA) and ACPO in the delivery of training, tactics and equipment to support front-line officers in undertaking their core role, a number of cost-effective changes have been implemented. These include more focused tactical firearms training for AFOs and armed response team officers, and the procurement and deployment of additional less-than-lethal options, personal safety equipment and uniforms. A strategic review of the command and control structure has also been instigated.

A project team has been set up to assess the organisation's longer-term requirements if it is to address the terrorist environment likely to be faced by the industry in the future and continue to deliver its Mission Statement.

Tactical Response Group

An early and important part of the Extended Deployment project (which saw the Constabulary enhance the security infrastructure at nuclear power stations) was the setting up of a mobile Tactical Response Group (TRG) to provide immediate security enhancement before the permanent deployment of officers and the establishment of Operational Policing Units at these locations. Following the successful implementation of Extended Deployment, the TRG was disbanded, with officers returned to normal duties.

Escorts

During the previous year the organisation provided support to the procurement programme for specialist firearms and equipment required for the Pacific Heron, the new international nuclear transport ship. The Pacific Heron, a replacement for the Pacific Teal, was built in Japan in 2007 for International Nuclear Services and will be operated by Pacific Nuclear Transport Limited.

The Marine Escort Group will be responsible for providing onboard armed escort and close-range response on the Pacific Heron during transport operations. A review of the Marine Escort Group's close-range weapon capability was conducted by the Royal Navy prior to the construction of the Pacific Heron, and included in its recommendations was the introduction of alternative arms for use by the Marine Escort Group.

In addition, a full review of training required to maintain the operational competence of the Marine and Road Escort Groups has been conducted. Training with the Royal Navy has been reinstated and is currently being developed to deliver bespoke courses to meet the training requirements of the Constabulary. Officers from the reconnaissance element of the Road Escort Group joined Northumbria Police for a bespoke course covering surveillance techniques and the checking of routes for vulnerable points.

There have also been reciprocal visits with the Special Escort Group of the Ministry of Defence Police and Guarding Agency where best practice was shared.

Special Branch

The principal role of the Constabulary's Special Branch is to support the protection of civil nuclear sites in the UK and nuclear materials in domestic and international transit. All operations within the Constabulary are intelligence-informed, making full use of the tasking and co-ordination process defined by the NIM.

Special Branch performs the intelligence role in support of policing services. It gathers and analyses national and local intelligence, ensuring relevant distribution of that intelligence within the Constabulary and to external law enforcement partners. To enable the Constabulary to provide an effective policing service, Special Branch does not work in isolation. Rather, it works closely with national and local law enforcement agencies to ensure that it has the best possible intelligence picture to guide policing functions.

From April to July 2007, the Office of Surveillance Commissioners (OSC) carried out an inspection of the Constabulary to monitor compliance with national codes of practice and adherence to the legal framework established by the Regulation of Investigatory Powers Act 2000 (RIPA). RIPA provides law enforcement agencies and other public authorities with a statutory framework for the authorisation and use of covert surveillance and police informants. The 2007 OSC inspection report once again confirmed that the Constabulary was complying with the RIPA framework, and made recommendations intended to raise still higher its standards, which in general are already high.

Crime

In line with previous trends, crime dealt with by officers at civil nuclear sites has been low in volume and has consisted largely of petty theft. Each offence is investigated and a proportionate response is provided in line with any implications there may be for national security and the need to provide a secure environment for the civil nuclear industry and its workforce.

Performance Measurement

As a statutory public body entrusted with significant resources and responsibilities, the Authority has a duty of stewardship not only of public money, but also in relation to relevant sites and assets within our communities.

In discharging this duty on behalf of the Authority, the Constabulary has a strong sense of how to carry out its work while meeting the security requirements of OCNS and satisfying other stakeholders, all of which is reflected in the key performance indicators (KPIs). Targets are set through the *Annual Policing Plan* in agreement with the Authority and approved at a full Police Authority meeting. KPI targets and achievements against them are shown on various tables throughout this report covering the following areas:




- Protecting nuclear material and facilities (below)
- Promoting understanding (page 16)
- Circumstances affecting our staffing resource (page 19).

Protecting nuclear material and facilities	2006/07 Target	2006/07	2007/08 Target	2007/08
Counter terrorism				
Deploy armed officers to planned duties*	100%	100%	100%	100%
Deploy police dog patrols to planned duties*	100%	94.2%	100%	98.2%
Attend alarm indications*	100%	99.9%	100%	100%
Conduct offsite duties to programme*	100%	100%	100%	100%
Confirm fence integrity*	100%	100%	100%	100%
Test security equipment functionality*	100%	99.9%	100%	100%
Search vehicles and personnel*	100%	100%	100%	100%
Officers attending exercises this year	95%	89.7%	100%	85%
Managing critical incidents				
Regular meeting with site operators and other security organisations	At least 1 meeting a month	100%	At least 1 meeting a month	100%
Police officers at Operational and Support units qualified for Officer Safety Training for 2007/08	95%	95.4%	95%	76.4%
Training				
% of courses delivered against planned courses	95%	97.3%	95%	99%
% of courses cancelled against planned courses	5%	2.7%	5%	1%
% of persons not attending planned courses	5%	0%	5%	0%
Liaison with nuclear site operators				
Attendance at meetings with site management	100%	100%	100%	100%
Liaison with the public				
Attendance at NDA stakeholder meetings	80%	100%	80%	100%
Publication of <i>CNC News</i> ten times per year	100%	100%	100%	100%

In order to populate the KPI figures, operational data is sourced from the Operational Policing Units directly and specialist data i.e. sickness levels and training records are sourced from centralised departments such as HR and the Constabulary Training Centre.

The Constabulary uses a traffic light system to aid its management of KPIs with the following indicators of performance used:

Key to Traffic Light

	Performance Measure on target, Performance Objective on target date for completion.
	Performance Indicator 5% within target, (excluding areas marked * where 2% is applied). Performance Objective no more than one month behind target date for completion.
	Performance Indicator more than 5% off target, (excluding areas marked * where 2% is applied). Performance Objective more than one month behind target date for completion.

KPIs are reported to the Authority on a quarterly basis using the traffic light system.

Performance against the majority of operational targets was achieved at the planned 100% target. Security is under constant review at civil nuclear sites and planned duties are adapted to sudden changes in risk assessments when this is required. The enhanced patrol strategy, with overt patrolling by AFOs beyond the site-licence boundaries, but within officers' limits of jurisdiction, has continued successfully this year.

The majority of on-duty officers are armed, and the Constabulary therefore makes available a range of less-lethal options in compliance with the European Convention on Human Rights and national standards. A range of trained dog handlers deploying general purpose dogs and explosives search dogs are also available to support fixed-point and patrol activities. BCU Scotland and BCU South were unable to comply with the required deployment of police dog patrols to planned duties on some occasions; however, additional armed patrols were deployed to compensate ensuring that overall resilience was maintained.

While the majority of police officers have received Personal Safety Programme training, courses had to be suspended in November and were not resumed until March; therefore an extension of three months has been given to existing officer safety training certifications and plans are in place

to ensure that the remaining officers are trained within the new timescale. The temporary suspension was necessary to review the circumstances of training-related accidents.

Exercise Programme

The Constabulary currently delivers a programme of live-play and tabletop exercises at all nuclear sites to test counter-terrorist procedures and responses to serious breaches of security in a multi-agency environment. These exercises are based on scenarios approved by OCNS to test tactical and strategic outcomes in order to certify that requirements meet the security regulations.

During the period 2007/08, there were two major exercises. These were based on counter-terrorist scenarios and involved a range of agencies including the Constabulary, the relevant Home Office police force, the site operator and, in one of the exercises, an Explosive Ordnance Disposal Unit, the fire service, the ambulance service and a media agency. The major exercises were held at the following units:

- Exercise Pointer III – Capenhurst Operational Policing Unit (live-play); and
- Exercise McMorris VI – Dounreay Operational Policing Unit (tabletop).

The current exercise programme also requires each Operational Policing Unit to undertake local, unit-based exercises. The stipulations for each exercise differ according to the category of the site licence. At each Category I site, i.e. Sellafield and Dounreay, it is expected that eight exercises should be completed each year; at Category II and III sites and the nuclear power stations it is expected that six exercises should be completed each year. In each case, it is expected that all the officers at the unit will have been involved in at least one exercise during the year.

During 2008/09 the Constabulary will build upon this solid foundation to provide a more rigorous exercise process that will provide further reassurance to the organisation and stakeholders that the Constabulary can meet the requirements of the new Mission Statement.

In total, 139 exercises were carried out during 2007/08, with 657 officers out of a possible 736 based at the Operational Policing Units completing at least one exercise.

Not all units carried out their full quota of exercises, due to various disruptions during the course of the year; and

not all units met the 100% participation target, for a number of reasons including long-term sickness-related absence, restricted duties, secondments and a high level of new recruits.

Basic Command Unit (BCU) Structure

The new BCU structure was agreed at the Police Authority meeting in November 2007 and a resourcing project commenced soon afterwards.

The organisation has continued to develop its BCU structure and has introduced a Chief Superintendent position at Constabulary headquarters to refine reporting and accounting lines for officers, as well as to allow BCU Commanders to engage with and solve local issues quickly with site operators.

The new structure has enabled better collaboration with Home Office and Scottish Government forces, and regular BCU Commanders' meetings hosted by the Assistant Chief Constable have improved corporacy and enhanced the link to Human Resources and Training. Strategic policing plans now cascade throughout Operational Policing Units, allowing local policing plans to address local needs while supporting the overarching Strategic Plan.

The Chief Superintendent position provides the formal authoritative link between the Command Team and the operational core of the organisation, via the BCU Commanders. The appointment is at a level that allows the post-holder to deputise for the Assistant Chief Constable, providing further resilience at Command level. This is particularly important given the geographical spread of the Constabulary.

Officer Duties

Until recently, the Constabulary managed officers' allocation of duties locally using a system called Palisade, developed in house; however, this system had become difficult to support and manage. During this year a replacement duty management system was identified and, following a competitive tendering process, a contract



was awarded to supply that system. The new system has recently been introduced across Operational Policing Units and is easier to support and manage while offering an overview of duties across the Constabulary.

Modernisation of Roles

The Standing Committee on Police Establishments (SCOPE) was formed to provide a structured and efficient framework for the rapid assessment of police staffing requirements for an agreed period of time and is now chaired by the Chairman of the Police Authority. The SCOPE process includes the Constabulary, site operators and OCNS. The Committee agrees staffing levels, taking into account national and international standards for the protection of nuclear material and guidance set by ACPO in relation to the police use of firearms.

Through SCOPE some duties undertaken by police officers have been identified for civilianisation. A joint policing and guarding model has been produced by the organisation for consideration by three stakeholders and their response on this work is awaited.

Officer Numbers

A SCOPE review of staffing levels for operational policing has been undertaken in consultation with stakeholders and OCNS to ensure that the minimal staffing levels stipulated within the NISR for the sites policed by the Constabulary are met.

Command and Control

The commissioning of a new Constabulary Communication Centre has been completed. This provides a modern 24-hour communication facility to support the Constabulary's policing throughout the UK. It also provides a single point of contact with external agencies and partners

in line with the requirements of the NISR. A business case for an integrated national command and control (INCC) system is being developed in order to improve further the current command and control response to operational policing and emerging incidents. The development of the INCC project will align with the Constabulary Information Management Strategy and policies will adhere to relevant legislation and ACPO guidelines.

Community Engagement Strategy

A Community Engagement Policy and Implementation Strategy have been completed and will be introduced in 2008/09. The policy and implementation strategy have been developed to meet the needs of the Authority, the Constabulary, the community and stakeholders, in particular to encourage their support for the Constabulary's counter-terrorism policing of nuclear material. The development of a Community Engagement Strategy will enhance the organisation's arrangements for communication with all relevant parties and will improve the public understanding of the role of the Authority and the Constabulary.

Memoranda of Understanding (MOUs)

The development of MOUs with partner agencies (including site owners and other policing organisations) is essential to ensure an effective and co-ordinated response to emerging incidents and acknowledge the relevant legislative requirements on each service. All MOUs with Home Office and Scottish Government forces (whose areas the Operational Policing Unit sites fall within) have been reviewed and agreed during the past year. A further review of the MOU framework has been undertaken and work stemming from this review will be undertaken in 2008/09 pending the issue of the new 'Design Basis Threat' recommendations from OCNS.

Material Assets

Information Technology

This has been a busy period for the Information Technology and Communications Department. The Constabulary has initiated two essential infrastructure foundation projects – a new IT network and further exploitation of the Constabulary's existing systems.

The network project is a significant project in terms of cost but also because of its functional impact on all officers and staff. It is due for completion in March 2009 and the

Constabulary is supported in this endeavour by a Project Board and a police service project manager reporting to the Head of IT.

The infrastructure projects will enable the Constabulary to develop secure integrated systems and direct network connectivity to the UK criminal justice information services. These systems and the network will run independently of the services provided to the nuclear industry yet retain appropriate interoperability with nuclear operators.

The governance of Information and IT-related matters has been enhanced through the introduction of a strategic-level group chaired by the Deputy Chief Constable with representatives from the tasking and co-ordination groups. This strategic group, known as the Information Management Steering Committee, owns the Information Management Strategy and its deliverables.

An enhanced video conference facility has been introduced, building upon the success of the original system; it has greatly reduced the amount of travelling required for staff to attend meetings.

Estates

As an executive non-departmental public body, the Police Authority is required to have an independent estates strategy. A five-year plan has already been completed for the management of the total estate. This plan is reviewed annually by the Authority and submitted to BERR. The organisation does not own any buildings or accommodation either in part or outright. With units and headquarters functions located at 17 sites in England, Scotland and Wales, the objective is to ensure that there is a consistent standard of accommodation and that all Operational Policing Units as well as the Authority and Constabulary headquarters are fit for purpose and meet with the requirements for effective policing.

The past year has seen steady progress on a range of complex estates and facilities initiatives. Working closely with the NDA, the organisation has established a model licence and a service level agreement for facilities management provision. The companies licensed to operate the sites have been encouraged by the NDA to utilise these standards. A working group has been established between the Constabulary and a site operators' facilities management service to support

operational policing at one of the Constabulary's largest units; it is envisaged that a similar model will be developed for all sites. Concerns continue to be addressed regarding the quality of the organisation's accommodation at a limited number of sites. The establishment of a Constabulary Estates Group will ensure a co-ordinated approach across both the organisation and its stakeholders; the aim is to ensure that the organisation's estate best supports its operational requirements.

Procurement

Procurement practice focuses on improving the efficiency of purchasing activity through collaboration across the wider public sector and participation in Government-sponsored initiatives. Through compliance with the public sector procurement agency of the Office of Government Commerce (OGC), the organisation ensures that contracts comply with best procurement practice and represent value for money. Further efficiency gains are achieved by many of the procurement services being electronically based.

During the past year, the procurement team continued its efforts to embed best procurement practice throughout the Constabulary. There has been a particular emphasis on collaboration with other police organisations. A collaborative fleet management arrangement with Thames Valley Police, Bedfordshire Police and Hertfordshire Constabulary has been agreed in principle. The Constabulary has joined the Devon & Cornwall Constabulary and Emergency Services contract for travel provision and the West Yorkshire Police contract for the provision of mobile communications. Implementation of a new stock management system has been successfully completed and provision is in place to implement an IT-based system to monitor and manage the inventory and movement of Constabulary firearms. A clearly defined acquisition strategy for the new IT network has been completed and key contracts confirmed to support the introduction of an automatic number plate recognition system in 2008. The procurement team has reviewed its procedures to ensure that diversity requirements are appropriately satisfied. For the first time, the Constabulary has calculated its procurement efficiency gains using an OGC methodology; gains were estimated at around 5.5% of non-payroll expenditure.

Corporate Systems

Business Management Systems

Following a review, the decision was made that the Constabulary would no longer require a formal quality management system (QMS) compliant with ISO 9001.

To incorporate the appropriate procedures from the former QMS, and to adopt policies comparable to those in use in Home Office and Scottish Government police forces, a policy development project began in the summer of 2007, with target dates for publication of policies by March 2008 and full implementation of the rationalisation of procedures by March 2009.

Subsequently the Police Authority decided to continue to pursue ISO 9001 certification and the policy development project has been adapted accordingly.

New templates for policies and procedures have been developed as part of this project, the intention being that policies should be statements of principles that the Authority and Constabulary will apply, while the implementation arrangements are defined in procedural documentation. Policies that apply to the entire organisation are submitted for Police Authority approval and are published as Authority policies, while those of an operational or functional nature specific to the Constabulary and which are not subject to Authority approval are published as Constabulary policies. Policies are now published on the internet in addition to the Constabulary's intranet.

Performance Management

The change in management structure to geographical BCUs necessitated a change in performance management arrangements. Revised planning and reporting frameworks and targets have been set, and performance reports have been tailored to suit the current organisational structure.

In addition to the line management changes associated with the BCUs, the Constabulary's development of the NIM as a business model has created a need for monthly reports on progress made against performance targets and objectives, which are discussed at the appropriate tasking and co-ordination group.

During the year, initial development work has been undertaken on a balanced business scorecard for use

during 2008/09. This scorecard is intended to align with the tasking and co-ordination group responsibilities and with the planning framework in the 2008–11 *Strategic Policing Plan*.

One of the Constabulary's Key Strategic Priorities is focused on improving understanding between the Constabulary and its nuclear customers, the public, other stakeholders and the Government. The following are indications of proactive and reactive performances in promoting such understanding:



Promoting understanding	2006/07	2007/08
Publications		
Annual Policing Plan published by 31 March	21 March 2007	31 March 2008
Strategic Plan published by 31 March	21 March 2007	31 March 2008
Previous year's Chief Constable's Annual Report published	9 June 2006	3 September 2007
Previous year's Annual Report and Accounts published	17 July 2006	24 July 2007
Freedom of information		
Requests received	5	19
Percentage of requests responded to within 20 working days	100%	95%

Information Management

During the past year, there were 22 requests made under the Freedom of Information Act 2000, of which three were subsequently withdrawn.

In keeping with previous trends, requests related to a variety of information: copies of the Annual Report; details of members of the Police Authority; recruitment and staffing numbers; details of individual Operational Policing Units; contracts and tenders; vehicle maintenance history; and inspection reports.

Of the four requests that exceeded the 20-day deadline for completion, three were delayed while the ACPO Central Referrals Unit sought advice or clarification regarding disclosure. The other was delayed by staff absence.

One request for information was deemed to be fully exempt and is currently the subject of an appeal to the Information Commissioner. Four requests (three relating to staffing/recruitment and one relating to contracts/tenders) had partial exemptions applied.

One subject access request was made under the Data Protection Act 1998 and was answered within the 40-day timeframe.

In December 2007, the Prime Minister asked all departments and agencies (including non-departmental public bodies) to check their procedures for the storage and use of data following a number of high profile Government-related incidents regarding the loss of personal data.

A questionnaire was offered to form the organisation's response but it was declined. Instead the questionnaire was used as an internal exercise to further enhance understanding of data handling. A report was then generated to summarise the outcomes of the review. It was agreed at the Information Management Steering Committee that the recommendations made within the report become part of the organisation's Information Management Strategy for action during 2008/09.

Audit and Inspection

As part of the decommissioning of the QMS the programme of internal quality audits was temporarily suspended and plans to train additional quality auditors were suspended.

A new internal inspection process has been developed and implemented, based on the methodology used by Her Majesty's Inspectorate of Constabulary (HMIC) to inspect police forces. A programme of self-assessments, reality checks and BCU-level inspections for Operational Policing Units has been implemented; results and recommendations are provided to senior managers, together with further reviews of their implementation to form a loop of continuous improvement. As the internal inspection programme does not yet cover headquarters functions, a limited programme of internal quality audits has been reinstated. It is intended that the internal inspection process will be extended next year to include headquarters' functions.

Due to the cessation of auditing activities, the Constabulary applied to have its ISO 9001 certificate suspended. A preliminary assessment against ISO 9001 has been conducted and the Constabulary and Police Authority will undergo reassessment during 2008/09.

Environmental Policy

An environmental policy has been developed to enable the Constabulary to minimise any adverse environmental impact of its activities. The policy applies to all aspects of Constabulary operations, and covers the management of environmental impacts resulting from water and energy use, waste, estates, and goods and services procured. It also enables the Constabulary to comply with the individual nuclear sites' environmental policies and procedures. The management and procurement procedures that form part of the environmental policy are currently being prepared for implementation during 2008.

Projects

The Constabulary has undertaken a number of major projects during the past year. These have covered both operational and non-operational areas and the majority of them have already been highlighted within this report. There are, however, two other projects that should be mentioned:

- Legacy systems – The Constabulary currently uses legacy IT systems supported by the UK Atomic Energy Authority (UKAEA), because of a service level agreement (SLA) set up when the organisation became

independent. The SLA, and continued provision of systems support by UKAEA, is under review and proposals are being developed for presentation to the Police Authority. It is expected that this project will develop further, with procurement of support from a different supplier and building of a new IT network during the 2008/09 financial year.

- Nuclear new build – In response to the Government's recent announcement of its intention to build a new generation of nuclear power stations, the organisation has established a working group, which will review developments periodically. It is expected that new projects connected with the expansion of new power stations will be developed over time and as Government and supplier plans take shape.

The organisation continues to develop a 'pipeline' of projects aimed at achieving specific objectives; some of these will be initiated during the coming year for potential delivery in 2009/10.

Risk

The Chief Constable, as Accounting Officer, is required under section 42 of the Management Statement (a Treasury model for the management of a non-departmental public body) to "ensure that a system of risk management is maintained to inform decisions on financial and operational planning and to assist in achieving objectives and targets". The organisation provides this assurance by means of a robust risk management system based upon the concepts in HM Treasury's *The Orange Book: Management of Risk – Principles and Concepts* and on OGC's *Management of Risk: Guidance for Practitioners*.

An independent internal auditor has recently reviewed the Constabulary's risk management system; while highlighting some areas for improvement the auditor provided an overall rating of Satisfactory for the management of risk.

Risk management continues to be embedded within the organisation, but is already an integral part of the corporate governance process, and its influence has now extended to become a key review point within the tasking and co-ordination groups. These groups, consisting of senior managers and chaired by members of the Command Team, meet regularly and act as the main conduit for the escalation and de-escalation of risk from

the local up to the strategic level and vice versa. Training plans have been developed to start the process of embedding risk management at all levels during 2008/09.

The organisation's principal risks are:

- failure to deploy sufficient police officers with the right equipment and training to meet the threat;
- failure to recruit/retain sufficient or appropriate resources;
- failure to train officers to appropriate levels or standards;
- failure to discharge the duty of care owed to employees;
- poor or uncertain governance standards leading to unclear lines of accountability; and
- failure to support the provision of critical business infrastructure.

The Constabulary has also introduced the use of the Risk Management Assessment Framework – a maturity model used to assess how well risk management is embedded within an organisation. This model complements OGC's Management of Risk methodology and was designed by HM Treasury.

The organisation maintains its links with external organisations involved in the management of risk, including the Government's Risk Improvement Managers' Forum and ALARM (the national forum for risk management in the public sector).

Security

The organisation aims to demonstrate high standards within all aspects of protective security and, in order to accomplish this, is committed to achieving compliance with the ACPO/ACPOS Information Systems Community Security Policy by March 2010. The aims of this policy are to:

- provide appropriate and consistent protection for the information assets of member organisations;
- comply with statutory requirements and meet ACPO/ACPOS expectations of the police service to manage information securely;
- help assure Her Majesty's Government that police service elements of the critical national infrastructure are appropriately protected; and
- facilitate effective participation with Information Age Government strategies.

During 2007/08, an action plan was developed by the Security, IT and Information Management departments and will be implemented by the end of 2009/10.

The organisation also recognises that the implementation of robust personnel security measures is essential in order to ensure the integrity of an organisation whose key role is the protection of licensed civil nuclear sites and their operators and the safeguarding of nuclear materials.

This commitment is verified by complying with the Government's national security vetting requirements and is further demonstrated by the Authority's adoption of the ACPO vetting policy during this reporting period. Robust vetting processes give assurance to the organisation and its stakeholders as to the integrity and reliability of new staff, and also minimise the risk of staff becoming unreliable once they have been employed.

People Management

Human Resources Management

A comprehensive review of all Human Resources (HR) policy documents and statements has been undertaken with a view to developing a revised suite of policies covering Constabulary HR management practice. This process has resulted in the development of eight new policy statements covering the following areas:

- resourcing – the principles that govern the way in which the Constabulary manages the entry process to the organisation;
- reward – the principles that determine what outcome practices are designed to achieve;
- workforce planning – the principles setting out the Constabulary's intentions with regard to the size and activities of the workforce;
- development – the principles key to supporting and encouraging the talent of the Constabulary workforce;
- performance management – the principles in place to manage the capability and performance of the workforce;
- diversity and equality – the principles designed to encourage practice that respects individuals and the contributions they make;
- workplace management – the principles necessary to ensure a working environment in which staff can operate effectively; and
- exit management – the principles established to manage effectively the departure of employees from the organisation.

The organisation aims to get the best out of its resources, especially staff, and to demonstrate value for money while maintaining the confidence of the public.

Circumstances affecting our staffing resource	2006/07 Target	2006/07	2007/08 Target	2007/08
Health and safety				
Number of lost time accidents	n/a	10	n/a	12
Number of lost time accidents reportable under RIDDOR	n/a	10	n/a	12
Number of accidents involving injury	n/a	72	n/a	74
Number of 'near misses' reported	n/a	61	n/a	80
Absence management				
Average number of working hours lost per annum due to sickness, per police officer	75	82.3	72	94.5
Average number of working hours lost per annum due to sickness, per police staff member	50	74	61	62.9
Recruitment and retention				
% shortfall in strength	n/a	2.1%	n/a	2%
Police officer turnover rate	10%	5.4%	5%	6%
Police staff turnover rate	10%	10.4%	10%	19.8%
Diversity				
% of police officers who are female	17%	15.2%	18%	15%
% of police officers from minority ethnic groups	2%	0.6%	7%	0.6%
% of police staff from minority ethnic groups	2%	3.1%	3%	5%
Ratio of officers from minority ethnic groups resigning to all officers' resignations	less than 1.5:1	0	less than 1.5:1	0

Officer Establishment and Retention Rates

For this reporting period, the establishment rate for police officers met the target but unfortunately the retention rate did not. The poor retention appears to be predominantly due to external factors, but the Constabulary is looking into developing internal processes to help reduce the impact of these factors. This will involve the introduction of talent management, aimed at maintaining key posts for business continuity purposes.

Constabulary strengths are given as a total across the organisation; there are 783 police officers and 95 police staff as at 31 March 2008.

Managing Sickness Rates

The Constabulary fell short of the target rate for average working time lost through sickness per police officer (72 hours over the year) by 22.45 hours in 2007/08.

This was attributable to increases in short-term sickness over the 12-month period that in turn impacted on long-term sickness. Management data shows both that robust systems underpin the management of sickness and that reported medical reasons align to those identified nationally. The level of sickness absence appears to follow no obvious underlying trend that might enable a cause to be established. There is an increasing local focus on managing sickness across the organisation, reinforced by training support.

In the case of police staff, there was an improvement over the same period, with a much better performance against target. Again, the level of sickness absence appears to follow no obvious underlying trend that might enable a cause to be established. A package of training support is to be targeted to improve performance over 2008/09.

Payroll

Although separated from UKAEA, the organisation continued to receive its payroll management services from them. As part of a review of the services provided to the organisation by UKAEA during 2007, it was decided that the organisation should change provider. The new provider offers a more complete service, dealing with all pay enquiries and concerns through a customer service desk allocated to the organisation to which police officers and staff have direct access.

A project team was established to oversee the implementation of this key project, with individuals from the Constabulary's HR, Finance, IT and Project Management departments. A process to validate the system was undertaken early in the New Year, and provided the basis on which the decision was made to transfer and go live from April. Given the complexity of the organisation's pay system, the focus was on ensuring a robust replication of the previous provision; however, through the maintenance agreement the organisation will look for further payroll management improvements in liaison with the employee bodies.

Equality and Diversity

The organisation continues to recognise the need for, and the business benefits arising from, a diverse workforce that reflects the community it serves.

The equality and diversity scheme and costed action plan 2007–10 were approved by the Police Authority in January 2008. Two key actions of the scheme are to implement and review a 'positive action' recruitment programme and to set up staff networking groups for people with disabilities, ethnic minorities and women. The Constabulary conducted a staff survey to obtain feedback on equality and diversity issues, which resulted in the development of a localised corporate police staff induction programme and training for recruitment managers.

The Equality and Diversity Steering Group was set up in October 2007 and meets every two months. The role of the steering group is to share progress, to discuss issues affecting the equality and diversity scheme's content and implementation, and to raise matters, share views and make recommendations on equality and diversity generally. The group assists in the development, promotion and implementation of equality and diversity initiatives, shares examples of good practice and liaises with relevant outside bodies as appropriate.

The Constabulary has continued to develop a range of recruitment strategies to address its under-representation of female police officers and ethnic minority police officers. A workshop was recently held with representatives from the British Association for Women in Policing, the Black Police Officers Association, NPIA and an external recruitment agency. The aim was to share good practice methods of recruiting police officers from under-represented groups. The workshop produced worthwhile outcomes and an action plan has now been agreed and is detailed in the diversity strategy for 2008/09.

Assessing the impact of policies and procedures is a core component of several pieces of equalities legislation, including the Race Relations (Amendment) Act 2000, which requires all public bodies to monitor the impact of their policies and procedures by carrying out impact assessments and publishing them. An equality and diversity impact assessment toolkit has been designed to provide guidance to police officers and staff undertaking impact assessments when developing new organisational procedures, or reviewing existing ones, within the Constabulary. A record of each impact assessment is completed, using a screening form which is then monitored by the diversity adviser.

The organisation has obligations under the Welsh Language Act 1993 and has adopted the principle that, in the conduct of public business in Wales, it will treat



the English and Welsh languages on a basis of equality. English remains the corporate business language of the organisation. The corporate approach relates to the conducting of public meetings in Wales and the production of corporate information. The local approach focuses on officer orientation, recruitment and stakeholder communications for the Operational Policing Unit at Wylfa.

The Police Authority has developed a Welsh language scheme, which sets out what the organisation will do to ensure compliance. This was approved by the Welsh Language Board in March 2008 and will be monitored through an annual report to the Board, with the first one planned for April 2009.

Staff Involvement

The Constabulary has commenced the roll out of the newly agreed BCU structure, starting with the appointment of a Chief Superintendent, followed by the filling of the Superintendent posts. There has also been the disbandment of the TRG, with the majority of officers and staff being relocated within the Constabulary. This year has seen the introduction of a new Performance Development Review (PDR) process for police staff which has now completed a full cycle at the end of March 2008. A pilot scheme of the NPIA Core Leadership and Development Programme has commenced with a view to it being implemented across the Constabulary for all sergeant ranks and above and for police staff at level 3 and above. A flexitime scheme has also been piloted and will be implemented for all police staff in the next financial year.

Health and Safety

The first year of the health and safety plan has now been completed and work is already progressing on the implementation of the second phase, with a major emphasis on ensuring appropriate health and safety training for all ranks and grades within the Constabulary. Training is also a central theme within the Home Office Benchmarking Standards issued in July 2007 and adopted into the *Health and Safety Plan*.

Each unit was audited by the Health and Safety department during the year, and 92% of local management inspections (one per unit per quarter) were completed, against a target of 90%. The findings have been incorporated into the development of the soon-to-be-formed Estates Tasking and Co-ordination Group.

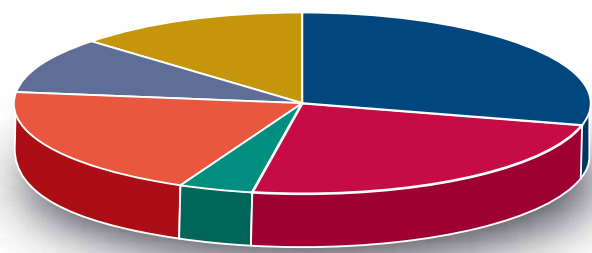
The standardised incident reporting system has provided confidence that all incidents and near misses are being recorded, and has enabled individual incident and trend analysis including the speedy analysis of causal factors and the closure of findings. An increase of 31% in near miss reporting has been recorded over the year, building on the 15% improvement last year – indicative of a positive safety culture. A ‘Safety Bulletin’ e-mail to relevant staff has enabled information and guidance to be disseminated rapidly across the Constabulary following incident analysis.

During the year the introduction of the Home Office/NPIA Personal Safety Programme for police officers, which is more dynamic and physically demanding than the previous officer safety programme, resulted in a number of training injuries to officers. This trend was quickly identified, the training was suspended and a review instigated, with assistance from NPIA and Thames Valley Police. An amended course has been introduced without further incidents.

During the year, 90 risk assessors have been trained, thereby giving each unit/department a minimum of one assessor and one manager trained to conduct risk assessments.

The necessary policy, training, processes and procedures have been completed to better enable the Constabulary to manage its radiation protection services fully from April 2008.

Accident by category for reporting period



- Slip/trip/fall
- Handling/lifting/carrying
- Exposure to harmful substances
- Struck by fixed object
- Struck by moving object (including falling)
- Training
- Animal
- Incident involving gate/door

Training and Development

The Constabulary Training Centre (CTC) is located in Cumbria and comprises three main training functions (i.e. general/probationers, firearms, and dogs/handler training) for the provision of training and development to officers and staff. The annual training plan is designed to ensure that all members of the Constabulary are competent to carry out their roles in providing an efficient, effective quality policing service.

All trainers at the CTC are nationally qualified and provide training, development and support in accordance with specific drivers such as:

- the regulatory framework – specifically compliance with NISR;
- operational efficiency;
- ACPO guidelines;
- critical success factors;
- Constabulary/departmental objectives;
- HMIC recommendations; and
- anticipated changes in legislation and Constabulary policy.

Police officers and staff also have the opportunity to attend internal and external courses to acquire individual specialist skills pertaining to their posts. Emphasis is also placed on the provision of training in development, leadership and managerial skills. Sponsorship for further education is available for staff pursuing qualifications that would enhance their contribution to their roles.

General and Probationer Training

Three probationer foundation courses were delivered during the year, resulting in 55 additional police officers being deployed to various Operational Policing Units.

Two courses for sergeants and constables transferring from Home Office and Scottish Government forces were also delivered, providing resilience to the units.

A1 Assessor Programme

During the year, eight officers from the firearms and dog training facility successfully completed the A1 Assessor Programme, having been externally verified. There are now 34 qualified A1 assessors of various ranks within the Constabulary, including police constables, sergeants, inspectors and a member of police staff.

Firearms Training Unit

During the year, the Firearms Training Unit faced some major challenges in delivering the annual training plan, thanks to the introduction of a number of new training programmes, including:

- training in the use of a less-than-lethal weapons system for all AFOs;
- training in the use of CS incapacitant for all officers;
- the introduction of all officers to the Personal Safety Programme; and
- the development of tactical training lessons to enhance further the skills of AFOs (these will be delivered during 2008/09).

In addition, initial firearms courses, an initial marine escort course and an initial road escort course were delivered. There was also the opportunity for development training for members of the unit that enabled individuals to become qualified in/as:

- Risk assessment
- A1 assessment
- National internal verifier
- National tactical adviser
- National rifle instructor
- The Dangerous Goods Act (transportation)
- Firearm maintainer (training took place in the USA)
- Firearms Spontaneous Silver Commander
- 109 Course conducted by the Royal Navy
- Dynamic entry
- National range conducting officer (part 2 qualification)
- Defensive surveillance
- Marine law officer and marine radio officer.



Dog Training Facility

The Constabulary currently has 47 operational dogs. Additionally it has the following puppies within the Constabulary puppy scheme:

- one Malinois (Belgian Shepherd);
- six German Shepherds with puppy walkers and training staff members; and
- four banked (various breeds) with Strathclyde Police in exchange for dogs supplied to them for breeding as a part of their puppy programme.

The Constabulary also has six explosives detection puppies which are currently with puppy walkers or training staff.

Leadership

During 2008, 11 delegates began working towards a Chartered Management Institute (CMI) Introductory Certificate in Management. A workshop for delegates and their line managers was conducted in January 2008 in partnership with CMI and NPIA. CMI and NPIA representatives visited the CTC at Summergrove in April 2008 to review progress: the meeting was a success and the external verifier confirmed that all the completed workbooks examined were up to or exceeded the expected standard.

Professional Standards

The Professional Standards Department is responsible for promoting standards; dealing with complaints and misconduct allegations; and all aspects of internal security.

All comments and complaints are recorded and analysed, and all complaints about the Constabulary are investigated independently. Such investigations are reported to the Police Authority and are subject to supervision and review by the Independent Police Complaints Commission.

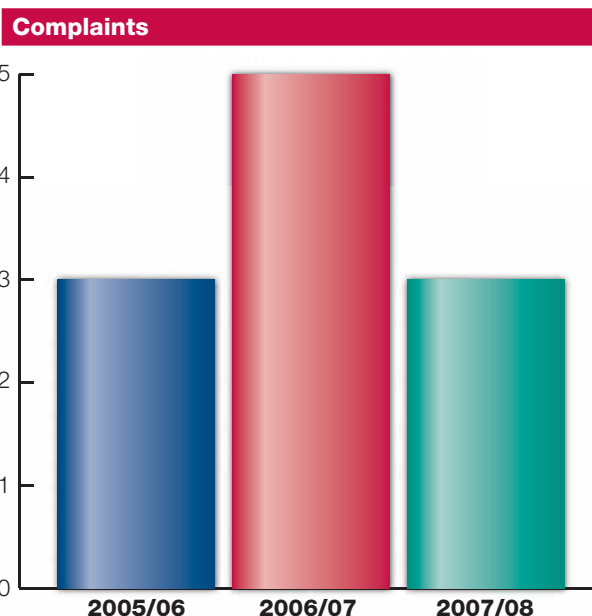
The volumes of complaints and cases of misconduct remained similar to those for 2006/07; set against the low incidence of complaints and the increase in the number of police officers employed, this does not give any cause for concern. It is Constabulary policy to resolve allegations locally, where possible, before treating them as formal complaints to be investigated. The complaint handling process proved effective once again this year, achieving an average of 5 working days to record complaints, against a target delivery of 10 working days. Local resolution of complaints has been achieved in an average

of 9 working days, significantly lower than the target of 28 working days.

A target of 10 working days is set to record an allegation of misconduct; this has been achieved, with an average of 3 working days taken to record such allegations.

Of the allegations that were processed through to completion during the year, all were categorised as completed without recourse to court action.

The charts below detail complaints and misconduct cases recorded over the past three years. The number of complaints recorded has remained consistently low throughout the period. The number of misconduct cases recorded has also remained low.



An analysis of the types of misconduct allegations received has been conducted, and is detailed in the table below. Some cases of misconduct involve more than one area of behaviour, and so the figures add up to more than the total number of misconduct cases recorded. There has been a change in the recording practice for this information, which has resulted in an increase in the amount of behaviours being recorded for each misconduct case so therefore the results for 2007/08 appear substantially higher when compared against previous years.



Area of behaviour	2005/06	2006/07	2007/08
General conduct	4	2	4
Criminal offences	3	11	11
Dishonesty and lack of integrity	0	5	2
Intoxication	0	1	0
Use of force and/or abuse of authority	0	0	0
Impoliteness and intolerance	2	0	11
Performance of duties	2	3	7
Unlawful orders	0	4	5
Appearance	0	0	0
Lack of respect for property	1	0	2
Lack of confidentiality	0	0	1
Unfairness and bias	0	0	4
TOTAL	12	26	47

During 2008, a revised set of Home Office police misconduct regulations will be introduced. The organisation has agreed to adopt these procedures and preparatory work commenced during the past year, including the planning of training arrangements and the production of a series of internal briefings.

In addition to the above misconduct regulations, a substance misuse policy has been approved, with associated processes developed so that random and 'with cause' drug testing can be introduced with effect from April 2008.

In April 2007, the role of the Police Complaints Commissioner for Scotland (PCCS) was established.

The PCCS has responsibility for oversight of non-criminal complaints in Scotland and has the power to review complaints cases. The organisation has agreed a protocol with the PCCS to ensure that complaints against Constabulary officers and staff in Scotland also have independent scrutiny.



Management Commentary

Principal Activities

The Civil Nuclear Police Authority was established on 1 April 2005 under the Energy Act 2004. It is an executive non-departmental public body of the Department for Business, Enterprise and Regulatory Reform (BERR). The function of the Authority is to maintain an efficient and effective Civil Nuclear Constabulary with the primary purpose of protecting civil nuclear licensed sites and safeguarding nuclear material in Great Britain and elsewhere. The Constabulary will defend and protect those sites to which it is deployed, with a view to denying unauthorised access to nuclear material and, if necessary, recover control of any nuclear material that may have been lost to unauthorised persons. The Constabulary will also provide for the safe and secure movement of nuclear material within the UK and internationally.

Operating Environment

The Constabulary is part of the counter measures to terrorist threats and is tied in to national arrangements through the nuclear security regulator and through the Association of Chief Police Officers Committee on Terrorism and Allied Matters. The Constabulary protects the energy sector of the critical national infrastructure by providing policing at nuclear power stations.

The Constabulary works in partnership with the appropriate Home Office and Scottish Government police force at each site. Policing services required at each individual site are agreed with nuclear operators in accordance with the Nuclear Industries Security Regulations 2003 and ratified by the UK regulator, OCNS.

Objectives and Strategies

The Police Authority's three Key Strategic Priorities (KSPs) are as follows:

- KSP 1 – Protect nuclear material and facilities on designated nuclear licensed sites and in transit throughout the UK and international arena, meeting the requirements of the nuclear security regulator (OCNS);
- KSP 2 – To ensure that the Constabulary is managed in a way that gets the best from all its resources, especially staff, and demonstrates value for money, while maintaining the confidence of the public; and
- KSP 3 – Maintaining and improving understanding between the Constabulary, its nuclear customers, the public and stakeholders.

Performance against Key Strategic Priorities is provided in the Summary of Performance on pages 8 to 24.

Review of Activities

A review of the development of the Authority and Constabulary during the year, of events since the year end and of future plans is given in the Chairman's Statement on page 3, the Chief Constable's Foreword on page 7 and in the Summary of Performance on pages 8 to 24.

Financial Performance

Expenditure for the year ended 31 March 2008 was £48,304,000 (2006/07: £44,248,000). The increase in expenditure was due largely to increased staff costs of £3,862,000 to £38,114,000 (2006/07: £34,252,000). The increase was the result of the annual pay award to police officers and police staff and due to recruitment of increased numbers of officers deployed to civil nuclear sites.

The Police Authority is expected to recover its full operating costs each year. Income of £48,304,000 for the year ended 31 March 2008 represents a recharge of running costs to nuclear operating companies of £48,130,000 and miscellaneous income of £174,000. Miscellaneous income was generated by charging for training provided to Russian nuclear power station security staff, recharging secondment costs and communications support for unescorted transport of nuclear materials throughout the UK.

Interest receivable of £145,000 (2006/07: £116,000) was earned on cash balances held by the Police Authority. This was matched by interest payable of the same amount, as the Police Authority is not permitted to retain any interest

earned but required either to remit it back to BERR, to be surrendered to the Consolidated Fund, or offset it against requests for capital funding from BERR.

The Police Authority is required to recognise a cost of capital in its income and expenditure account. This is a notional charge in that it is matched by a cost of capital credit. The charge is calculated as 3.5% of the average capital employed and for 2007/08 amounted to £278,000 (2006/07: £250,000). The increase is due to a higher average capital employed during 2007/08.

Financial Position

The carrying value of intangible fixed assets increased by £172,000 to £362,000 at 31 March 2008 (2006/07: £190,000). Intangible asset additions of £222,000 comprised the purchase of software licences for the Police Authority's new duty management system of £112,000, payroll system of £63,000, electoral role and historical register of £25,000, and £22,000 for additional licences for the Police Authority's accounts payable system. Amortisation of £50,000 was charged to the income and expenditure account.

The carrying value of tangible fixed assets at 31 March 2008 was £2,537,000 (2006/07: £2,589,000). Fixed asset additions in 2007/08 amounted to £842,000 and depreciation of £869,000 was charged to the income and expenditure account. Fixed asset additions comprised £225,000 for 10 replacement vehicles, £155,000 of IT equipment for replacement of video conferencing equipment and other IT assets, £203,000 on plant and equipment for firearms training equipment and other operational equipment, and £21,000 for general fixtures and fittings. Assets in the course of construction of £238,000 represented costs on IT projects of £94,000 and £144,000 on specialist firearms equipment.

Debtors due after one year amounted to £322,000 (2006/07: £335,000). These balances represented amounts owed by the Police Authority's pension scheme for staff who retired early and housing loans to staff. The Police Authority pays the lump sums to staff who are granted early retirement. These amounts are reimbursed to the Police Authority by the pension scheme when the staff member reaches normal retiring age.

The method of valuing clothing stocks has changed leading to a higher value per stock item of clothing at the balance



sheet date. The number of items held in stock has fallen during 2007/08. The supply of ammunition is scarce due to demand from the military, which has resulted in longer lead times. The Police Authority has forward purchased ammunition to ensure security of supply. Stocks of ammunition are now material and have been capitalised on the balance sheet.

Trade debtors at 31 March 2008 were £5,234,000 (2006/07: £5,347,000) and the average number of days to receive payment from customers improved to 40 (2006/07: 44 days). Trade creditors at 31 March 2008 were £440,000 (2006/07: £1,675,000) and the average time taken to pay suppliers fell to 16 days (2006/07: 61 days).

Provisions for liabilities and charges increased by 18% to £554,000 (2006/07: £468,000). This increase was the net effect of amounts provided for during the year of £206,000, payments made against existing provisions of £97,000 and a release to income and expenditure of £23,000 for unused provisions. Included within the amount provided for during the year is a provision of £170,000 that has been made to cover legal obligations to restore leased accommodation to its original condition at the end of the leased term.

Taxpayers' equity increased by more than 17% at 31 March 2008 to £8,046,000 (2006/07: £6,279,000). This comprised the net effect of an increase in financing of £1,295,000 and a reduction in the Government grant reserve of £104,000.

Cash Flows

Net cash inflow from operating activities during 2007/08 was £4,000 (2006/07: £1,904). Interest received on the Police Authority's cash balances amounted to £145,000 (2006/07: £116,000). Payments of £222,000 were made to acquire intangible fixed assets, £842,000 on tangible fixed assets and £50,000 was received from the sale of tangible fixed assets. The net cash inflow from financing was £1,264,000 which comprised capital grant receipts of £144,000 (2006/07: £nil), grant-in-aid of £1,051,000 (2006/07: £nil) and other financing contributions of £69,000 (2006/07: £37,000). This resulted in an overall increase in cash held in 2007/08 of £399,000 (2006/07: £271,000).

The Police Authority maintains sufficient cash balances to ensure that funds are available to meet payments as and when they fall due. The Police Authority banks with the Royal Bank of Scotland Plc. It has an overdraft facility of £1 million to mitigate the risk that due to the timing of receipts and payments it is unable to meet its liabilities as and when they fall due. The overdraft facility was not used during the year ended 31 March 2008. Surplus funds are transferred daily to an interest earning account. This interest is paid quarterly to the Police Authority and is treated as a receipt from an Exchequer source and is credited to Financing on the Police Authority Balance Sheet. The Police Authority's Financial Memorandum allows the Authority either to use interest receivable to finance additional expenditure, leading to a commensurate reduction in capital grant, or it may be required to be surrendered to the Consolidated Fund via BERR.

The Police Authority recovers the full cost from operating companies. Operating companies pay two months in arrears and the Police Authority pays its creditors one month in arrears. There is a funding gap between payments to creditors and receipts from operating companies. BERR provided working capital of £6 million on start up, which was commuted to grant-in-aid. This is used to fund timing differences between receipts from operator companies and payments to creditors.

Resource Availability

The Police Authority has approved a revenue expenditure budget of £51.8 million for 2008/09. This represents an increase of over 9% on the initial budget of £47.5 million for 2007/08 and an increase of almost 6% on the

revised budget for 2007/08, approved at Quarter 3, of £48.9 million. The Police Authority also approved a capital expenditure budget of £3 million for 2008/09 (2006/07: £1,984,000). The increase in capital expenditure will be used to fund the Constabulary's new IT network.

The Constabulary has secured capital funding of £3 million per annum for 2008/09 to 2010/11 from BERR. This is treated as a capital grant. Further information on the accounting policy is provided in note 1.8 to the financial statements.

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

Significant Accounting Policies

Stock Items

Ammunition has been expensed on purchase in previous years as purchases matched usage and only a small amount of ammunition remained on hand at year end. Ammunition with a value of £305,000 was held in the Constabulary's armouries at year-end. This balance is considered significant and has been treated as a stock item in line with SSAP 9 Stocks and Long-term Contracts. The cost of ammunition will be recognised in the income and expenditure account when the ammunition is used, rather than when it is purchased. This has increased net assets and reduced expenditure by £305,000 at the balance sheet date. Although representing a change in accounting policy, the impact on previous years results is immaterial and no prior period adjustment has been applied.

The Constabulary values its stock of clothing at the lower of cost and net realisable value (NRV). NRV was calculated for clothing with a Civil Nuclear Constabulary badge at 10% of its purchase price and for unbadged clothing at 70% of its purchase price. The Constabulary has reviewed its stock values at 31 March 2008 and considers that as its stock of clothing is intended for use and not resale, the NRV approximates its purchase price. This has been treated as a change in accounting estimate rather than a change in accounting policy, and has increased net assets and reduced expenditure by £254,000 at the balance sheet date.

International Financial Reporting Standards

HM Treasury has announced that the implementation of International Financial Reporting Standards (IFRS) in the central government sector has been postponed until 2009/10. The Treasury requires all departments, agencies and non-departmental public bodies to prepare shadow IFRS-based accounts for 2008/09 by 31 December 2009, which will be reviewed by the National Audit Office.

Following this announcement, the Police Authority's 2008/09 financial statements will continue to apply UKGAAP. Shadow IFRS-based financial statements will also be prepared for 2008/09 and IFRS will be applied in full from 2009/10.

Financial Instruments

The financial instruments standards (FRS 25 on presentation, FRS 26 on recognition and measurement and FRS 29 on disclosure) are applicable from 1 April 2008. These standards will be applied to the 2008/09 financial statements.

Key Stakeholders

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

- Airwave Solutions Limited
- Association of Chief Police Officers
- Association of Police Authorities
- Chiltern Transport Consortium
- Department for Business, Enterprise and Regulatory Reform
- Employee and employer organisations
- Her Majesty's Inspectorate of Constabulary
- Local communities
- LogicaCMG Plc
- Nuclear Decommissioning Authority
- Nuclear operators
- Office for Civil Nuclear Security
- Office for Security and Counter Terrorism.

The future of the organisation is closely related to the future of its key stakeholders. Any changes to legislation which alter the contents of the Energy Act 2004 may directly affect the organisation. As the nuclear decommissioning process continues to proceed the organisation may still face a reduction in the number of sites to be policed in the short to medium term; however, this year's publication of the Government's decision in favour of a new build



programme for nuclear power stations expands the remit of the organisation in the longer term.

Policies

The Authority's policies on community engagement and environmental matters and the extent to which they have been successfully implemented are included in the Summary of Performance on pages 8 to 24.

Employees

The average number of employees and details of employment costs are set out in note 5 to the financial statements. The Police Authority's policies on employees and the extent to which policies have been successfully implemented are included in the Summary of Performance on pages 8 to 24.

Key Performance Indicators (KPIs)

Performance against the Authority's 2007/08 KPIs is included in the Summary of Performance on pages 8 to 24.

Accounts Direction

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

Financial Risk Management

Information on the financial risk management objectives and policies of the Police Authority, and the exposure to liquidity risk, interest rate risk and foreign currency risk, is disclosed in note 20 to the financial statements.

Post Balance Sheet Events

Post balance sheet events are disclosed in note 19 to the financial statements.

Payment of Suppliers

The Police Authority complies with the British Standard for Achieving Good Payment Performance in Commercial Transactions (BS 7890), and with the Late Payment of Commercial Debts (Interest) Act 1998 as amended. The Police Authority's policy is to pay its suppliers within contracted payment terms or, without specifically agreed terms, within 30 days of receiving a valid invoice.

In 2007/08, the Police Authority paid 92% of its invoices on time. In 2006/07, the Police Authority paid 99% of its suppliers on time. The method of calculating this figure was not in line with HM Treasury guidance and may have overstated the performance of the Authority in 2006/07.

Pension Arrangements

Further information on pensions is disclosed in the Remuneration Report and in notes 1.6 and 6 to the financial statements.

Auditors

The financial statements have been audited by the Comptroller and Auditor General. The cost of the statutory audit was £42,000 (2006/07: £39,000). The external auditors received no remuneration during the year for the provision of non-audit services.

Disclosure of Information to Auditors

In accordance with s234ZA of the Companies Act 1985:

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

Richard Thompson
Chief Constable and Accounting Officer

30 June 2008



Remuneration Report

The Police Authority operates within the principles set out in the Police Authority Management Statement and Financial Memorandum with regard to Police Authority operator members, independent members, the Executive Director and the Command Team's remuneration policies and practice as approved by the Secretary of State. The principal implementation arrangements are set out below.

Procedures for Setting Remuneration

The Police Authority Chairman and independent members' remuneration is determined by the Secretary of State with the approval of HM Treasury in accordance with the Energy Act 2004. The remuneration of the Executive Director and Command Team is set by the Authority (within the terms of the Management Statement and Financial Memorandum) through its Senior Appointments Committee as detailed below. Operator members receive no remuneration from the Authority.

Membership of the Senior Appointments Committee:

Melvyn Smith J.P. (Chairman)

Dame Elizabeth Neville

Dr Roger Howsley (to 31 March 2008)

Statement of Remuneration Policy

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

Fees

Police Authority independent members are entitled to fees that are determined by BERR and are reimbursed for reasonable expenses in line with Authority policy.

Salaries and Allowances

The Executive Director and the Command Team receive a basic salary which is reviewed annually. A performance-related bonus based on objectives achieved throughout the reporting period is payable to the Executive Director and the Command Team. This is a percentage-based bonus related to basic salary of up to 15%, based on the Performance and Development Reviews of the individuals concerned. Other allowances are included to the extent that they are subject to UK taxation.

Benefits in Kind

The Executive Director and Command Team are entitled to benefits in kind that comprise a fully maintained lease car and private healthcare for themselves and their spouses or partners and dependent children.

Pensions

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

Service Contracts

The following is a summary of the service contracts for the Police Authority members and Command Team.

Name	Date of continuous service	Unexpired term at 31 March 2008	Notice period
Police Authority			
Melvyn Smith J.P. Chairman	23 March 2005	1 year	3 months
John Crofts ¹ UKAEA	23 March 2005	-	Contract expired
Laurence Williams ² NDA	1 April 2007	-	Contract expired
Trevor Farrington ² Enrichment Technology UK Ltd	23 March 2005	-	Contract expired
Roger Howsley ² British Nuclear Fuels Plc	23 March 2005	-	Contract expired
Matt Sykes ³ British Energy Generation Ltd	1 April 2007	1 year	Not stated
Colin Bayliss ³ UKAEA	28 September 2007	1 year	Not stated
John McNeill Independent Member	23 March 2005	2 years	3 months
Elizabeth Neville ⁴ Police Advisor to the Police Authority	23 March 2005	4 years	3 months
Fraser Sampson ⁵ Executive Director	13 July 2006	3 months	6 months
Command Team			
Richard Thompson Chief Constable	11 June 2007	2 years, 2 months	6 months
James Smith Deputy Chief Constable	1 January 2006	2 years, 9 months	6 months
Alan Cooper Assistant Chief Constable	7 January 2008	4 years, 9 months	6 months
Rod Mercer ⁶ Director of Corporate Services	24 January 2005	-	Contract expired

¹ John Crofts resigned on 8 August 2007.

² Laurence Williams, Trevor Farrington and Roger Howsley's terms of office expired on 31 March 2008.

³ Matt Sykes and Colin Bayliss were reappointed for 12 months from 1 April 2008.

⁴ Elizabeth Neville was reappointed for 4 years from 1 April 2008.

⁵ Fraser Sampson tendered his resignation on 8 April 2008. His notice period has been commuted from 6 months to 3 months with the agreement of the Chairman of the Police Authority to allow him to take up his new post at West Yorkshire Police Authority on 7 July 2008.

⁶ Rod Mercer resigned on 11 November 2007. The Corporate Services portfolio has been transferred to James Smith, Deputy Chief Constable.

The provision for compensation for early termination and the Police Authority's liability in the event of early termination are not stated in the service contracts.

The Secretary of State has responsibility for the appointment and removal of the Police Authority Chairman and members and approving their terms and conditions of appointment in line with provisions of the Energy Act 2004, Schedule 10.

The Police Authority shall be reviewed at least every five years in accordance with the Cabinet Office guidance and fixed term renewable appointments are made in line with this cycle.

The following information is subject to audit.

Remuneration

Remuneration payable to Police Authority members, the Executive Director and Command Team in 2007/08 was as follows:

Name	2007/08 Fees £000	2007/08 Salary and allowances £000	2007/08 Benefits in kind ¹ £000	2007/08 Total £000	2006/07 Total £000
Police Authority					
Melvyn Smith J.P. Chairman	25-30	-	-	25-30	20-25
John Crofts (to 8 August 2007) UKAEA	-	-	-	-	-
Laurence Williams (from 1 April 2007 to NDA 31 March 2008)	-	-	-	-	-
Trevor Farrington (to 31 March 2008) Enrichment Technology UK Ltd	-	-	-	-	-
Roger Howsley (to 31 March 2008) British Nuclear Fuels Plc	-	-	-	-	-
Matt Sykes (from 1 April 2007) British Energy Generation Ltd	-	-	-	-	-
Colin Bayliss (from 28 September 2007) UKAEA	-	-	-	-	-
John McNeill Independent Member	15-20	-	-	15-20	15-20
Elizabeth Neville Police Advisor to the Police Authority	15-20	-	-	15-20	15-20
Fraser Sampson Executive Director	-	100-105	1.3	100-105	95-100
Command Team					
Richard Thompson (from 11 June 2007) Chief Constable	-	105-110	4.3	105-110	-
James Smith ² Deputy Chief Constable	-	100-105	9.2	110-115	125-130
Alan Cooper (from 7 January 2008) Assistant Chief Constable	-	20-25	1.6	20-25	-
Rod Mercer (to 11 November 2007) Director of Corporate Services	-	40-45	5.7	50-55	85-90
James Coupland (to 16 November 2007) ³ Temporary Deputy Chief Constable	105-110	-	5.0	110-115	90-95
Peter Driver (to 31 January 2008) ⁴ Temporary Assistant Chief Constable	75-80	20-25	1.6	100-105	80-90

1 Benefits in kind for Fraser Sampson, James Smith and Rod Mercer comprised a fully maintained lease car and private healthcare insurance and for Richard Thompson, Alan Cooper, James Coupland and Peter Driver a fully maintained lease car.

2 James Smith was Acting Chief Constable until 11 June 2007 when Richard Thompson took up the post of Chief Constable.

3 James Coupland was seconded from Lothian and Borders Police. No salary, fee or bonus was paid directly to him. Fees represent the amount paid to Lothian and Borders Police for his services. Mr Coupland remained within his Scottish Executive pension scheme.

4 Peter Driver was seconded from Greater Manchester Police Authority between 1 April 2007 and 26 October 2007. No salary, fee or bonus was paid directly to him during this period. Fees represent the amount paid to Greater Manchester Police Authority for his services. Mr Driver remained within his Home Office pension scheme. From 27 October 2007 to 31 January 2008 Mr Driver was employed directly by the Police Authority where he received a salary and allowances and benefits in kind.

Pension Entitlements

The pension entitlements shown in the table below are those that would be paid annually on retirement based on service to 31 March 2008 and include the value of added years paid for by members of the CPS. Members of the pension scheme have the option to pay Additional Voluntary Contributions; neither the contribution nor the resulting benefits are included in the table below.



Name	Total accrued pension at age 60 at 31 March 2008 and related lump sum £000	Real increase in pension and related lump sum at age 60 £000	Cash equivalent transfer value at 31 March 2008 £000	Cash equivalent transfer value at 31 March 2007 £000	Real increase in cash equivalent transfer value £000
Police Authority					
Fraser Sampson	0-5 plus 5-10 lump sum	0-2.5 plus 2.5-5 lump sum	31	16	15
Command Team					
Richard Thompson	25-30 plus 80-85 lump sum	25-27.5 plus 80-82.5 lump sum	370	-	370
James Smith	0-5 plus 5-10 lump sum	0-2.5 plus 2.5-5 lump sum	51	28	23
Alan Cooper	0-5 plus 0-5 lump sum	0-2.5 plus 0-2.5 lump sum	4	-	4
Rod Mercer	0-5 plus 5-10 lump sum	0-2.5 plus 0-2.5 lump sum	35	27	8

Cash Equivalent Transfer Value

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

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

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

service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Real Increase in CETV

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

Richard Thompson
Chief Constable and Accounting Officer
30 June 2008

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

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

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

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

The Accounting Officer of the Department for Business, Enterprise and Regulatory Reform has designated the Chief Constable as Accounting Officer of the Civil Nuclear Police Authority. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper accounting records and for safeguarding the Civil Nuclear Police Authority's assets, are set out in chapter three of *Managing Public Money* published by the Treasury.





Statement on Internal Control

Scope of Responsibility

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

The Police Authority's function is to maintain an efficient and effective Civil Nuclear Constabulary with the primary purpose of protecting civil nuclear licensed sites and safeguarding nuclear material in Great Britain and elsewhere. The Authority was established on 1 April 2005 under Chapter 3 of Part 1 and the associated Schedules of the Energy Act 2004 and is an executive non-departmental public body.

The Management Statement and Financial Memorandum agreed between the Authority and BERR, as the sponsoring department, defines the Authority's accountability and reporting arrangements to the Minister. Through it, the BERR Accounting Officer designates the Chief Constable of the Civil Nuclear Constabulary as the Police Authority's Accounting Officer.

The Chairman of the Police Authority meets at regular intervals with representatives of the sponsoring department

and informs Authority members and myself, as appropriate. In addition, Police Authority meetings are regularly attended by representatives of BERR, the NDA and OCNS who observe.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of departmental policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Police Authority for the year ended 31 March 2008 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

Capacity to Handle Risk

The Authority's capacity to handle risk has continued in its development through leadership commitment and providing training and guidance for managers.

1. Leadership

- As Chief Constable, I am committed to ensuring that a system of risk management is maintained to inform decisions on business, financial and operational planning and to assist in achieving objectives and targets. This commitment is shared by Authority members.
- The Police Authority's Audit and Risk Management Committee reviews the maintenance of the risk register and scrutinises the management of key risks at its meetings.

- A risk management group headed by the Constabulary Legal Adviser meets throughout the year to review emerging risks and to undertake scenario reviews. This group will continue to meet at regular intervals throughout the forthcoming year.
- Constabulary senior management review performance against objectives and collate and report key performance indicators to the Police Authority.

2. Training and Guidance

- Staff receive appropriate training and guidance as the strategy to implement the Authority's risk management framework is rolled out.
- The Finance Department has a recognised individual whose role includes providing training on the organisation's accounting and purchasing systems. Training is supported by providing guidance to departments.
- Funding is provided to allow finance staff to train towards professional accountancy qualifications.
- Best practice is identified and disseminated following reviews by external and internal review bodies.

The Risk and Control Framework

The Authority adopted a risk management framework in September 2005. The framework provides a foundation for developing a risk management culture covering both operational and strategic business risks. Operational risk identification and mitigation strategies have been developed through this approach.

The Audit and Risk Management Committee reviews strategic business risks on a quarterly basis and reports them to the Police Authority. Major risks on the risk register are also reviewed by Strategic or Tactical Tasking and Coordination Groups within the Constabulary on a monthly basis.



The input of stakeholders in the development of the risk register is actively encouraged by the Audit and Risk Management Committee and a number of stakeholders have already contributed and participated in a strategic risk identification workshop. Stakeholders also attend meetings of the Police Authority and are kept informed of risk management developments and issues arising.

The Authority has the responsibility for assessing the amount of risk (the risk appetite) that the organisation is prepared to tolerate. It sets the risk appetite so that the Constabulary's management may be guided in their attitude to risk. The options for dealing with each risk depend on its nature, the cost of each alternative strategy and the capacity of the organisation.

I report regularly to the Police Authority on progress towards meeting the Authority's objectives as laid out in the *Annual Policing Plan* and the policing strategy, which constitutes the statutory *Three-Year Strategic Policing Plan*. Such reporting also includes the management of risk, which is developed from internal assessments and liaison with the NDA, OCNS, the Association of Police Authorities, Home Office and Scottish Government police services and nuclear site operators.



The framework for internal control comprises:

1. Corporate Governance Framework

The Authority has consolidated its committee structure in favour of more frequent meetings of the full Police Authority. It has retained the Audit and Risk Management Committee, which receives reports from management and the internal and external auditors on the internal control environment, and the Senior Appointments Committee, which is responsible for the appointment and remuneration of the senior management team.

2. Planning Framework

The Constabulary develops the *Annual Policing Plan* and *Three-Year Strategic Policing Plan* through a consultation process with stakeholders. This is subsequently reviewed, approved and adopted by the Authority.

3. Financial Management Framework

The Authority has endorsed a framework that consists of the following documents and arrangements that establish the principles of financial control:

- Management Statement and Financial Memorandum;
- revenue and capital expenditure budgets;
- quarterly forecasts of expenditure;
- monthly management accounts;
- internal audit;
- finance manual; and
- schedule of delegated authority.

Elements of this framework have been further developed during the year through the revision and updating of the finance manual and staff continue to follow the manual's guidance.

4. Performance Management Framework

The Constabulary monitors its performance by holding individuals to account for specific responsibilities, which may be for a particular organisational unit, group or a specific personal accountability. The review mechanisms include:

- performance data gathering and analysis;
- performance review meetings for Operational Policing Units and headquarters departments;
- departmental meetings reviewing performance;
- individual performance appraisal/development reviews;
- review meetings between departmental heads and the Command Team; and
- review meetings between Basic Command Unit Commanders and the Command Team.

5. Insurance

The Police Authority purchases insurance cover to protect assets and liabilities where required by legislation or where it is cost effective to do so.

6. Security and Information Management

The Police Authority employs a Security Manager who is responsible for all aspects of protective security, information security, physical security and personnel security. This role includes the formulation of security policies and procedures, the management of vetting, ensuring that staff hold the appropriate clearance level for their post and the security of information (document and IT), and ensuring that all information is handled in a manner commensurate with its protective marking in line with the Cabinet Office *Manual of Protective Security 2007*.

Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control



is informed by the work of the internal auditors and the executive managers within the Constabulary who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Authority and the Audit and Risk Management Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

In coming to the conclusion in my review I am cognisant of the outputs from the controlling mechanisms within the system of internal control, including the findings of the following:

1. The Police Authority

The Police Authority receives reports from the Audit and Risk Management Committee at each of its meetings. Significant issues relating to the system of internal control are reported.

2. The Audit and Risk Management Committee

The Committee's terms of reference require that it reviews internal financial controls and the internal controls and risk management systems of the Police Authority. At each of its meetings it has received reports and sought assurances from management in each of these areas. The Committee continues to promote best practice whenever the opportunity arises and its meetings are attended by both internal and external auditors.

3. Risk Management

The Chief Constable holds responsibility for the risks albeit that day-to-day management is delegated. Responsibility for developing and monitoring the risk management framework, including the maintenance of the risk register and the subsequent tracking of actions to treat the risks identified, is jointly delegated to the Constabulary's Legal Adviser and Programme Manager. The Programme Manager is also involved with the meetings of the Government's own Risk Improvements Managers Network. This links into the Permanent Secretaries Management Group Sub-Committee on Risk.

4. Internal Audit

The Police Authority appointed an independent firm of accountants, KPMG, during 2007/08 to carry out internal audits in line with Government International Audit Standards. The internal audit plans are informed by the Authority's risk profile, and by the work of other review mechanisms. These plans are reviewed for effectiveness and synergy with other audit activity. The Audit and Risk Management Committee approves the Internal Audit programme. Where Internal Audit identifies any control issues, the relevant head of department is responsible for drawing up a management action plan in response to the issues identified. This year audits of financial systems, risk management and the assurance framework, and the set-up and future direction of the internal inspection unit were performed. In addition, a review was undertaken using the Office of Government Commerce Gateway methodology of procurement controls for a new organisation-wide IT network. Opportunities for improvement were identified during these reviews and action plans are being drawn up to take these forward. Progress towards addressing all issues raised by



Internal Audit is monitored internally and regular progress reports will be provided to the Audit and Risk Management Committee.

5. Internal Inspection

A new internal inspection process has been developed and implemented based around the methodology used by Her Majesty's Inspectorate of Constabulary to inspect police services. A programme of self-assessments, reality checks and Basic Command Unit level inspections for Operational Policing Units has been implemented and results will be fed back to senior officers. As the internal inspection programme does not yet cover headquarters functions a limited programme of internal quality audits has been undertaken. It is intended that the internal inspection process will extend next year to include headquarters functions.

6. Professional Standards Department

The Professional Standards Department is responsible for maintaining professional standards and investigating any alleged instances of misconduct including fraud and corruption. The Department identifies areas for improvement and disseminates best practice guidelines where appropriate.

7. Command Team

The senior management team meets regularly and reviews progress against objectives and service improvement programmes. Action plans resulting from these meetings are tracked and progress reviewed.

8. Her Majesty's Inspectorate of Constabulary (HMIC)

HMIC has not undertaken any further reviews during the year but the organisation has continued to work hard on the areas for improvement resulting from the inspections that took place in 2006/07. Progress in completing actions is logged on the Constabulary Tracker database and regular reviews of actions are performed to ensure timely completion.

9. Modernisation Review Project Board

The Authority commissioned 'best value' reviews of the Human Resources and Training functions during the year. The findings and recommendations have far-reaching implications and the implementation plans will continue to be developed in 2008/09.

10. Security and Information Management

No significant breaches of security, including the loss of personal data, were reported in 2007/08.

The internal control systems did not identify any significant internal control issues for inclusion in this statement.

Richard Thompson
Chief Constable and Accounting Officer

30 June 2008

The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements of the Civil Nuclear Police Authority for the year ended 31 March 2008 under the Energy Act 2004. These comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement 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 Civil Nuclear Police Authority, Accounting Officer and Auditor

The Civil Nuclear Police Authority and Accounting Officer are responsible for preparing the Annual Report, the Remuneration Report and the financial statements in accordance with the Energy Act 2004 and Secretary of State directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Civil Nuclear Police Authority and Accounting Officer's Responsibilities.

My responsibility is to audit the financial statements

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

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Energy Act 2004 and Secretary of State directions made thereunder. I report to you whether, in my opinion, the information, which comprises the Civil Nuclear Police Authority and Management Commentary included in the Annual Report, is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

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

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

I read the other information contained in the Annual Report and consider whether it is consistent with the

audited financial statements. This information comprises the Chairman's Statement, Chief Constable's Foreword, Summary of Performance, and the unaudited part of the Remuneration Report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of Audit Opinions

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

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of

information in the financial statements and the part of the Remuneration Report to be audited.

Opinions

In my opinion:

- the financial statements give a true and fair view, in accordance with the Energy Act 2004 and directions made thereunder by the Secretary of State, of the state of the Civil Nuclear Police Authority's affairs as at 31 March 2008 and of its surplus for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Energy Act 2004 and Secretary of State directions made thereunder; and
- the information, which comprises the Civil Nuclear Police Authority and Management Commentary, included in the Annual Report, is consistent with the financial statements.

Opinion on Regularity

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

Report

I have no observations to make on these financial statements.

T J Burr

Comptroller and Auditor General
National Audit Office
151 Buckingham Palace Road, Victoria
London SW1W 9SS

8 July 2008

Income & Expenditure Account

For the year ended 31 March 2008

	Notes	2007/08 £000	2006/07 £000
Income	2	48,304	44,328
Expenditure	3	(48,304)	(44,248)
Operating surplus	4	-	80
Profit on disposal of fixed assets		4	2
Surplus on ordinary activities before interest		4	82
Interest receivable		145	116
Interest payable		(145)	(116)
Notional cost of capital	1.9	(278)	(250)
Deficit on ordinary activities		(274)	(168)
Notional cost of capital	1.9	278	250
Retained surplus for the year	13	4	82

All operations are continuing.

All gains and losses are recognised in the income and expenditure account. No separate statement of recognised gains and losses has been provided.

The notes on pages 45 to 57 form part of these financial statements.

Balance Sheet

As at 31 March 2008

	Notes	2007-08 £000	2006-07 £000
Fixed assets			
Intangible assets	7	362	190
Tangible assets	8	2,537	2,589
		2,899	2,779
Debtors: amounts falling due after more than one year			
	9	322	335
Current assets			
Stocks	10	742	348
Debtors	9	5,443	5,495
Cash at bank and in hand		5,081	4,682
		11,266	10,525
Creditors: amounts falling due within one year			
	11	(5,887)	(6,320)
Net current assets		5,379	4,205
Total assets less current liabilities		8,600	7,319
Provisions for liabilities and charges			
	12	(554)	(468)
		8,046	6,851
Taxpayers' equity			
Financing	13	7,574	6,279
Government grant reserve	13	472	576
Income and expenditure reserve	13	-	(4)
		8,046	6,851

The notes on pages 45 to 57 form part of these financial statements.



Richard Thompson
Chief Constable and Accounting Officer

30 June 2008

Cash Flow Statement

For the year ended 31 March 2008

	Notes	2007/08 £000	2006/07 £000
Net cash inflow from operating activities	14	4	1,904
Returns on investment and servicing of finance			
Interest received		145	116
Net cash inflow from investment and servicing of finance		145	116
Capital expenditure			
Payments to acquire intangible fixed assets		(222)	(189)
Payments to acquire tangible fixed assets		(842)	(1,599)
Receipts from sales of tangible fixed assets		50	2
Net cash outflow from capital expenditure		(1,014)	(1,786)
Financing			
Capital grant receipts	13	144	-
Grant-in-aid receipts	13	1,051	-
Other financing contributions	13	69	37
Net cash inflow from financing		1,264	37
Increase in cash in the period	15	399	271

The notes on pages 45 to 57 form part of these financial statements.

Notes to the Accounts

1. Statement of Accounting Policies

These financial statements have been prepared in accordance with the Accounts Direction issued by the Secretary of State for Business, Enterprise and Regulatory Reform in accordance with Schedule 10 of the Energy Act 2004 and the 2007/08 *Government Financial Reporting Manual* (FReM) issued by HM Treasury. The accounting policies contained in FReM follow UK Generally Accepted Accounting Practice for companies (UK GAAP) to the extent that it is meaningful and appropriate to the public sector.

Where FReM permits a choice of accounting policy, the accounting policy which has been judged to be most appropriate to the particular circumstances of the Police Authority for the purpose of giving a true and fair view has been selected. The Police Authority's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Basis of Accounting

The financial statements have been prepared on the historical cost basis.

1.2 Intangible Assets

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

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

Computer software licences	Life of licence
----------------------------	-----------------

1.3 Tangible Fixed Assets

Tangible fixed assets are stated at cost, including any costs directly attributable to bringing them in to working condition, less accumulated depreciation and net of any impairment losses. Tangible fixed assets below £2,000 are treated as revenue expenditure and recognised in full in the year of purchase.

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

Fixtures and fittings	5-10 years
IT equipment	Up to 5 years
Plant and machinery	5-10 years
Vehicles	Up to 5 years

Assets in the course of construction are stated at cost and not depreciated until commissioned.

1.4 Income Recognition

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

1.5 Taxation

The Police Authority is not registered for VAT. All expenditure and fixed asset additions are shown inclusive of VAT and VAT is not charged on sales invoices.

The Police Authority is outside the scope of Corporation Tax, being part of a Government body, and is not registered for Corporation Tax.

1.6 Pensions

Past and present employees are covered by the provision of the Combined Pensions Scheme (CPS) of UKAEA, which is an unfunded defined benefit pension scheme which prepares its own scheme statements. The Police Authority recognises the cost of providing pensions on a systematic and rational basis over the period during which it benefits from employees' service by payments to the CPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on CPS. More information is given in note 6.

1.7 Provisions and Contingent Liabilities

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

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

1.8 Grant-in-aid and Capital Grants

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

Government grants that were transferred from UKAEA relating to the purchase of fixed assets are credited to the Government grant reserve and released to the income and expenditure account over the expected useful economic lives of the assets in amounts equal to the depreciation charge.

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

1.9 Notional Cost of Capital

This is a notional charge, reflecting the cost of capital utilised by the Police Authority, which is recognised in the income and expenditure account. The charge is calculated at the rate set by HM Treasury (currently 3.5%) of average capital employed during the year. Capital employed comprises total assets less all liabilities.

1.10 Operating Leases

Rentals are charged to the income and expenditure account on a straight-line basis over the lease term.

1.11 Foreign Currencies

All transactions denominated in foreign currency are translated into sterling at the exchange rate ruling on the date the transaction takes place. Monetary assets and liabilities denominated in foreign currency at the balance sheet date are translated at the rate ruling at that date. All exchange rate differences are recognised in the income and expenditure account.

1.12 Stock

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

2. Income

The Police Authority is expected to recover its full operating costs each year. Income of £48,304,000 for the year ended 31 March 2008 represents a recharge of running costs to nuclear operating companies of £48,130,000 and miscellaneous income of £174,000. Income arose wholly in the United Kingdom. All activities are regarded as continuing.

3. Expenditure

The format of note 3 has changed in 2007/08 and a more detailed analysis of expenditure is provided to improve understanding.

	Notes	2007-08 £000	2006-07 £000
Staff costs	5	38,114	34,252
External charges			
Subsistence		845	706
Car hire		255	289
Mileage allowance		247	196
Other travel and subsistence costs		266	537
Rent		713	694
Telecommunications		701	557
IT support charges		686	428
Other training costs		533	539
Other professional services		472	313
Course fees		341	241
Insurance		223	227
Repairs and maintenance		382	405
Relocation		512	421
Other external charges		1,333	1,816
Total external charges		7,509	7,369
Operating materials			
Motor fuel		183	174
Weapons		236	138
IT equipment		193	297
Stores withdrawals		710	467
Other operating materials		292	1,111
Total operating materials		1,614	2,187
Other operating charges		204	168
Non-cash items			
Amortisation of intangible assets	7	50	5
Depreciation	8	869	656
Capital grants		(239)	(405)
Provision provided for in year	12	206	16
Provision released to income and expenditure account	12	(23)	-
Total non-cash items		863	272
		48,304	44,248

Rent includes £247,000 (2006/07: £254,000) for payments made to UKAEA for lease of the Constabulary's headquarters at Culham, £360,000 (2006/07: £360,000) for payments made to BNFL for rental of the Constabulary Training Centre and Operations Department at Summergrove, Cumbria and £65,000 (2006/07: £45,000) for lease of the Police Authority's headquarters at Hinton House.

Other external charges includes £165,000 (2006/07: £242,000) for payments under service level agreements; £130,000 (2006/07: £140,000) for site support charges; £111,000 (2006/07: £101,000) for recruitment costs; £104,000 (2006/07: £44,000) for legal fees and £111,000 (2006/07: £18,000) for security vetting charges.

4. Operating Surplus is After Charging:

	Notes	2007/08 £000	2006/07 £000
Operating lease rentals	17		
Hire of plant and machinery		33	13
Other operating leases		330	322
Auditors' remuneration			
Audit fee		42	39
Payments to other auditors for internal audit services		35	-

5. Staff Costs

	Permanently employed staff	Temporary and agency staff	Total
	2007/08 £000	2007/08 £000	2007/08 £000
Wages and salaries	30,115	552	30,667
Social security costs	2,650	52	2,702
Other pension costs	4,001	61	4,062
Agency staff	-	683	683
Sub-total	36,766	1,348	38,114
Less recoveries in respect of outward secondments	(45)	-	(45)
Total staff costs	36,721	1,348	38,069

	Permanently employed staff	Temporary and agency staff	Total
	2006/07 £000	2006/07 £000	2006/07 £000
Wages and salaries	27,153	235	27,388
Social security costs	2,407	23	2,430
Other pension costs	3,663	26	3,689
Agency staff	-	745	745
Total staff costs	33,223	1,029	34,252

Staff costs of £54,000 have been capitalised and included within assets in the course of construction (2006/07: £nil).

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

	Permanently employed staff	Temporary and agency staff	Total
	2007/08	2007/08	2007/08
Police staff	79	28	107
Police officers	750	4	754
Total average staff numbers	829	32	861

	Permanently employed staff	Temporary and agency staff	Total
	2006/07	2006/07	2006/07
Police staff	83	25	108
Police officers	699	1	700
Total average staff numbers	782	26	808

6. Pension Costs

All employees of the Police Authority are eligible to be members of the Combined Pension Scheme (CPS) of the United Kingdom Atomic Energy Authority for the year ended 31 March 2008. The CPS is a contributory unfunded statutory defined benefit public service pension scheme.

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

With effect from 1 April 2006, the methodology to assess the employer contributions to the CPS changed. From that date, employer contributions are set using the Superannuation Contributions Adjusted for Past Experience (SCAPE) methodology established by HM Treasury having regard to the advice of the scheme actuary (the Government Actuary). Under the SCAPE methodology, the employer contribution from the Police Authority effective from 1 April 2006 was established at 16.2% of pensionable earnings. This rate is expected to continue throughout the 2008/09 scheme year.

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

7. Intangible Assets

	Software licences
	£000
<hr/>	
Cost or valuation	
At 1 April 2007	202
Additions	222
At 31 March 2008	424
<hr/>	
Amortisation	
At 1 April 2007	12
Charge for the year	50
At 31 March 2008	62
<hr/>	
Net book value	
At 31 March 2008	362
<hr/>	
At 1 April 2007	190

8. Tangible Fixed Assets

	Vehicles	Plant and machinery	Fixtures and fittings	IT equipment	Assets in the course of construction	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
At 1 April 2007	2,431	450	224	646	-	3,751
Additions	225	203	21	155	238	842
Disposals	(166)	(9)	-	(13)	-	(188)
At 31 March 2008	2,490	644	245	788	238	4,405
Accumulated depreciation						
At 1 April 2007	764	120	35	243	-	1,162
Charge for the year	591	85	41	152	-	869
Disposals	(150)	(5)	-	(8)	-	(163)
At 31 March 2008	1,205	200	76	387	-	1,868
Net book value						
At 31 March 2008	1,285	444	169	401	238	2,537
At 1 April 2007	1,667	330	189	403	-	2,589

Assets in the course of construction represent assets that are incomplete or not yet in productive use by the Police Authority. At 31 March 2008 this related to costs incurred on IT projects of £94,000 and £144,000 on specialist firearms equipment.

9. Debtors

9(a) Analysis by type

	2007/08	2006/07
	£000	£000
Amounts falling due within one year:		
Trade debtors	5,234	5,347
Early departure debtors due from pension scheme	-	23
Prepayments and accrued income	152	45
Other debtors	57	80
	5,443	5,495
Amounts falling due after one year:		
Early departure debtors due from pension scheme	256	256
Other debtors	66	79
	322	335

9(b) Intra-government balances

	2007/08	2006/07
	£000	£000
Amounts falling due within one year:		
Balances with other central government bodies	1,097	1,493
Balances with public corporations and trading funds	3,952	3,592
Balances with Scottish local government	9	-
Intra-government balances	5,058	5,085
Balances with bodies external to government	385	410
Total debtors 31 March	5,443	5,495

	2007/08	2006/07
	£000	£000
Amounts falling due after more than one year:		
Balances with other central government bodies	256	256
Intra-government balances	256	256
Balances with bodies external to government	66	79
Total debtors 31 March	322	335

10. Stock

	2007/08	2006/07
	£000	£000
Clothing	315	164
Ammunition	305	-
Other stock items	122	184
	742	348

Ammunition has previously been expensed on purchase as purchases matched usage and only a small amount of ammunition remained on hand at year end. Ammunition with a value of £305,000 was held in the armouries at 31 March 2008. This balance is considered significant and has been treated as a stock item in line with SSAP 9 Stocks and Long-term Contracts. The cost of ammunition will be recognised in the income and expenditure account when the ammunition is used, rather than when it is purchased. This has increased stock values by £305,000 at the balance sheet date. The impact on the income and expenditure account for the year ended 31 March 2008 is to reduce expenditure by £305,000. There is no material impact on the previous years reported results from this change in policy.

The Police Authority has previously interpreted the requirement to value stocks at the lower of cost and net realisable value to require a discounting adjustment to the value of clothing stock. As the stock of clothing is intended for use and not resale this decision has been revised and valuation at replacement cost is considered to be a more appropriate measure of carrying value. The impact of this change in valuation, which has been treated as a change in estimation technique, on the balance sheet at 31 March 2008 is to increase stock by £254,000. The impact on the income and expenditure account for the year ended 31 March 2008 is to reduce expenditure by £254,000.

11. Creditors

11(a) Analysis by type

	2007/08	2006/07
	£000	£000
Trade creditors	440	1,675
Other taxation and social security	875	797
Accruals and deferred income	3,749	3,426
Other creditors	823	422
	5,887	6,320

Other creditors includes £464,000 (2006/07: £421,000) for payments due to the Combined Pension Scheme for employee and employer contributions due in 2008/09 and £357,000 (2006/07: £nil) relating to payments received to fund the purchase of specialist firearms and equipment.

11(b) Intra-government balances

	2007/08	2006/07
	£000	£000
Amounts falling due within one year:		
Balances with other central government bodies	1,730	1,179
Balances with English local government	122	83
Balances with Welsh local government	89	87
Balances with Scottish local government	35	68
Balances with public corporations and trading funds	742	360
Intra-government balances	2,718	1,777
Balances with bodies external to government	3,169	4,543
Total creditors 31 March	5,887	6,320

12. Provisions for Liabilities and Charges

	Insurance		Early	Other	Total
	claims	Dilapidations	departure costs		
	£000	£000	£000	£000	£000
At 1 April 2007	20	16	432	-	468
Provided in the year	29	167	-	10	206
Utilised in the year	-	(8)	(89)	-	(97)
Released to income and expenditure account in year	(15)	(8)	-	-	(23)
At 31 March 2008	34	167	343	10	554
Expected timings of cash flows					
Within one year	-	-	-	10	10
Between two and five years	34	-	60	-	94
After five years	-	167	283	-	450
	34	167	343	10	554

Insurance claims

A provision has been included for four new insurance claims to a maximum of the insurance excess. One of the claims open on 1 April 2007 with a balance of £10,000 remains with a revised estimate of £5,000.

Dilapidations

The Police Authority is legally obliged to restore the properties it occupies under lease to their original condition at the end of the lease term. Significant alterations have been made to offices leased at Constabulary headquarters in Culham. The cost of restoring the property was estimated by an external specialist organisation and includes VAT. This provision is expected to be used in 2016/17 on the termination of the lease (including extension period). There are also included two other minor property provisions for refurbishment of properties required under the lease agreements.

Early departure costs

This provision has been made to cover continuing annual payments to be made under the Police Authority's arrangements to former members of staff who had retired early, before the end of the reporting period. These payments continue at least until the date at which the individual would have reached normal retirement age. Lump sums paid to individuals on retirement are held as debtors, since they are refundable to the Police Authority from the appropriate pension scheme at or after the date on which the individual concerned would have reached normal retirement age.

Other

This relates to the potential loss on sale of two employees' properties. Under the terms of the Police Authority's staff relocation arrangements, employees are guaranteed a minimum house valuation on sale. The realised value and timing of this provision are dependent on finding purchasers for the two properties.

13. Reserves

	Financing	Government grant reserve	Income and expenditure reserve
	£000	£000	£000
At 1 April 2007	6,279	576	(4)
Release to income and expenditure account	-	(239)	-
Released on disposal of fixed assets	-	(9)	-
Capital grant received	-	144	-
Grant-in-aid received	1,051	-	-
Other financing contributions	244	-	-
Retained surplus for the year	-	-	4
At 31 March 2008	7,574	472	-

Other financing contributions comprised £145,000 of interest earned on the Police Authority's bank accounts, £69,000 from charges made to operating companies to finance fixed asset purchases and receipts of £30,000 from the disposal of grant-funded assets. Other financing contributions are payable to BERR and, by agreement with BERR, included within financing.

14. Reconciliation of Operating Surplus to Net Cash Inflow from Operating Activities

	2007/08	2006/07
	£000	£000
Operating surplus	-	80
Amortisation of intangible fixed assets	50	5
Depreciation of tangible fixed assets	869	656
Capital grant released	(239)	(405)
Increase in provisions for liabilities and charges	86	311
Increase in stocks	(394)	(109)
Decrease / (increase) in debtors	65	(734)
(Decrease) / increase in creditors	(433)	2,100
Net cash inflow from operating activities	4	1,904

15. Reconciliation of Net Cash Flow to Movement in Net Funds

	£000
Increase in cash in the period	399
Net funds at 1 April 2007	4,682
Net funds at 31 March 2008	5,081

The change to net funds is due entirely to cash flows held in a commercial bank. All interest earned is on balances held in this bank.

16. Capital Commitments

There were capital commitments authorised and contracted for but not provided at 31 March 2008 of £56,000 (2006/07: £110,000) for the acquisition of a new payroll system and auxiliary items for new vehicles.

17. Operating Lease Commitments

Commitments under non-cancellable operating leases to pay rentals during the year following the year of these accounts are given in the table below, analysed according to the period in which the lease expires.

	Land and buildings	Other operating leases	Land and buildings	Other operating leases
	2007/08	2007/08	2006/07	2006/07
	£000	£000	£000	£000
Expiry within one year	-	15	-	-
Expiry between two and five years	291	28	250	45
Expiry after five years	-	-	-	-
	291	43	250	45

18. Other Financial Commitments

The Police Authority has entered into non-cancellable contracts for access to the Airwave Communication network. The payments to which the Authority is committed during 2008/09, analysed by the period during which the commitment expires, are as follows:

	2007/08 £000
Expiry within one year	24
Expiry between two and five years	106
Expiry after five years	339
	469

19. Post Balance Sheet Events

There are no reportable post balance sheet events. The accounts were authorised for issue by the Accounting Officer on 30 June 2008.

20. Financial Instruments

FRS 13 Derivatives and Other Financial Instruments requires disclosure of the role that financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities.

Due to the largely non-trading nature of its activities and the way in which it is financed, the Police Authority is not exposed to the degree of financial risk faced by other business entities. Moreover, financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which FRS 13 mainly applies. Generally, financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing the Police Authority in undertaking its activities.

The Police Authority has been granted an overdraft facility of £1 million by the Royal Bank of Scotland, repayable on demand. This facility was not used during the reporting period.

As permitted by FRS 13, debtors and creditors that mature or become payable within 12 months from the balance sheet date have been omitted from this disclosure. The maturity profile for debtors due in more than one year is provided below:

	2007/08	2006/07
	£000	£000
Debtors: amounts falling due after more than one year		
Due within two to three years	91	13
Due within three to five years	59	142
Due after five years	172	180
	322	335

Debtors falling due after more than one year comprises a balance of £256,000 (2006/07: £256,000) which relates to lump sum payments to individuals on taking early retirement. These payments are held as a debtor as they are refundable to the Police Authority from the appropriate pension scheme at or after the date on which the individual concerned would have reached normal retirement age. £66,000 (2006/07: £79,000) relates to loans to staff to purchase property under staff relocation arrangements. The Police Authority expects to recover these balances in full.

Liquidity, interest rate and foreign currency risk

The Police Authority expects to recover its full operating costs each year from the operators to which it supplies services. Working capital has been supplied by BERR in the form of grant-in-aid.

All cash balances were positive and held in highly rated short-term fixed rate deposits. The Police Authority therefore had no significant interest rate risk.

The foreign currency risk to the Police Authority is minimal as very little trading is done except in sterling and all sales invoices are raised in sterling. Any exchange rate differences are taken to the income and expenditure account in the period in which the transaction takes place. All material monetary assets and liabilities are held in sterling, so the Police Authority is not exposed to foreign currency risk.

21. Accounts Direction

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

22. Related Parties

The Police Authority is an executive non-departmental public body sponsored by BERR. BERR is regarded as a related party. During the year the Police Authority has had various material transactions with BERR and with other entities for which BERR is regarded as the parent department, namely British Nuclear Fuels Plc and the United Kingdom Atomic Energy Authority, and British Energy Plc, which is also a related party due to it being considered to be a quasi subsidiary of BERR.

During the year, no Police Authority member, key manager or other related parties has undertaken any material transactions with the Police Authority.

Glossary

ACPO	Association of Chief Police Officers in England, Wales and Northern Ireland	NDA	Nuclear Decommissioning Authority
ACPOS	Association of Chief Police Officers in Scotland	NAO	National Audit Office
AFOs	Authorised Firearms Officers	NDPB	Non-Departmental Public Body
AVC	Additional Voluntary Contribution Scheme	NIM	National Intelligence Model
BCU	Basic Command Unit	NISR	Nuclear Industries Security Regulations 2003
BERR	Department for Business, Enterprise and Regulatory Reform	NPIA	National Policing Improvement Agency
BNFL	British Nuclear Fuels Limited	NRV	Net Realisable Value
BS	British Standard	OCNS	Office for Civil Nuclear Security
CETV	Cash Equivalent Transfer Value	OGC	Office of Government Commerce
CMI	Chartered Management Institute	OSC	Office of Surveillance Commissioners
CNC	Civil Nuclear Constabulary	PCCS	Police Complaints Commissioner for Scotland
CNPA	Civil Nuclear Police Authority	PDR	Performance Development Review
CPS	Combined Pension Scheme	QMS	Quality Management System
CS	Ortho-Chlorobenzylidene Malononitrile	RIDDOR	Reporting of Injuries, Diseases and Dangerous Occurrences Regulations
CTC	Constabulary Training Centre	RIPA	Regulation of Investigatory Powers Act 2000
FReM	HM Government Financial Reporting Manual	SCAPE	Superannuation Contributions Adjusted for Past Experience
FRS	Financial Reporting Standards	SCOPE	Standing Committee on Police Establishments
HMIC	Her Majesty's Inspectorate of Constabulary	SLA	Service Level Agreement
HM	Her Majesty's	SSAP	Statement of Standard Accounting Practice (UK)
HR	Human Resources	TRG	Tactical Response Group
IFRS	International Financial Reporting Standards	UKAEA	United Kingdom Atomic Energy Authority
INCC	Integrated National Command and Control	UKGAAP	UK Generally Accepted Accounting Practice
ISO	International Standard Organisation	VAT	Value Added Tax
IT	Information Technology		
KSP	Key Strategic Priority		
MOUs	Memoranda of Understanding		

Printed in the UK for The Stationery Office Limited
on behalf of the Controller of Her Majesty's Stationery Office

ID5830521 07/08

Printed on paper containing 75% recycled fibre content minimum.