

# Civil Nuclear Police Authority



**Annual Report  
& Accounts 2016/17**

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# Civil Nuclear Police Authority

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Annual Report & Accounts  
2016/17

Presented to Parliament pursuant to  
Paragraph 12 of Schedule 10 and Paragraph  
7 of Schedule 12 to the Energy Act 2004

Ordered by the House of Commons to be  
printed 19 July 2017

HC134

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Print ISBN 9781474144131  
Web ISBN 9781474144148

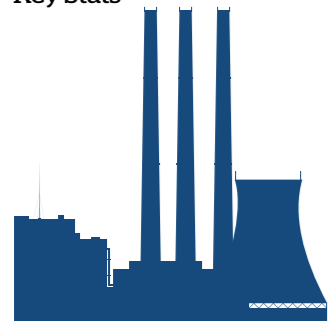
ID P002875938 07/17

Printed on paper containing 75% recycled fibre content minimum

Printed in the UK by the Williams Lea Group on behalf of the Controller of Her Majesty's Stationery Office.

# Chairman's statement

Key Stats



We protect  
**10** nuclear sites  
across the  
country

The Civil Nuclear Constabulary (CNC) carries out a nationally important and unique task and one which becomes ever more challenging in the face of global terrorism.

Following the commencement of my appointment as CNPA Chairman on 12 October 2016, and during my six months of tenure in this role, I have been impressed by the strategic context within which the CNC operates - influenced by the current threat level and the UK's strategy for countering terrorism - and the inspection regimes to which it is subject. The professionalism of CNC's armed police officers who protect the nation's civil nuclear assets 24/7 is self-evident and should not be underestimated.

Recent threat developments have led to a number of national-level changes in armed policing that have highlighted the need for increased collaboration and interoperability with our Home Department counterparts to strengthen the overall UK counter-terrorism capability. The CEO/Chief Constable continues to support a series of collaboration agreements under S22A of the Police Act 1996 for the provision of armed policing to support other partner police forces for national contingency operations where we can do so without compromising the CNC's statutory purpose. One such collaboration was Operation Temperer, which the Prime Minister called in May 2017 following the terrorist attack at the Manchester Arena and under which the Constabulary was able to enhance counter terrorist protection across the country. I am very proud of the CNC officers and staff who so effectively contributed towards such an important policing activity.

As Chairman of an Arms' Length Body of the Department of Business, Energy and Industrial Strategy (BEIS), I have had regular meetings with Government Ministers and their supporting teams at BEIS. The Infrastructure Policing Review has been a key issue for the organisation; the direction from the Prime Minister in February 2017 was that the infrastructure policing project remains on the agenda and indeed a commitment to establish an Infrastructure Police Force was made in the Conservative Party's manifesto for the general election that took place in June 2017. We will continue to maintain a close working relationship with the Home Office and other relevant partners whilst we await clarification from government on the next stages of this project and will fully participate and co-operate with its delivery.

For the coming year, delivery of the 2017/20 Strategy and Business Plan is set against challenging spending review settlements and tough trading conditions facing the nuclear operating companies. We will continue to deter and respond to threats to nuclear sites and escorted materials whilst optimising the efficiency and effectiveness in delivering our services and maintaining the confidence of our stakeholders. A key internal organisational challenge will be the continued delivery of the People Programme and I look forward to seeing this embedded in the organisation.



**Vic Emery OBE**  
Chairman

# Ambition, Mission & Credo

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## Key Stats



Over  
**1,080**  
Authorised  
Firearms  
Officers

.....

## Our Ambition

To be recognised nationally and internationally as the leading organisation for Armed Protective Security within the Critical National Infrastructure of the UK.

## Our Mission

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

## Our Credo

We are proud to be part of the security structure which defends the nation. We deliver to our mission by being recruited, trained, deployed and developed to the required national and international standards. We are capable of carrying out our duties in a flexible and dynamic way, instilling in ourselves a clear sense of purpose. If we use force we do so in a manner proportionate to the threat, recognising and upholding the principles enshrined in the European Convention on Human Rights. We, if officers, exemplify in our duties the attestation made on our first day of service:

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

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

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

# Performance Report

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## Chief Executive Officer and Chief Constable's Overview

With the national threat remaining heightened after a number of terror attacks, including in Germany, France, and the UK, the Civil Nuclear Constabulary has continued to focus on improving its operational capability and in doing so has ensured that it is fit-for-purpose and ready to respond to whatever changes to its operational posture may be required of it. Through Operation Temperer, which was called by the Prime Minister in May 2017, the organisation has shown that it is able and ready, when called upon, to provide support to national contingency operations.

2016/17 proved yet again to be a very demanding year across the Civil Nuclear Constabulary and all members of the organisation played their part in delivering against our Mission. We focused our work against four critical 'no fail' activities:

- **Delivering the operation** - through planned escort activity and robust site operations with an enhanced focus on recovery and increased deployability;
- **Supporting the operation** - through high end training, exercising and capability improvement;
- **Supporting our officers and staff** - bringing the People Programme to a coherent conclusion; and
- **Delivering best value** - driving more efficient business management into the organisation.

Where relevant, these activities were all successfully delivered in year or on time against a three year rolling plan.

Our three year Strategic Plan for 2016/19 was designed to be deliberately demanding to ensure the organisation responded to and implemented actions to deal with key operational and policy changes. Critically we maintained a credible and well trained 24/7 armed response across all 10 sites and all planned road and sea escorts were successfully completed. There has been excellent progress in building the future firearms training facility at Sellafield and this exciting development will significantly enhance our ability to train and develop our firearms officers. It is due for completion before the end of 2017 with live fire training scheduled to begin early next year.



Key Stats

  
**Home Office**  
 Working closely with Home Office forces providing front line support over **100** times

Our Strategy and Business Plan 2017/20 is published on GOV.UK and sets out our strategic objectives, underpinning priorities and key deliverables for the next three years. I consider the development of our critical 'no fail' activities for 2017/18 to be:

- **Delivering the operation** - ensuring that all operations are executed to plan whilst maintaining professional excellence and high levels of deployability;
- **Supporting the operation** - ensuring our Authorised Firearms Officers (AFOs) are trained to their full role profile(s) through increased training and exercising at sites. We must be prepared to exploit the full potential of the new training facility at Sellafield;
- **Supporting our officers and staff** - with the successful conclusion of the future Terms and Conditions negotiations for police officers and the introduction of a new enhanced pension scheme for all employees; and
- **Delivering best value** - continuing to drive efficient business management into the organisation whilst at the same time seeking realistic savings across all areas of business.

Although we await clarification on the status of the Home Office led infrastructure policing project, we are nonetheless aware that the project may provide broader opportunities for the organisation, especially in terms of improving interoperability and collaboration between the CNC and the partner police forces.

Finally, we remain prepared to play our full part in national contingency operations if called upon again.



**Mike Griffiths CBE**  
 Chief Executive Officer and Chief Constable

## Business Model

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

Our future is closely related to the future of our customers. We may also be affected by changes to the Energy Act 2004. As the nuclear decommissioning process continues, we face a reduction in the number of sites to be policed in the short to medium term. The government's commitment to allow energy companies to build new nuclear power stations has the potential to expand our operational remit in the longer term.





## Strategic Objectives

The CNPA's activities in 2016/17 were attributed to the following four strategic objectives:

<b>Strategic Objective 1</b> Deter and Respond	To deter and respond to Nuclear Industries Malicious Capabilities Planning Assumptions (NIMCA)-defined threats to nuclear sites and escorted materials.
<b>Strategic Objective 2</b> Capability to Respond	To develop and maintain our capability to respond to NIMCA-defined threats to nuclear sites and escorted materials.
<b>Strategic Objective 3</b> Efficiency and Effectiveness	To optimise the efficiency and effectiveness with which we deliver our services and earn the confidence of our stakeholders.
<b>Strategic Objective 4</b> Sufficient, Capable, Motivated People	To recruit, train and deploy sufficient, capable and motivated people to the right locations at the right time.

Each strategic objective is supported by up to four strategic priorities. Performance against these priorities is managed by the Executive Team and reported to the CNPA Board.

## Strategic Risks and Uncertainties

The identification, evaluation, management and monitoring of the most significant risks that face the CNPA and could threaten the achievement of our strategic objectives are the responsibility of the CNPA Board.

The principal risks and uncertainties facing the CNPA are as follows:

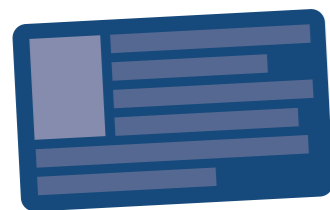
FAILURE TO DEFEAT A TERRORIST ATTACK	
Risk	Mitigation
CNC lacks the capability and capacity to defeat a terrorist attack leading to the theft of nuclear material or a radiological release and consequent injury and loss of life to members of the public and financial loss to the nuclear industry.	Recruit AFOs to establishment levels;
	Recruit officers for deployment to site security control rooms;
	Deploy initial and full recovery capability at Sellafield and Dounreay;
	Increase numbers of firearms officers qualified as operational firearms commanders;
	Rigorous exercise programmes;
	All deployed officers are trained, equipped and qualified to national standards;
	Improved response and deployment through new Incident Management System;
	Fully integrated national intelligence framework and bespoke command and control structure for each operation;
	Robust initial and ongoing vetting process and procedures for police officers and staff;
	Policies, procedures and support to recognise vulnerability in the workforce to prevent the likelihood of actions causing personal or collective harm; and
Robust police officer and staff retention process.	

### Key Stats



Over  
**100**  
female  
Authorised  
Firearms  
Officers

Key Stats



1

full firearms licence granted

FAILURE OF TRANSFORMATION PROGRAMMES	
Risk	Mitigation
CNC fails to transform its front line operations and provide appropriate resources and capabilities to the front line and comply with government expectations and transform its back and mid office functions to support the operational front line.	Managing high value and high risk programmes and projects using recognised programme and project management method;
	Monthly reporting to project and programme boards and Executive Team;
	Periodic review of project and 'business as usual' resources (tied to quarterly planning and forecasting);
	Applying assurance mechanisms to high value and high risk projects and programmes (eg. Gateway reviews); and
	Coordination of change programme to manage upside and downside risks from project and programme interfaces and interdependencies.

LOSS OF STAKEHOLDER CONFIDENCE	
Risk	Mitigation
Regulatory or operational failures (eg. loss of firearms licence, failed exercises) or failures with our transformation programmes leads to a loss of reputation, increased government scrutiny and reduced investment from SLCs that reduces our operational effectiveness and ability to defeat a terrorist attack.	Developing stakeholder handling strategies;
	Complying with the Framework Document and Memorandum of Understanding in our dealings with our sponsoring department;
	Complying with all government spending controls and approval mechanisms;
	Implementing our communications strategy and employee engagement forums;
	Successful delivery of capability improvement and business transformation programmes to time and budget; and
Compliance with College of Policing, CNC firearms policies and procedures and the Health and Safety Executive (HSE) safe system of work.	

FAILURE IN EMPLOYER'S DUTY OF CARE	
Risk	Mitigation
CNC fails in its duty of care responsibilities, causing death or serious injury.	Successful delivery of the annual health and safety plan and programme of health and safety audits;
	Compliance with HSE safe system of work, working time directive and driving policy;
	Implementation of the health and wellbeing work stream of the People Strategy;
	Sufficient and appropriate occupational health provision;
	Policies, procedures and support to recognise vulnerability in the workforce to prevent the likelihood of actions causing personal or collective harm; and
	Fitness testing of all officers to meet College of Policing standards.

FAILURE TO MATCH STRATEGIC DEMANDS WITH AVAILABLE RESOURCES	
Risk	Mitigation
Mismatch between strategic demands and available resources leads to a shortfall in resources required (people and money) and resources available (people and money).	Governance processes put in place for each major strategic initiative, change programme and change project;
	Balancing workloads through strict prioritisation by Executive Team to match scarce resources to business needs;
	Management and operational structures reviewed to ensure they are appropriate to support delivery of the strategic priorities;
	Executive Team sponsorship of strategic initiatives with programmes and projects headed by an Executive level senior responsible owner;
	CNPA Board input and challenge to strategy and budget; and
	Realistic budgets and delivery plans reviewed quarterly.







INABILITY TO TRANSITION TO MODERN WORKFORCE	
Risk	Mitigation
CNC is unable to transition to a modern workforce and reduces its operational effectiveness and/or increases its costs.	Implementation of armed policing model;
	Fitness testing of all officers to meet College of Policing standards;
	Deliver pensions work stream of People Programme;
	Deliver modern police officer terms and conditions of service;
	Secure funding for capability payments;
	Compliance with CNC programmes' and projects' policies and procedures;
	Deliver Terms and Conditions of Service (TACOS) work stream of People Programme;
	Explore options for employees to make additional contributions to enable earlier drawdown of pension;
	Explore options with the Cabinet Office for individual voluntary exit; and
Explore options within TACOS negotiation parameters to enable some elements of compensation to be baked into offer.	
FAILURE TO PROTECT OUR CRITICAL ASSETS (INCLUDING OUR CRITICAL INFORMATION ASSETS)	
Risk	Mitigation
CNC fails to protect its critical assets including confidential or personal data leading to potential damage to its reputation and opening the organisation up to potential litigation and regulatory fines.	Achieve Information Assurance Management Maturity level 3;
	Implement 'SANS20' critical security controls;
	Cyber security awareness training for senior staff;
	Retain accreditation for Public Services Network;
	Compliance with IT security policy and procedures; and
Compliance with Her Majesty's Government and ONR Security Policy Frameworks.	

POOR RELATIONS WITH OUR SPONSORING DEPARTMENT	
Risk	Mitigation
Increased scrutiny leading to increased costs and delays impacting on CNC's ability to deliver the strategic priorities to time and cost.	Implementation of communications strategy;
	Appropriately designed and applied handling strategies for key stakeholders;
	Complying with the BEIS/CNPA Framework Document in all dealings with the sponsoring department; and
	Prepare and sign an MOU to codify CNC's dealings with BEIS.
FAILURE TO DELIVER TO BUDGET TARGETS	
Uncertainty	Mitigation
CNC fails to deliver on its commitment to hold its 2016/17 to 2018/19 budgets flat to its 2015/16 quarter three forecast when comparing costs on a 'like for like' basis.	Regular review of performance through monthly financial reports;
	Preparation of 18-month quarterly rolling forecasts permitting a rebalancing of budgets and reprioritisation of deliverables;
	Annual horizon scanning of future costs;
	Implementation of integrated finance, planning and performance framework;
	Delivery against annual efficiency savings target and identify new areas for cost reduction; and
Specific work stream within Sellafeld Training Facility project to identify cost savings to cover any cost increases from operating the new facility.	

### Adoption of Going Concern Basis

The CNPA Board has approved a revenue expenditure budget of £112.8m and a capital expenditure budget of £4.2m for 2017/18. The CNPA Board believe that the CNPA has adequate resources and sufficient funding to continue in operational existence for the foreseeable future. Accordingly, the CNPA Board continues to adopt the going concern basis in preparing the financial statements.

### Key Stats



10  
Different  
Weapons  
Systems

Key Stats



3  
Firearms  
training ranges

## Performance Analysis

### Key Performance Indicators

Performance against key deliverables contained in the CNPA's strategy and business plan 2016/19 is provided below. A number of activities are deliverable over two or three years. The performance rating provided below is against their 2016/17 milestones.

Strategic Objective 1 is underpinned by four strategic priorities:

Deter and Respond	Performance 2016/17
Maintain 24/7 armed response at civil nuclear sites	Achieved
Provide armed escort for movements of nuclear materials	Achieved
Develop and implement revised policing models and patrol strategy	Achieved
Improve and sustain deployment levels of firearms officers	Achieved

Strategic Objective 2 is underpinned by four strategic priorities:

Capability to Respond	Performance 2016/17
Develop integrated policies/doctrines supported by strong assurance mechanisms	Achieved
Increase operational capability levels through training and exercising programmes	Achieved
Improve and sustain effective command and control systems across CNC	Delayed to 2017/18
Provide recovery capabilities	Partly achieved

Strategic Objective 3 is underpinned by four strategic priorities:

Efficiency and Effectiveness	Performance 2016/17
Effective delivery of business support services and transform our business efficiency	Achieved/ on target
Modernise and improve ICT infrastructure and improve its security	Achieved/ on target
Build internal collaboration and partnership working across CNC	Partly achieved
Increase external stakeholder confidence and work effectively in partnership with site operators, national and local constabularies and CNC's sponsoring department	Achieved/ on target

Strategic Objective 4 is underpinned by four strategic priorities:

Sufficient, Capable, Motivated People	Performance 2016/17
Integrate organisational development into the HR function supporting delivery of our people strategy to recruit, train and deploy our people resources	Achieved
Implement new Terms and Conditions of employment, pension provision and talent and performance management	Achieved/ on target
Effective workforce planning that addresses changes at an industry and national level	Achieved
Develop our leaders and managers	On target



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## Key Stats



Budget of over  
**£100**  
million

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## Financial Overview

The CNPA has reported an operating deficit of £281,000 for the year ended 31 March 2017. This loss is due to the following:

- The CNPA has incurred £177,000 on exit payment costs for employees and £40,000 to settle claims following judgements that found against it at an employment tribunal. These payments are reimbursable by BEIS through grant in aid and recognised in the CNPA's financing reserves in 2016/17. This is shown in the Statement of Changes in Taxpayers' Equity; and
- The balance on the deficit of £64,000 is due to unwinding the discount on future payments for early departure costs and changes to the provision for early departure costs that are due to changes in forecast rates for the Consumer Prices Index that underpin future pension payments for employees who have received voluntary early retirement from sites that the CNC no longer police.

## Operating Costs

The CNPA is expected to recover its operating costs in full each year. Income of £102,429,000 (2015/16: £100,466,000) for the year ended 31 March 2017 represents a re-charge of running costs to Site Licence Companies (SLCs) of £101,131,000 (2015/16: £99,934,000) and miscellaneous income of £1,298,000 (2015/16: £532,000). Miscellaneous income included recharging secondment costs, providing policing services to non-SLCs and communications support for the unescorted transport of nuclear materials throughout the UK.

Expenditure for the year ended 31 March 2017 was £102,710,000 (2015/16: £100,117,000). The increase in expenditure was due largely to increased staff costs of £2,198,000 to £78,088,000. The majority of the increase was due to the removal of the discount from the State Second Pension increasing the employers National Insurance costs. Other expenditure increased by £395,000 to £24,622,000. This increase was driven by expenditure on key operational projects and modernisation of IT infrastructure.

Interest receivable of £13,000 (2015/16: £14,000) was earned on cash balances held by the CNPA. This was matched by interest payable of the same amount, as the CNPA is not permitted to retain any interest earned but required either to remit it back to BEIS to be surrendered to the Consolidated Fund, or offset it against requests for capital funding from BEIS.

## Financial Position

The carrying value of property, plant and equipment at 31 March 2017 was £8,574,000 (31 March 2016: £7,987,000). Asset additions totalled £1,984,000 which included £183,000 for the purchase of six vehicles, £295,000 on plant and machinery, £213,000 on IT equipment and £1,269,000 on assets under construction. Ten vehicles at a value of £310,000 were transferred from assets under construction.

A review of our assets was conducted during the transition to the new finance system. This resulted in assets with a cost value £68,000 and a carrying value of £14,000 being transferred from plant and machinery to vehicles; assets with a cost value of £693,000 and a carrying value of £30,000 being transferred from plant and machinery to IT equipment and assets with a cost value of £39,000 and a carrying value of £34,000 being transferred from IT equipment to intangibles.

Depreciation of £1,363,000 was charged to the Statement of Comprehensive Net Expenditure.

The carrying value of intangible assets was £1,568,000 at 31 March 2017 (31 March 2016: £872,000). Intangible asset additions and transfers from assets under construction of £950,000 comprised the purchase of information technology integral to IT applications. Amortisation of £285,000 was charged to the Statement of Comprehensive Net Expenditure.

During the review of assets conducted during the transition to the new finance system, assets with a cost value of £430,000 and a carrying value of £404,000 was transferred from information technology to software licences. Also assets with a cost value of £39,000 and a carrying value of £34,000 was transferred from IT equipment within property plant and equipment to intangible information technology.

Trade and other receivables due after one year amounted to £462,000 (31 March 2016: £490,000). These balances represent amounts owed by the CNPA's pension scheme for staff who retired early and housing loans to staff. The CNPA pays the lump sums to staff who are granted early retirement. These amounts are reimbursed to the CNPA by the pension scheme when the employees reach normal retiring age. Inventories at 31 March 2017 amounted to £1,548,000 (31 March 2016: £1,628,000).

Provisions for liabilities and charges decreased to £1,737,000 (31 March 2016: £1,879,000). Provisions were increased by £127,000 for new provisions and amendments to existing provisions. Payments of £284,000 were made against existing provisions and £12,000 was released to the Statement of Comprehensive Net Expenditure for unused provisions. The provision was increased by a further £27,000 due to unwinding the discount on early departure costs by one year.

Taxpayers' equity decreased by one per cent at 31 March 2017 to £15,245,000 (31 March 2016: £15,338,000). This comprised a £284,000 income and expenditure reserve movement plus a net increase in financing of £191,000.



Key Stats



Over  
**40**  
Stakeholders

## Cash Flows

Cash generated from operations in 2016/17 was an inflow of £941,000 (2015/16: inflow of £2,848,000). Interest received on the CNPA's cash balances amounted to £13,000. Payments of £1,727,000 were made to purchase property, plant and equipment and £965,000 were made to acquire intangible assets. The net cash inflow from financing was £1,939,000, which comprised capital grant receipts of £1,748,000, grants from the CNPA's parent department, BEIS, of £150,000 and other financing contributions of £41,000. This resulted in an overall increase in cash held in 2016/17 of £201,000 (2015/16: increase of £4,032,000).

The CNPA maintains sufficient cash balances to ensure that funds are available to meet payments as and when they fall due. It has agreed credit terms of 15 days with SLCs to improve and maintain higher cash balances to ensure it meets its financial obligations. The CNPA banks with the Royal Bank of Scotland PLC (RBS). It had an overdraft facility of £1 million during the year to mitigate the risk that, due to the timing of receipts and payments, it was unable to meet its liabilities as and when they fell due. The overdraft facility was not used during the reporting period. Surplus funds are transferred daily to an interest earning account. This interest is paid monthly to the CNPA, is treated as a receipt from an Exchequer source and is credited to Financing on the CNPA's Statement of Financial Position. The CNPA is permitted either to use interest receivable to finance additional expenditure, leading to a commensurate reduction in grant-in-aid, or to surrender it to the Consolidated Fund via BEIS.

The former Department of Trade and Industry provided working capital of £6 million on start-up, which was commuted to grant-in-aid and forms part of 'Taxpayers' Equity'. This is used to fund timing differences between receipts from SLCS and payments to creditors.

## Resources Required in 2017/18

The CNPA Board has approved a revenue expenditure budget of £112.8m and a capital expenditure budget of £4.2m for 2017/18.

## Future Funding Requirements

Approximately 75 per cent of CNC's annual expenditure is on staff costs. Changes to public sector pensions will result in higher employer pension charges from 1 April 2018. These are estimated to be £1.0m per annum from 1 April 2018.

## Budget Revision Process

The CNPA's financial resources are reviewed at least each quarter by the Executive Team and the CNPA Board. The quarterly reviews provide an opportunity for the

Board to revise the budget to ensure that the financial resources available to the CNC are consistent with the achievement of its strategic objectives.

## Sustainability Report

The CNPA's headquarters and training school are located at the Culham Science Centre. It rents office space from the UK Atomic Energy Authority (UKAEA), which is an executive non-departmental body (NDPB) of the Department for Business, Energy and Industrial Strategy (BEIS). The UKAEA does not individually meter its tenants' scope 2 greenhouse gas emissions, waste and finite resource consumption. Consumption and cost is apportioned to each tenant on the basis of the floor area it occupies rather than on usage incurred. We are unable to confirm whether any increases or decreases in consumption are due to the CNPA or to other co-located organisations.

The majority of the CNPA's policing operations are undertaken on licensed nuclear sites. The CNPA is provided with accommodation and utility services at these sites, which are the responsibility of the site license company. The CNPA's environmental impact on these sites is not measured and is outside the scope of this report.

The CNPA has been granted exemptions from the Greening Government Commitment's reduction targets for delivering sustainable operations and procurement. It does not have a significant impact on biodiversity and is not required to prepare a biodiversity action plan, as all of its estate is office-based.

The following tables and commentaries provide details of the CNPA's greenhouse gas emissions, waste disposal, water, electricity and gas consumption at its Oxfordshire headquarters and training school up to 31 March 2017.

### Greenhouse Gas Emissions

Greenhouse gas emissions	2012/13	2013/14	2014/15	2015/16	2016/17
Non-financial indicators					
(CO2e in tonnes)					
Scope 1 emissions (vehicle fleet)	615.50	639.84	531.98	683.88	518.94
Scope 2 emissions (energy)	430.06	389.96	336.77	311.93	271.85
Scope 3 emissions (official business travel)	806.34	1,231.53	1,296.29	1,120.61	1,062.62
Financial indicators (£000)					
Carbon Reduction Commitment gross expenditure	CNPA does not participate in this scheme				
Expenditure on accredited offsets	CNPA does not participate in this scheme				
Total expenditure on official business travel (excluding accommodation costs and subsistence)	2,314	2,250	1,974	2,314	2,266



Key Stats



Over  
**270**  
Police Staff  
Supporting the  
Front Line

Controllable Impacts

The CNPA's scope 1 emissions include mileage and consequent CO2 emissions from our operational vehicle fleet, which are linked to our patrol strategy and are driven by operational need, rather than environmental impact. Carbon multipliers used to calculate emissions have been reduced in line with the Department for Environment, Food and Rural Affairs reporting guidelines. The patrol strategy has changed this year which decreased vehicle mileage through the increased use of foot patrols across the estate. The use of hybrid vehicles, whilst small, has been recorded and contributed to the decrease. Scope 3 emissions include all business mileage relating to personal vehicles used for work purposes as well as hire cars, domestic flights and rail use. A key driver of business mileage is officers attending training courses. The decrease in scope 3 emissions is linked to a reduction in numbers of new recruits' courses which impacts both firearms and non-firearms training and the travel to and from specialist training venues. We aim to operate the most efficient fit-for-purpose vehicles across our operational fleet over the course of the coming year.

Influenced Impacts

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

Waste

Waste		2012/13	2013/14	2014/15	2015/16	2016/17
Non-financial indicators (tonnes)	Total waste	2.35	2.80	2.83	4.99	6.71
	Hazardous waste total	0.07	-	0.09	0.19	0.37
	Non-hazardous waste					
	Landfill	-	-	-	-	-
	Reused/ recycled	2.28	2.80	2.70	4.80	6.34
	Incinerated/ energy reused				Not available	
Financial indicators (£000)	Total disposal cost	5.4	6.4	4.1	4.4	6.1
	Hazardous waste - total disposal cost	Not reported. Included in total disposal cost				
	Non-hazardous waste - total disposal cost					Nil
	Landfill					
	Reused/ recycled	Not reported. Included in total disposal cost				
	Incinerated/ energy reused				Not available	

Controllable Impacts

Refurbishment work undertaken at Culham HQ and individual office moves in 2016/17 have increased CNPA's total waste collection. A large proportion of this waste has been reused or recycled. The CNPA recycles waste using the UKAEA recycling scheme. This recycles office paper, newspapers, magazines, small cardboard items, drink and food cans, plastic bottles, plastic cups and domestic glass bottles/jars. Throughout headquarters, the CNPA has removed under-desk general waste bins and replaced them with recycling/non recycling bin stations throughout the open-plan offices. This will increase recycling efforts via UKAEA.

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

Influenced Impacts

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

Water

Finite resource consumption		2012/13	2013/14	2014/15	2015/16	2016/17
Non-financial indicators (m³)	Water consumption					
	Supplied	1,705	1,748	1,311	2,252	1,470
	Abstracted	-	-	-	-	-
Financial indicators (£000)	Water supply costs	19	17	14	25	15

Water Controllable Impacts

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

Influenced Impacts

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

Electricity and Gas

Finite resource consumption		2012/13	2013/14	2014/15	2015/16	2016/17
Non-financial indicators (kWh)	Energy consumption					
	Electricity - non-renewable	617,476	499,389	420,193	416,114	428,521
	Electricity - renewable	-	-	-	-	-
	Gas	578,013	680,645	633,855	509,997	517,828
	LPG	-	-	-	-	-
	Other	-	-	-	-	-
Financial indicators (£000)	Total energy expenditure	86	75	69	67	62





### Controllable Impacts

Our main direct impacts for energy consumption are in office and training areas. The CNPA's energy use is not metered and, like water usage, scope to reduce consumption is limited to employee awareness campaigns. A change in the landlord's gas supplier is responsible for reduced heating charges against increased consumption.

### Influenced Impacts

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

**Mike Griffiths CBE**  
 Chief Executive Officer and Chief Constable

29 June 2017

# Accountability Report

## Corporate Governance Report

### Directors' Report

### CNPA Board Members and Board Members' Interests

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

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

Lt Gen (Ret'd) Sir Philip Trousdell KBE CB (Non-Executive)	Chairman and Independent Member and Chairman of the Senior Appointments Committee (to 28 September 2016)
Vic Emery OBE (Non-Executive)	Chairman and Independent Member and Chairman of the Senior Appointments Committee (from 12 October 2016)
Mike Griffiths CBE	Chief Executive Officer and Chief Constable
Chris Armit QPM	Operations Director and Assistant Chief Constable
Simon Chesterman QPM	Capability Director and Deputy Chief Constable
Phil Craig (Non-Executive)	Industry Member
Paul Kernaghan CBE QPM (Non-Executive)	Independent and Police Advising Member and Chairman of the Audit, Risk and Governance Committee
Kenna Kintrea (Non-Executive)	Industry Member and member of the Audit, Risk and Governance Committee and the Senior Appointments Committee
Kenneth Kilpatrick	Business Director
Mark Neate (Non-Executive)	Industry Member (from 7 April 2016)
Gwen Parry-Jones OBE (Non-Executive)	Industry Member and member of the Audit, Risk and Governance Committee
Joyce Robertson	People Programme Director and Temporary Assistant Chief Constable
Neelam Sarkaria (Non-Executive)	Independent Member (from 10 October 2016)
Robert Wright (Non-Executive)	Independent Member and Member of the Senior Appointments Committee

Sir Philip Trousdell's appointment as CNPA Chairman ended in September 2016 and he was replaced by Vic Emery. During 2016/17 Mark Neate was appointed as an industry non-executive board member and Neelam Sarkaria was appointed as an independent non-executive board member.

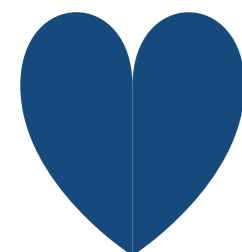
### Key Stats



Over  
**155**  
 Firearms  
 Instructors



**Key Stats**



Fitness requirement of our AFOs meets the College of Policing standard of **7.6**



### Register of Interest

The CNPA maintains a register of interests to ensure potential conflicts of interest can be identified and addressed in advance of Board discussions. Where potential conflicts exist, they are recorded in the Board minutes, along with any appropriate action to address them. During 2016/17, none of the Board Members held any interests which may have conflicted with their Board responsibilities and no Board Member had any other related party interests.

### Health and Safety

The CNPAs health and safety policy and procedures comply with all relevant legislation and are reviewed as appropriate. The total number of injury incidents reported during 2016/17 was 216, which is six per cent lower than last year. This is primarily due to active engagement in investigation of incidents, lessons learnt, proactive management and supervision to ensure compliance with risk assessments and safe systems of work.

During 2016/17, 31 incidents were reported under the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations (RIDDOR) with the majority reported in the over seven days lost time category. This is an increase on last year. All RIDDOR incidents have been subject to a full investigation and lessons learned processes. Twenty four incidents occurred during training. Analysis of the other seven incidents has not revealed any patterns or trends having all occurred at different locations and under different circumstances.

All CNC police officers and a small number of police staff are designated as 'monitored workers' and are tested for exposure to radiation. Over 83 per cent of our monitored workers did not receive a measurable dose during 2016/17. The remaining workers had an individual average radiation dose of 0.01 millisievert, which is the same average level as last year.

### Security Breaches and Security Incidents

There were no security breaches involving protected personal data that were reportable to the Information Commissioner's Office in 2016/17 (2015/16: nil).

The following table summarises the number of security breaches and security incidents since 2012/13.

Nature of incident	2012/13	2013/14	2014/15	2015/16	2016/17
Loss of assets, electronic equipment, and devices or paper documents from secured CNC premises	1	-	-	-	-
Loss or theft of protectively marked electronic equipment, devices or paper documents from outside secured CNC premises	-	2	1	5	1
Insecure disposal of inadequately protected electronic equipment, devices or paper documents	-	-	-	-	-
Unauthorised disclosure through insecure transmission of protectively marked documents	4	2	5	6	4
Compromise of personal data	-	1	-	-	-
Other 'low level' breaches/incidents	20	32	7	10	13
<b>Total</b>	<b>25</b>	<b>37</b>	<b>13</b>	<b>21</b>	<b>18</b>

Any security breaches involving assets or Sensitive Nuclear Information Government Security Classification 'Official Sensitive' and above are reportable to the appropriate regulatory body: BEIS, Office for Nuclear Regulation (Civil Nuclear Security), National Police Information Risk Management Team and the National Cyber Security Centre.

### Accounts Direction

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

### Financial Risk Management

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

### Events After the Reporting Period

Events after the reporting period are disclosed in note 21 to the financial statements.

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## Key Stats



Over  
**80**  
in our Strategic  
Escort Group

.....

## Payment of Suppliers

The CNPA's policy is to pay its suppliers within contracted payment terms or, without specifically agreed terms, within 30 days of receiving a valid invoice. In 2016/17, the CNPA paid 93 per cent of its invoices on time (2015/16: 96 per cent). The CNPA has sought to comply with central government's commitment to pay suppliers within 10 working days from receipt of a valid invoice wherever possible. For the year to 31 March 2017, the CNPA paid 52 per cent of its invoices within five working days (2015/16: 86 per cent within 10 working days). There has been deterioration in these figures due to a change to a new shared service centre and new procedures introduced at the start of 2016/17 and a reduction to one supplier payment run per week. Contracted/ 30 day payment performance has improved during the year and is expected to have returned to the 2015/16 performance levels next year.

## Pension Arrangements

Further information on pensions is disclosed in the Remuneration Report and in notes 1.9 and 4 to the financial statements.

## Auditor

The financial statements have been audited by the Comptroller and Auditor General. The cost of the statutory audit was £45,000 (2015/16: £42,000). The external auditors received no remuneration during the year for the provision of non-audit services.

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

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

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual (FReM) 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 FReM have been followed, and disclose and explain any material departures in the accounts;
- Prepare the accounts on a going concern basis;
- Confirm that, as far as he is aware, there is no relevant audit information of which the CNPA's auditor is unaware; and that he has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the CNPA's auditor is aware of that information; and
- Confirm that the Annual Report and Accounts as a whole is fair, balanced and understandable and takes personal responsibility for the Annual Report and Accounts and the judgements required for determining that it is fair, balanced and understandable.

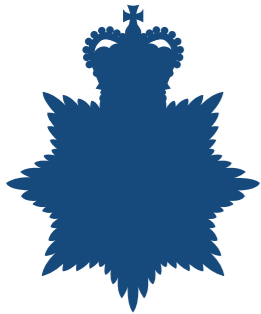
The Accounting Officer of the Department for Business, Energy and Industrial Strategy (BEIS) has designated the Chief Executive Officer and Chief Constable as Accounting Officer of the CNPA. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the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





# Governance Statement

.....  
Key Stats



1 Police Authority with 8 members

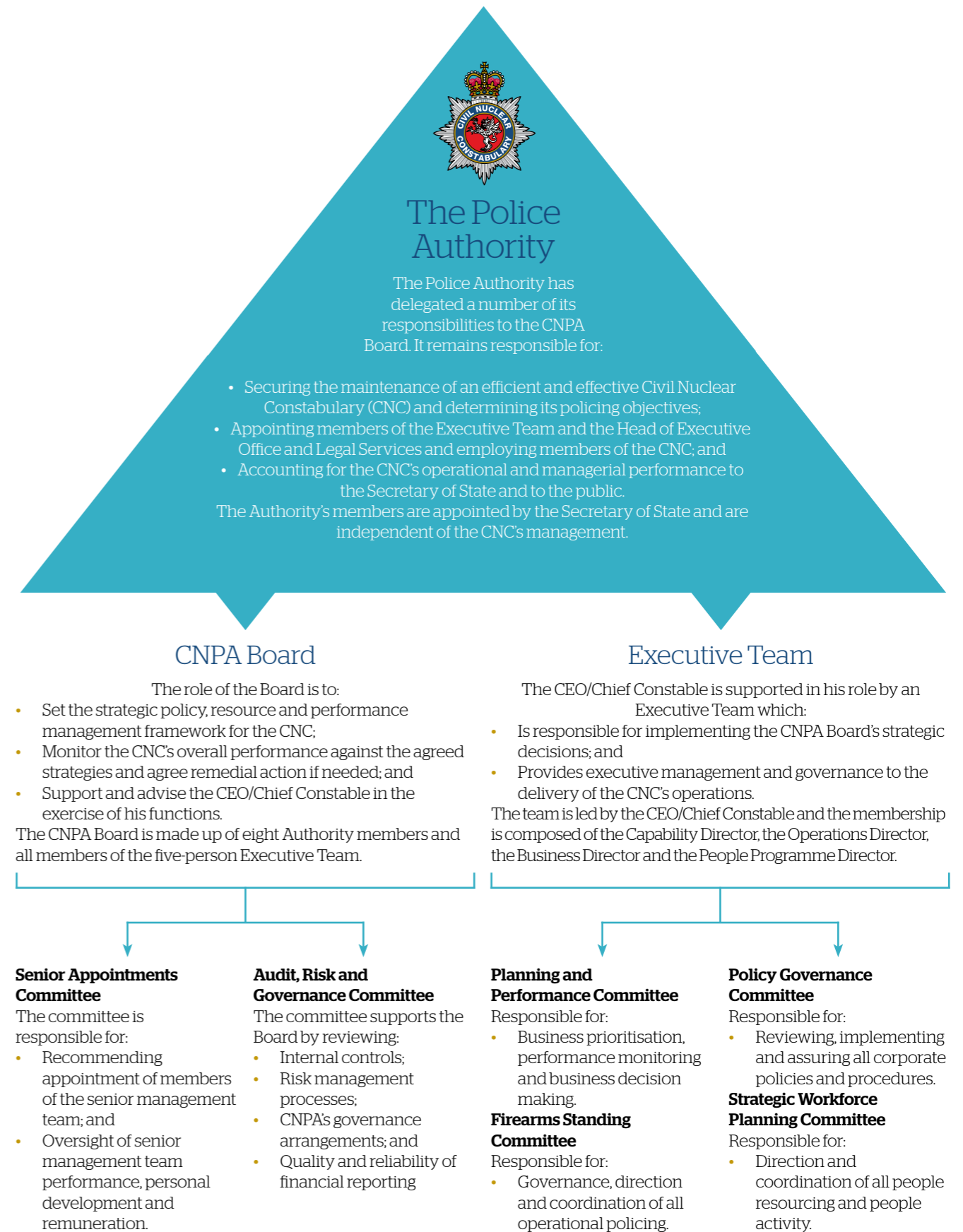
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## Introduction

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

## The Governance Framework

The CNPA works within a Framework Document with BEIS. This sets out the purpose of the CNPA, the core elements of the relationship with BEIS and the framework within which the CNPA will operate. I am supported in my role as Accounting Officer by the Police Authority, the CNPA Board and its committees and an Executive Team as outlined opposite:



Key Stats



Over  
**150**  
Home Office  
police officers  
trained by our  
instructors at  
our facilities

## The Police Authority

The role of the Police Authority is defined by the Energy Act 2004. The Authority's members are appointed by the Secretary of State and are independent from the CNC's management. The Authority's principal duty is to secure the maintenance of an efficient and effective CNC. The Authority has oversight of the CNC, which it exercises through the CNPA Board. It appoints members of the senior management team and employs its officers and staff. A number of its functions have been delegated to the CNPA Board.

The Authority met three times in 2016/17. It considered and endorsed the recommendations of the Senior Appointments Committee (SAC) for executive remuneration, extension of executive contracts and approved the 2016/17 cost of living pay award for the Executive Team.

## The CNPA Board

The Board is a committee of the CNPA and is composed of eight Authority members and five members of the Executive Team. It challenges and supports the Executive Team and scrutinises its proposals and performance, particularly in relation to the development of the three-year strategy and business plan; delivery of the approved annual plan and budget, including performance against output metrics; and the annual report on the CNPA's activities. In addition, the CNPA Board takes an overview of corporate risk and works with the Executive Team to set the organisation's risk appetite.

The CNPA Chairman is responsible for leading the Board and ensuring that it is effective in discharging its role. He is supported by independent non-executives and non-executives drawn from senior roles within the nuclear industry, all of whom are chosen to ensure an appropriate mix of skills and experience to inform the strategic thinking of the CNPA. The Board met six times in 2016/17.

## Audit, Risk and Governance Committee

The Audit, Risk and Governance Committee (ARGC) is chaired by an independent non-executive Board member. The Committee met six times in 2016/17. Committee members came together as a scrutiny panel to review the draft annual report and accounts in accordance with governance best practice. It is the primary reporting point for internal audit.

## Senior Appointments Committee

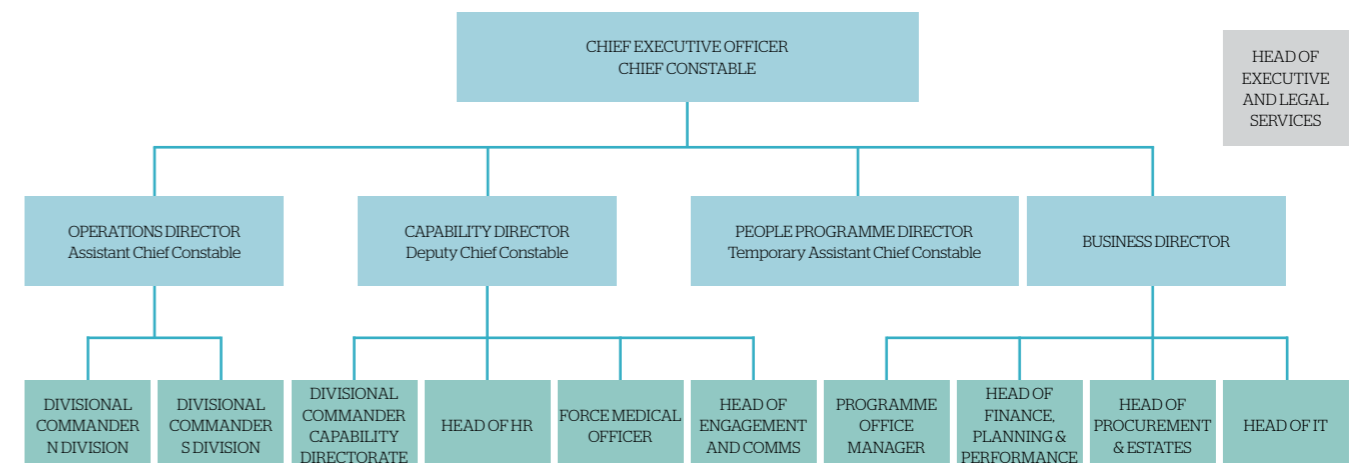
The Senior Appointments Committee (SAC) held five meetings in 2016/17. The SAC oversaw senior leadership, development and succession planning and recommended a two-year extension of appointment for the CEO/ Chief Constable and to extend the fixed term appointment of the People Programme Director/ Temporary Assistant Chief Constable by one year.

The SAC reviewed executive performance against objectives and executive pay awards and the mechanisms for their future determination, with particular reference to the recommendations of the Review Body on Senior Salaries. It also considered the introduction of a more formal and timely appraisal process for the Executive Team.

## The Executive Team

I am supported by an Executive Team, which meets weekly at the Executive Strategy Meeting to monitor, review and give Executive-level direction for key strategic issues where necessary and to enable coordination across the organisation for the delivery of key strategic and operational objectives. Executive management and governance of operational and business activities is undertaken through attendance at CNPA Board meetings and by chairing various committees. During 2016/17, the Executive Team chaired four committees: the Planning and Performance Committee, which is the key business decision-making body and a forum for business prioritisation and performance monitoring; the Firearms Standing Committee, which has responsibility for the governance, direction and coordination of all operational policing; the Policy Governance Committee that provides a forum for reviewing and implementing all policies and procedures; and the Strategic Workforce Planning Committee that focuses on the CNC's workforce planning policy and procedures.

The Policy Governance Committee was extant throughout the majority of 2016/17, but was disbanded in March 2017 and a new People Management Committee was formed to provide strategic oversight and direction for people management matters across the CNC. Policies are now routed either through the People Management Committee or Firearms Standing Committee for approval at the Planning and Performance Committee. The Executive Team is supported by senior operational and non-operational managers. An organisation chart is provided below.



Note  
Head of Executive Office and Legal Services reports to the CNPA Chairman

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Key Stats



£39m

state of the art  
firearms range at  
Sellafield under  
construction

.....

## CNPA Board Activities in 2016/17

The Board held a strategic conference in November 2016. An update on the Home Office-sponsored review of policing the national infrastructure was provided. The conference also considered work being undertaken by the CNC to modernise police officer pay and terms and conditions of employment.

## Evaluation of Board Performance

The Board reviews its performance biennially with the support of its internal auditor, RSM. The results of the 2016 evaluation were presented to and reviewed by the Board in July 2016 and key recommendations were converted into an action plan. The majority of the actions have been discharged and include horizon scanning; Board member skills gap analysis; performance appraisals; and review and reflection at Board meetings. Two areas of activity remain ongoing. These are Board visibility and stakeholder engagement. These will be delivered through implementation of the Communications and Engagement Strategy 2017/20 that was approved by the Board in March 2017.

## Multi-Force Shared Service

The CNPA signed a collaboration agreement with the Multi-Force Shared Service (MFSS) for the provision of back office transactions processing functions for HR, Finance and Procurement from April 2016. The collaboration agreement gives CNPA joint control of the MFSS together with the other partner forces to the agreement. Governance and oversight of MFSS is exercised by its Joint Committee which also sets the strategic direction of the MFSS and meets three to four times per year. The Chairman and I are members of the Joint Committee as are the Police and Crime Commissioners and Chief Constables of the other partner forces.

## Compliance with the Corporate Governance Code

The CNPA has complied with the Code of Good Practice for corporate governance in central government in so far as it is relevant and practical for an Arm's Length Body of its size and complexity. I can confirm that the CNPA is compliant with the MacPherson recommendations for quality assuring analytical models and that I have not received any Accounting Officer directions in 2016/17.

## Attendance at Police Authority, Board and Committee Meetings in 2016/17

Members Non-Executive (NE)	Police Authority (3 in year)	CNPA Board (6 in year)	Audit, Risk and Governance Committee (6 in year)	Senior Appointments Committee (5 in year)
Sir Philip Trousdell (Chairman) (NE)	1 (of 1)	3 (of 3)	- <sup>1</sup>	2 (of 2)
Vic Emery (Chairman) (NE) <sup>(3)</sup>	2 (of 2)	3 (of 3)	- <sup>1</sup>	3 (of 3)
Mike Griffiths (CEO/ Chief Constable)	- <sup>1</sup>	6	- <sup>2</sup>	- <sup>2</sup>
Chris Armitt	- <sup>1</sup>	6	- <sup>1</sup>	- <sup>1</sup>
Simon Chesterman	- <sup>1</sup>	5	- <sup>1</sup>	- <sup>1</sup>
Phil Craig (NE)	2	3	- <sup>1</sup>	- <sup>1</sup>
Paul Kernaghan (NE)	3	6	6	- <sup>1</sup>
Kenna Kintrea (NE)	3	6	6	5
Kenneth Kilpatrick	- <sup>1</sup>	6	- <sup>2</sup>	- <sup>1</sup>
Mark Neate (NE) <sup>(4)</sup>	2	5	- <sup>1</sup>	- <sup>1</sup>
Gwen Parry-Jones (NE)	3	6	5	- <sup>1</sup>
Joyce Robertson	- <sup>1</sup>	5	- <sup>1</sup>	- <sup>1</sup>
Neelam Sarkaria (NE) <sup>(5)</sup>	2 (of 2)	3 (of 3)	- <sup>1</sup>	- <sup>1</sup>
Robert Wright (NE)	3	6	- <sup>1</sup>	5

### Notes

- 1 Not members of the Committees.
- 2 Not members of the Committees, but standing invitation to attend.
- 3 Appointed as CNPA Chairman on 12 October 2016.
- 4 Appointed as Industry Member on 7 April 2016.
- 5 Appointed as Independent Member on 10 October 2016.

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## Key Stats



# 79

officers  
graduating as  
Authorised  
Firearms  
Officers

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## Risk Management and Control

### Risk Management

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

The nature and status of key corporate risks are reported to ARGC along with mitigating actions being taken. Completeness of the corporate risk register and identifying new potential risks at an early stage is supported through risk workshops involving both executive and non-executive Board members; horizon scanning and identifying potential risks to ARGC and the Board; and a review against Board minutes to confirm that the issues and uncertainties attracting Board interest are captured on the principal risk register.

### Risk Management Assurance

The CNPA's internal auditor, RSM, undertook an advisory audit of CNC's progress at improving and enhancing its risk management capability. The scope of the advisory audit covered revisions to CNC's risk management framework and a new risk policy and strategy; migration to a new risk register and new risk management software and delivering risk management training to officers and staff. RSM reported that progress had been made during 2016/17 and identified a number of improvements that will be taken forward over the next 12 months.

ARGC challenges the Executive Team to provide the assurance it needs over risk management and, during 2016/17, requested focussed reviews of two of the CNPA's principal risks. These were the risk of failure to match strategic demands with available resources and the risk of failure to protect our critical assets, including our critical information assets. The reviews focused on whether the underlying risk causes remained valid; the appropriateness of both existing controls and mitigations and new controls and mitigations and their impact on risk scores; and whether sufficient progress was being made to mitigate the principal risk.

The results of the review of the risk of failure to match strategic demands with available resources supported the information presented in the principal risk register and concluded that the risk, its management and the assurances over the controls and mitigations were appropriate. The review of the risk of failure to protect our critical assets, including our critical information assets, identified a lack of assurance to support the controls and mitigations, which prompted remedial management action.

## Risk Appetite

Risk appetite is defined as the level of risk that the CNPA is willing to face to achieve its objectives, whilst continuing to provide the required level of assurance to stakeholders that assets are safeguarded. The CNPA has a low risk appetite, which demonstrates clearly to stakeholders that the CNPA will not expose them to unnecessary risk. The only element that will stop the continued pursuit for risk mitigation to tolerable levels is the availability of resources that may be required to achieve the desired level of risk control.

## Statement of Information Risk

The CNPA must maintain the confidentiality, integrity and availability of its information to operate effectively, efficiently and securely. The CNPA is required to comply with the Cabinet Office and the Office for Nuclear Regulation's (ONR) Security Policy Frameworks for information security. ONR's framework follows broadly that of the Cabinet Office, but sets standards for the protection of sensitive nuclear information that are necessary to protect licensed nuclear sites and material in transit. The CNPA is also seeking to protect itself against cyber-attacks and is applying the National Cyber Security Centre's 10 Steps to Cyber Security. This is being implemented through CNPA's IT modernisation programme, with full implementation to be completed in 2017/18.

I am responsible for ensuring that information risks are assessed and mitigated to an acceptable level. I am supported in the discharge of this responsibility by the Board level Senior Information Risk Owner, the IT and Security departments and a network of Information Asset Owners who cover all the information assets held.

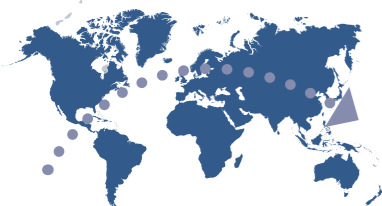
## Personal Data-Related Incidents

There were no protected personal data-related incidents reportable to the Information Commissioner's Office in 2016/17.



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## Key Stats



# 20,000

miles travelled  
by Strategic  
Escort Group

.....

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

ARGC considered the findings contained in reports prepared by the CNPA's internal auditor, RSM, based on an audit plan agreed in advance by the Committee. ARGC was able to take reasonable or substantial assurance that the internal controls tested were suitably designed, consistently applied and effective for the following five reviews:

- Core Accounting Systems
- IT Modernisation: Project Management
- Multi-Force Shared Service including HR: Progress of Implementation
- Multi-Force Shared Service: Transaction Testing including General Ledger, Cash Management, Payments and Creditors and Payroll
- Governance

ARGC was able to take only partial assurance on the internal controls' design, application and effectiveness for the following four reviews:

- Capability Improvement Programme: Benefits Realisation and Lessons Learned
- Business Continuity and Emergency Planning
- Stakeholder and Supplier Management including Communications
- Project Management Deep Dive: Emergency Services Mobile Communications Programme and Sellafield Training Facility

Action plans are in place to address weaknesses in internal controls that have been identified. None of them has a material bearing on the overall governance or financial strength of the organisation.

The CNPA requested RSM undertake a strategic fraud risk assessment to establish whether current practices reflected extant policy and that fraud and corruption were being appropriately mitigated. The assessment found areas of good practice, but also made recommendations to update policies with emerging best practice, provide staff training and to remind officers and staff of the need to comply with the national code of ethics for policing.

ARGC annually reviews the effectiveness of the internal and external audit functions, and has expressed the view that these functions continued to operate effectively throughout 2016/17 in the provision of assurance on the CNPA standards of governance, risk management and internal control.

The Committee also undertakes an annual self-assessment applying the National Audit Office's (NAO) checklist of good practice. The draft results of the 2016/17 self-assessment demonstrated a continued high degree of compliance with good practice.

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

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of governance, risk management and internal control. My review is informed by the work of the internal auditor, ONR and the CNPA's Internal Inspections and Assurance department and the Executive Team; who have the responsibility for the development and maintenance of the governance structures and the internal control framework and comments made by the CNPA's external auditor, the NAO, in its management letter. The Governance Statement represents the end product of the review of the effectiveness of the governance framework, risk management and internal control.

### Internal Audit

The CNPA's internal auditor, RSM, has concluded that the CNPA has an adequate and effective framework for risk management, governance and internal control. Its work has identified further enhancements to the framework of risk management, governance and internal control to ensure that it remains adequate and effective. RSM has arrived at this opinion through:

- Risk-based audit needs analysis from which activity has been prioritised over a three-year planning horizon to design an internal audit strategy;
- Designing and applying a risk-based methodology that is consistent with the requirements of the Public Sector Internal Audit Standards;
- Delivery of individual assurance reports and an advisory report during the year and, where appropriate, agreeing action plans with business owners to secure improvements; and
- Monitoring the implementation of previous recommendations throughout the year and assessing progress as reasonable.

The Board keeps its governance, risk management and internal control arrangements under review in response to internal and external developments. The Board is independently advised by the ARGC and received assurance on the CNPA's systems of corporate governance, risk management and internal control. There were no further issues identified by the internal auditor, other than those already disclosed, that require mentioning in the Governance Statement as significant control weaknesses.

### Information Security

ONR undertook a review of the CNC's cyber security and information assurance in January 2016. The review identified seven regulatory requirements for improvement. These covered CNC's information governance arrangements, the treatment of sensitive nuclear information, information assets and information risks and integrating information assets into the CNPA's business continuity and disaster recovery plans.

The CNC implemented the regulatory requirements for improvement during 2016/17 and ONR has reviewed progress and confirmed that all requirements have been fulfilled.



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Key Stats



16

people trained  
in-house to  
become  
nationally  
accredited  
firearms  
instructors

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### Other Assurance Activities

The CNC's Internal Inspections and Assurance team undertook a programme of testing of compliance with operational policies and procedures alongside 'spot inspections' directed by the Executive Team. The Internal Inspections and Assurance team identified both areas of good practice and some areas for improvement that will be implemented in 2017/18.

### Significant Internal Control Weaknesses

I am able to report that there were no significant weaknesses in the CNPA's system of internal controls in 2016/17 that affected the achievement of its key policies, aims and objectives.

**Mike Griffiths CBE**

Chief Executive Officer and Chief Constable

29 June 2017

# Remuneration & Staff Report

## Remuneration Report

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

### Procedures for Setting Remuneration

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

### Membership of the Senior Appointments Committee:

Sir Philip Trousdell (Chairman to 28 September 2016)  
Vic Emery (Chairman from 12 October 2016)  
Kenna Kintrea  
Robert Wright

### Statement of Remuneration Policy

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

#### Fees

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

#### Salaries and Allowances

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

#### Benefits in Kind

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

#### Pensions

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

## Terms of Appointment and Service Contracts

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

Name	Date of continuous service	Unexpired term at 31 March 2017	Notice period
Chris Armitt Assistant Chief Constable	13 July 2015	3 years, 3 months	6 months
Simon Chesterman Deputy Chief Constable	6 January 2014	1 year, 9 months	6 months
Phil Craig Industry Member (Dounreay Site Restoration Ltd)	4 January 2016	1 year	3 months
Vic Emery Chairman and Independent Member	12 October 2016	3 years, 6 months	3 months
Mike Griffiths <sup>1</sup> Chief Executive Officer and Chief Constable	1 October 2012	2 years, 6 months	6 months
Paul Kernaghan Independent and Policing Advisor Member	5 February 2013	1 year, 10 months	3 months
Kenneth Kilpatrick Business Director	29 September 2014	2 years, 6 months	6 months
Kenna Kintrea Industry Member (Nuclear Decommissioning Authority)	16 September 2015	1 year	3 months
Mark Neate Industry Member (Sellafield Ltd)	7 April 2016	2 years	3 months
Gwen Parry-Jones <sup>2</sup> Industry Member (EDF Energy Nuclear Generation Ltd)	1 June 2014	2 years, 2 months	3 months
Joyce Robertson <sup>3</sup> Temporary Assistant Chief Constable	26 May 2015	1 year, 2 months	Not stated
Neelam Sarkaria Independent Member	10 October 2016	2 years, 6 months	3 months
Sir Philip Trousdell <sup>4</sup> Chairman and Independent Member	23 May 2011	-	End of appointment 28 September 2016
Robert Wright Independent Member	4 January 2010	1 year, 10 months	3 months

### Notes

- <sup>1</sup> Mike Griffiths' appointment as CEO/Chief Constable has been extended for two years from 30 September 2017 to 30 September 2019.
- <sup>2</sup> Gwen Parry-Jones' appointment has been extended for two years to 31 May 2019.
- <sup>3</sup> Joyce Robertson's appointment as Temporary Assistant Chief Constable and People Programme Director has been extended by one year to 26 May 2018.
- <sup>4</sup> Sir Philip Trousdell's appointment ended on 28 September 2016 and he was succeeded by Vic Emery from 12 October 2016.

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

## Remuneration

The following information is subject to audit.

Remuneration payable to the CNPA Board members in 2016/17 was as follows:

### Executive Team

Name	Salary and allowances £000		Benefits in kind <sup>1</sup> (to nearest £100)		Pension benefits <sup>2</sup> (to nearest £000)		Total Remuneration £000	
	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16
Chris Armitt Assistant Chief Constable	95-100	65-70 <sup>3</sup>	7,200	5,100	12,000	13,000	115-120	80-85
Simon Chesterman Deputy Chief Constable	120-125	115-120	7,200	7,200	-	-	125-130	120-125
Mike Griffiths Chief Executive Officer and Chief Constable	135-140	135-140	7,200	7,200	29,000	28,000	170-175	170-175
Kenneth Kilpatrick Business Director	95-100	90-95	7,200	7,200	40,000	75,000	145-150	175-180
Joyce Robertson Temporary Assistant Chief Constable	100-105	85-90 <sup>4</sup>	-	-	83,000	145,000	180-185	230-235

### Notes

- <sup>1</sup> Benefits in kind for Mike Griffiths, Simon Chesterman, Chris Armitt and Kenneth Kilpatrick comprised a fully maintained car.
- <sup>2</sup> Accrued pension benefits - the value of pension benefits accrued during the year is calculated as the real increase in pension multiplied by 20 plus the real increase in any lump sum less the contributions made by the individual. The real increases exclude increases due to inflation or any increase or decrease due to a transfer of pension rights.
- <sup>3</sup> Full year equivalent salary and allowances was £90-95k.
- <sup>4</sup> Full year equivalent salary and allowances was £95-100k.

## 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 2017 and include the value of added years paid for by members of the CPS. The pension figures relate to the benefits that the individual has accrued as a total of their service to the CNPA, not just under their current appointment. Members of the pension scheme have the option to pay Additional Voluntary Contributions; neither the contribution nor the resulting benefits are included in the following table.

Name	Total accrued pension at age 60 at 31 March 2017 and related lump sum £000	Real increase in pension and related lump sum at age 60 £000	Cash equivalent transfer value at 31 March 2017 £000	Cash equivalent transfer value at 31 March 2016 £000	Real increase in cash equivalent transfer value £000
<b>Executive Team</b>					
Chris Armit	0-5 plus 0-5 lump sum	0-2.5 plus 0-2.5 lump sum	29	15	9
Mike Griffiths	5-10 plus 20-25 lump sum	0-2.5 plus 5-7.5 lump sum	176	131	29
Kenneth Kilpatrick	20-25 plus 70-75 lump sum	2.5-5 plus 5-7.5 lump sum	409	360	27
Joyce Robertson	45-50 plus 145-150 lump sum	2.5-5 plus 10-15 lump sum	1,104	1,022	82

### Note

Simon Chesterman is not a member of CPS

## Cash Equivalent Transfer Value

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

The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total pensionable service and not just their service in a senior capacity to which disclosure applies. They may also include amounts transferred into the scheme.

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

## Real Increase in CETV

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

## Independent and Industry Members

Name	Fees £000		Benefits in kind (to nearest £100)		Total £000	
	2016/17	2015/16	2016/17	2015/16	2016/17	2015/16
Phil Craig Industry Member (Dounreay Site Restoration Ltd)	-	-	-	-	-	-
Vic Emery <sup>2</sup> Chairman and Independent Member	20-25 <sup>3</sup>	-	-	-	20-25	-
Paul Kernaghan Independent and Policing Advisor Member	15-20	15-20	-	-	15-20	15-20
Kenna Kintrea Industry Member (Nuclear Decommissioning Authority)	-	-	-	-	-	-
Mark Neate Industry Member (Sellafield Ltd)	-	-	-	-	-	-
Gwen Parry-Jones Industry Member (EDF Energy Nuclear Generation Ltd)	-	-	-	-	-	-
Neelam Sarkaria <sup>4</sup> Independent member	5-10 <sup>5</sup>	-	-	-	5-10	-
Sir Philip Trousdell <sup>1</sup> Chairman and Independent Member	20-25	55-60	3,600	7,200	25-30	60-65
Robert Wright Independent Member	15-20	15-20	-	-	15-20	15-20

### Notes

<sup>1</sup> Sir Philip Trousdell's appointment ended on 28 September 2016. Benefits in kind comprised a fully maintained car for six months.

<sup>2</sup> Vic Emery's appointment commenced on 12 October 2016.

<sup>3</sup> Full year equivalent fees was £40-45k.

<sup>4</sup> Neelam Sarkaria's appointment commenced on 10 October 2016.

<sup>5</sup> Full year equivalent fees was £15-20k.



## Staff Report

The following information is subject to audit.

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

	2016/17	2015/16
Executive 1 Grade	1	1
Executive 2 Grade	1	2
Executive 3 Grade	3	3
	<b>5</b>	<b>6</b>

### 4. Staff Costs

Staff costs comprise:

	Permanently employed staff 2016/17 £000	Temporary and agency staff 2016/17 £000	Total 2016/17 £000
Wages and salaries	61,006	1,206	62,212
Social security costs	7,338	139	7,477
Other pension costs	8,281	118	8,399
Non directly employed staff	-	-	-
<b>Sub-total</b>	<b>76,625</b>	<b>1,463</b>	<b>78,088</b>
Less costs recovered in respect of outward secondments	(139)	-	(139)
<b>Total staff costs</b>	<b>76,486</b>	<b>1,463</b>	<b>77,949</b>

	Permanently employed staff 2015/16 £000	Temporary and agency staff 2015/16 £000	Total 2015/16 £000
Wages and salaries	60,598	1,543	62,141
Social security costs	5,364	152	5,516
Other pension costs	8,074	158	8,232
Agency staff	-	1	1
<b>Sub-total</b>	<b>74,036</b>	<b>1,854</b>	<b>75,890</b>
Less costs recovered in respect of outward secondments	(218)	-	(218)
<b>Total staff costs</b>	<b>73,818</b>	<b>1,854</b>	<b>75,672</b>

### Average number of persons employed

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

	Permanently employed staff 2016/17	Temporary and agency staff 2016/17	Total 2016/17
Total average staff numbers	1,505	28	1,533

	Permanently employed staff 2015/16	Temporary and agency staff 2015/16	Total 2015/16
Total average staff numbers	1,514	41	1,555

### Exit packages

	Number of compulsory packages 2016/17	Number of other departures agreed 2016/17	Total number of exit packages by cost band 2016/17
Less than £10,000	-	1	1
£10,001 - £25,000	1	-	1
£25,001 - £50,000	3	-	3
£50,001 - £100,000	1	-	1
<b>Total number of exit packages</b>	<b>5</b>	<b>1</b>	<b>6</b>

	£000	£000	£000
<b>Total value of exit packages</b>	<b>198</b>	<b>1</b>	<b>199</b>

	Number of compulsory packages 2015/16	Number of other departures agreed 2015/16	Total number of exit packages by cost band 2015/16
Less than £10,000	3	1	4
£10,001 - £25,000	1	-	1
£25,001 - £50,000	3	-	3
£50,001 - £100,000	3	-	3
<b>Total number of exit packages</b>	<b>10</b>	<b>1</b>	<b>11</b>

	£000	£000	£000
<b>Total value of exit packages</b>	<b>340</b>	<b>3</b>	<b>343</b>

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

## Salary Multiples

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

The banded remuneration of the CNPA's highest-paid director, who was the Chief Executive Officer/Chief Constable, in the financial year 2016/17 was £140,000-£145,000 (2015/16: £140,000-£145,000). This was 4.1 times the median remuneration of the CNPA's employees (2015/16: 4.1 times), which was £34,987 (2015/16: £34,350). Median remuneration increased by approximately two per cent between 2015/16 and 2016/17. The average salary cost per employee rose in 2016/17 due to employees receiving a one per cent pay award and also individual incremental pay increases for eligible staff.

In 2016/17, nil employees received remuneration in excess of the highest-paid director (2015/16: nil). Remuneration, excluding that of the highest-paid director, ranged from £17,500 to £128,897 (2015/16: £16,763 to £135,252).

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

## Expenditure on Consultancy

	2016/17 £000	2015/16 £000
Consultants	144	23

The increase in consultancy costs is due to project implementation.

## Off-payroll Engagements

The CNPA continued to apply tax assurance measures in respect of public sector employees; reporting these in detail to its sponsoring department BEIS in March 2017. The CNPA uses a risk based approach to tax assurance with measures including:

1. Tax letter of comfort;
2. HMRC employment status indicator assessment;
3. Specialist tax advice;
4. Confirmation from contract provider on employment status; and
5. Completion of detailed working practices questionnaire.

The table below provides data on off-payroll engagements.

	2016/17	2015/16
<b>Number of engagements as at 31 March</b>	1	2
Number of which existed:		
For less than one year at time of reporting	1	-
Between one and two years at time of reporting	-	1
Between two and three years at time of reporting	-	1
Between three and four years at time of reporting	-	-

## Gender Breakdown and Gender Diversity

At the end of the financial year the CNPA Board was composed of four male and one female executive members and five male and three female non-executive members. Of the eight heads of department and divisional commanders' roles, seven were occupied by males and one by a female. The CNPA had 1,238 male (2015/16: 1,274) and 319 female (2015/16: 318) employees at the end of the financial year.

## Employees

The CNPA provides equal opportunity for employment, training, career development and promotion regardless of sex; age; race; religion; and ethnic origin or sexual orientation. The CNPA welcomes applications from candidates with disabilities and considers applications on a case by case basis. Police officer applicants must be able to undertake the normal activities required of a police officer, and the CNPA will fairly consider whether reasonable adjustments can be made in the workplace to accommodate applicants' disabilities. The CNPA will make appropriate arrangements to provide reasonable adjustments should employees become disabled during the course of their employment.

The CNPA Corporate Equality Standards set out guiding principles that support the delivery of our strategic Equality, Diversity and Inclusion (EDI) objectives, ensure effective employee engagement and corporately celebrate our inclusive culture. In early 2017 the CNPA launched an Equalities Consultative Support Network. This is designed to be a forum for discussing EDI issues and ensuring the CNPA embeds good practice models in all areas of the employee lifecycle.

Day-to-day communication with staff takes place via electronic media and team briefings. Employees are kept up-to-date with the CNC's progress via emailed messages; internal posters; briefings; and a series of newsletters. Formal updates are also issued in the form of Constabulary Orders and operational and security briefings. The Chief Constable provides regular briefings to HQ-based officers and staff. These are recorded and circulated to all employees at all CNC locations. Further investment in employee communications is planned with the launch of a new intranet. This will enable us to communicate with all of our employees in whichever way they find most effective.

The CNPA will work to ensure that we are able to recruit and retain the best employees on the basis of their abilities and individual merit. We invest in the personal and professional development of all our employees with a wide variety of learning opportunities.

## Sickness Absences

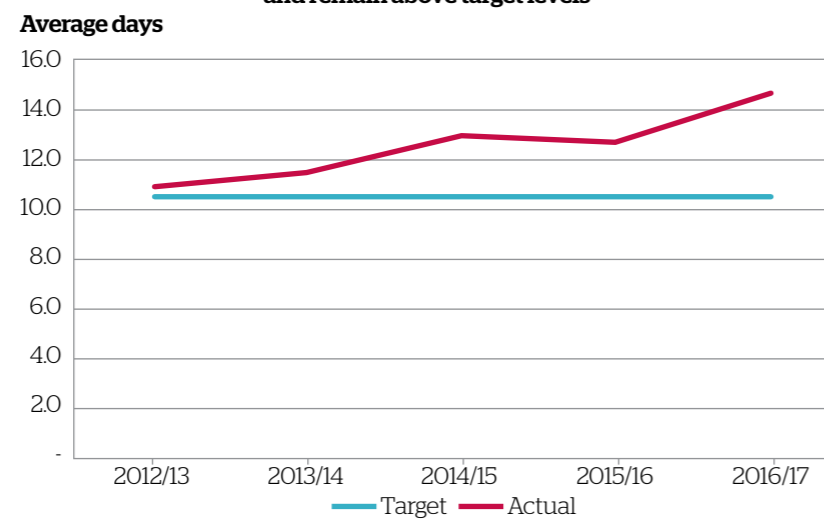
The CNPA is committed to the physical and mental health and wellbeing of all its officers and staff and has a comprehensive attendance management policy. Its occupational health provision extends across all of its locations. Police officer sickness absence rates have increased this year to 14.8 days per officer, remaining above their target of 10.5 days.

Total police staff sickness rates have increased to 121 days per police staff member, above their target of 75 days. This increase is primarily due to increases in long term absence. Short term sickness absence remains low at 3.3 days per police staff member.

The following actions have been implemented or are due to be implemented in 2017/18 to address the rising trend in police officer sickness absence:

- Increased intervention by health and wellbeing advisors to aid returns to work, especially in supporting muscular skeletal injuries, and speeding up the recuperative period;
- Increased funding to help recovery, such as physiotherapy and counselling;
- A health and wellbeing group to begin to provide corporate oversight of sickness absence rates and to analyse trends across the organisation; and
- Increased internal provision of specialised occupational health services.

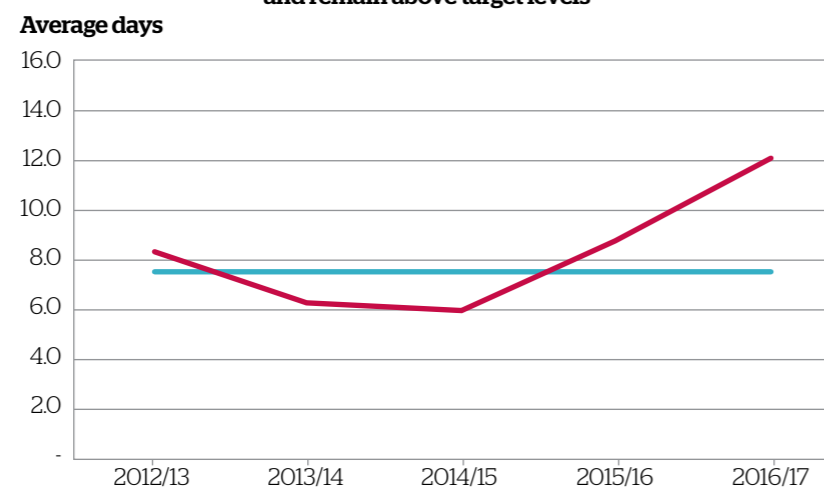
**Police officer sickness absence rates have increased and remain above target levels**



**Mike Griffiths CBE**  
Chief Executive Officer and Chief Constable

29 June 2017

**Police staff sickness absence rates have increased and remain above target levels**



## Parliamentary Accountability and Audit Report

*The following information is subject to audit.*

### Regularity of Expenditure

### Losses and Special Payments

There are no reportable losses or special payments for the year ended 31 March 2017.

### Fees and Charges

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

### Remote Contingent Liabilities

There are no remote contingent liabilities.

### Long-term Expenditure Trends

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

**Mike Griffiths CBE**

Chief Executive Officer and Chief Constable

29 June 2017

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

I have audited the financial statements of Civil Nuclear Police Authority for the year ended 31 March 2017 under the Energy Act 2004. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity, and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration and Staff Report and Parliamentary Accountability Report that is described in that report as having been audited.

### Respective responsibilities of the Police Authority, Accounting Officer and Auditor

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

### Scope of the audit of the financial statements

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

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

### Opinion on regularity

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

### Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of Civil Nuclear Police Authority's affairs as at 31 March 2017 and of net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Energy Act 2004 and Secretary of State directions issued thereunder.

### Opinion on other matters

In my opinion:

- the parts of the Remuneration and Staff Report and Parliamentary Accountability Report to be audited have been properly prepared in accordance with Secretary of State directions made under the Energy Act; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which I report by exception

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

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

**Sir Amyas C E Morse**  
Comptroller and Auditor General

10 July 2017

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

# Financial Statements 2016/17

## Statement of Comprehensive Net Expenditure

For the year to 31 March 2017

	Notes	2016/17 £000	2015/16 £000
<b>Income</b>	3	<b>102,429</b>	<b>100,466</b>
<b>Expenditure</b>			
Staff costs	5	(78,088)	(75,890)
Other expenditure	5	(24,622)	(24,227)
<b>Operating (deficit)/ surplus</b>		<b>(281)</b>	<b>349</b>
Loss on disposal of property, plant and equipment		(3)	(12)
<b>(Deficit)/ surplus on ordinary activities before financing costs</b>		<b>(284)</b>	<b>337</b>
Financial income - interest receivable		13	14
Financial expense - interest payable		(13)	(14)
<b>Net financing costs</b>		<b>-</b>	<b>-</b>
<b>Total comprehensive (expenditure)/ income for the year</b>		<b>(284)</b>	<b>337</b>

All operations are continuing.

The notes on pages 59 to 83 form part of these financial statements.

## Statement of Financial Position

As at 31 March 2017

	Note	2016/17 £000	2015/16 £000
<b>Non-current assets</b>			
Property, plant and equipment	6	8,574	7,987
Intangible assets	7	1,568	872
Trade and other receivables	10	462	490
<b>Total non-current assets</b>		<b>10,604</b>	<b>9,349</b>
<b>Current assets</b>			
Inventories	9	1,548	1,628
Trade and other receivables	10	12,250	12,503
Cash and cash equivalents	11	9,009	8,808
<b>Total current assets</b>		<b>22,807</b>	<b>22,939</b>
<b>Total assets</b>		<b>33,411</b>	<b>32,288</b>
<b>Current liabilities</b>			
Trade and other payables	12	(10,551)	(10,812)
Provisions	13	(338)	(367)
<b>Total current liabilities</b>		<b>(10,889)</b>	<b>(11,179)</b>
<b>Non-current assets plus net current assets</b>		<b>22,522</b>	<b>21,109</b>
<b>Non-current liabilities</b>			
Trade and other payables	12	(5,878)	(4,259)
Provisions	13	(1,399)	(1,512)
<b>Total non-current liabilities</b>		<b>(7,277)</b>	<b>(5,771)</b>
<b>Assets less liabilities</b>		<b>15,245</b>	<b>15,338</b>
<b>Taxpayers' equity</b>			
Income and expenditure reserve	14	(5,441)	(5,157)
Financing reserve	14	20,686	20,495
		<b>15,245</b>	<b>15,338</b>

The financial statements on pages 55 to 83 were approved by the CNPA Board on 28 June 2017 and signed on its behalf by:

**Mike Griffiths CBE**  
Chief Executive Officer and Chief Constable

29 June 2017

The notes on pages 59 to 83 form part of these financial statements.

## Statement of Cash Flows

For the year ended 31 March 2017

	Note	2016/17 £000	2015/16 £000
<b>Cash flows from operating activities</b>			
Retained (deficit)/surplus for the year		(284)	337
Adjustments for:			
Loss on disposal of property, plant and equipment		3	12
Amortisation of intangible assets	7	285	253
Depreciation of property, plant and equipment	6	1,363	1,693
Release of capital grant		(1,273)	(1,061)
Impact of provisions	13	142	(272)
<b>Operating cash flows before changes in working capital and provisions</b>		<b>236</b>	<b>962</b>
Decrease in trade and other receivables	10	281	1,297
Decrease/(increase) in inventories	9	80	(116)
Increase in trade and other payables	12	1,358	4,279
Use of provisions	13	(284)	(560)
Adjustment for items not passing through Statement of Comprehensive Net Expenditure		(730)	(3,014)
<b>Cash generated from operations</b>		<b>941</b>	<b>2,848</b>
Interest received		13	14
<b>Net cash inflow from operating activities</b>		<b>954</b>	<b>2,862</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(1,727)	(3,146)
Purchase of intangible assets		(965)	(497)
<b>Net cash outflow from investing activities</b>		<b>(2,692)</b>	<b>(3,643)</b>
<b>Cash flows from financing activities</b>			
Capital grant received		1,748	3,872
Grants from parent department		150	892
Other financing contributions		41	49
<b>Net financing</b>		<b>1,939</b>	<b>4,813</b>
<b>Net increase in cash and cash equivalents in the period</b>	11	<b>201</b>	<b>4,032</b>
<b>Cash and cash equivalents at the beginning of the period</b>	11	<b>8,808</b>	<b>4,776</b>
<b>Cash and cash equivalents at the end of the period</b>	11	<b>9,009</b>	<b>8,808</b>

The notes on pages 59 to 83 form part of these financial statements.

## Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2017

	Note	Income and expenditure reserve £000	Financing reserve £000	Total £000
<b>Balance at 31 March 2015</b>		<b>(5,494)</b>	<b>19,541</b>	<b>14,047</b>
<b>Changes in taxpayers' equity 2015/16</b>	14			
Grant-in-aid received		-	891	891
Amounts payable to BEIS		-	63	63
Comprehensive expenditure for the year		337	-	337
<b>Balance at 31 March 2016</b>		<b>(5,157)</b>	<b>20,495</b>	<b>15,338</b>
<b>Changes in taxpayers' equity 2016/17</b>	14			
Grant-in-aid received		-	150	150
Amounts payable to BEIS		-	41	41
Comprehensive expenditure for the year		(284)	-	(284)
<b>Balance at 31 March 2017</b>		<b>(5,441)</b>	<b>20,686</b>	<b>15,245</b>

The notes on pages 59 to 83 form part of these financial statements.

# Notes to the Accounts

## 1. Statement of Accounting Policies

The Civil Nuclear Police Authority is an executive non-departmental public body of the Department for Business, Energy and Industrial Strategy which was created on 14 July 2016, incorporating the former Department of Energy and Climate Change and is domiciled in the United Kingdom.

## Statement of Compliance

These financial statements have been prepared in accordance with the 2016/17 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of CNPA for the purpose of giving a true and fair view has been selected. The particular policies adopted by CNPA are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

### 1.1 Basis of Accounting

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

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

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

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

## 1.2 Changes in Accounting Policy and Disclosures

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

The CNPA has applied IFRS 11 *Joint Arrangements* and IFRS 12 *Disclosure of Interests in Other Entities* this year after joining the Multi-Force Shared Service (MFSS).

## 1.3 Accounting standards issued, but not yet effective

Certain new standards, amendments to standards and interpretations that have been issued by the IASB are not yet effective for the year ended 31 March 2017 and have not been applied in preparing these financial statements. These are:

- IFRS 9 Financial Instruments: effective for periods beginning on or after 1 January 2018;
- IFRS 15 Revenue from Contracts with Customers: effective for periods beginning on or after 1 January 2018;
- IFRS 16 Leases: effective for periods beginning on or after 1 January 2019.

Based on preliminary assessments, the CNPA does not anticipate that the adoption of these standards and interpretations in future periods will have a material impact on its results, financial position or disclosures.

## 1.4 Property, Plant and Equipment

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

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

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

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

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

## 1.5 Intangible Assets

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

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

Software licences	Life of licence
Information Technology	Up to 5 years

## 1.6 Impairment of Assets

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

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

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

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

## 1.7 Income Recognition

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



## 1.8 Taxation

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

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

## 1.9 Employee Benefits

### Staff costs

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

### Pension costs

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

## 1.10 Provisions and Contingent Liabilities

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

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

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

## 1.11 Grant-in-Aid and Capital Grants

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

Capital grants for the purchase of property, plant and equipment are credited to deferred income and released to the Statement of Comprehensive Income over the

expected useful economic lives of the assets in amounts equal to the depreciation charge.

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

## 1.12 Operating Leases

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

## 1.13 Foreign Currencies

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

## 1.14 Inventories

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

## 1.15 Financial Instruments

### Cash and cash equivalents

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

### Trade and other receivables

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

### Trade and other payables

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

### Financial income and financial expense

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

## 1.16 Segment Reporting

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

## 1.17 Joint Arrangements

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

## 2. Segment Information

During the reporting period the presentation of internal reports has developed to require an additional reportable segment. Therefore the CNPA now has two reportable segments: Operational Policing Units and Escorted Movements. The financial performance of all non-operating segments have been grouped under the heading Corporate Departments. This information is included to reconcile the financial performance of the operating segments. The comparative information has been restated.

2016/17	Operational Policing Units £000	Escorted Movements £000	Corporate Departments £000	Total £000
<b>Income</b>	<b>94,313</b>	<b>8,116</b>	-	<b>102,429</b>
<b>Expenditure</b>				
Staff costs	(52,747)	(4,628)	(20,713)	(78,088)
Other expenditure	(3,028)	(1,363)	(19,714)	(24,105)
Depreciation and amortisation	(659)	(199)	(790)	(1,648)
Release of capital grants	582	128	563	1,273
Movement in provisions	-	-	(142)	(142)
<b>Operating surplus/(deficit)</b>	<b>38,461</b>	<b>2,054</b>	<b>(40,796)</b>	<b>(281)</b>
Loss on disposal of property, plant and equipment	(5)	-	2	(3)
<b>Surplus/(deficit) on ordinary activities before financing costs</b>	<b>38,456</b>	<b>2,054</b>	<b>(40,794)</b>	<b>(284)</b>
Finance income - interest receivable	-	-	13	13
Finance charges - interest payable	-	-	(13)	(13)
<b>Retained surplus/(deficit) for the year</b>	<b>38,456</b>	<b>2,054</b>	<b>(40,794)</b>	<b>(284)</b>
<b>Assets and liabilities</b>				
Segment assets	14,126	882	18,403	33,411
Segment liabilities	(4,723)	(771)	(12,672)	(18,166)
<b>Net (liabilities)/ assets</b>	<b>9,403</b>	<b>111</b>	<b>5,731</b>	<b>15,245</b>
<b>Taxpayers' equity</b>				
Income and expenditure reserve	-	-	(5,441)	(5,441)
Financing reserve	-	-	20,686	20,686
<b>Taxpayers' equity</b>	<b>-</b>	<b>-</b>	<b>15,245</b>	<b>15,245</b>

2015/16	Operational Policing Units	Escorted Movements	Corporate Departments	Total
	£000	£000	£000	£000
<b>Income</b>	<b>92,905</b>	<b>7,561</b>	<b>-</b>	<b>100,466</b>
<b>Expenditure</b>				
Staff costs	(56,730)	(3,585)	(15,575)	(75,890)
Other expenditure	(2,521)	(1,598)	(19,495)	(23,614)
Depreciation and amortisation	(791)	(185)	(970)	(1,946)
Release of capital grants	561	113	387	1,061
Movement in provisions	-	-	272	272
<b>Operating surplus/(deficit)</b>	<b>33,424</b>	<b>2,306</b>	<b>(35,381)</b>	<b>349</b>
Loss on disposal of property, plant and equipment	-	-	(12)	(12)
<b>Surplus/(deficit) on ordinary activities before financing costs</b>	<b>33,424</b>	<b>2,306</b>	<b>(35,393)</b>	<b>337</b>
Finance income - interest receivable	-	-	14	14
Finance charges - interest payable	-	-	(14)	(14)
<b>Retained surplus/(deficit) for the year</b>	<b>33,424</b>	<b>2,306</b>	<b>(35,393)</b>	<b>337</b>
<b>Assets and liabilities</b>				
Segment assets	4,377	870	27,041	32,288
Segment liabilities	(7,539)	(1,101)	(8,310)	(16,950)
<b>Net (liabilities)/ assets</b>	<b>(3,162)</b>	<b>(231)</b>	<b>18,731</b>	<b>15,338</b>
<b>Taxpayers' equity</b>				
Income and expenditure reserve	-	-	(5,157)	(5,157)
Financing reserve	-	-	20,495	20,495
<b>Taxpayers' equity</b>	<b>-</b>	<b>-</b>	<b>15,338</b>	<b>15,338</b>

## Geographical areas

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

## Major customers

The CNPA is reliant on income from a small number of Site Licence Companies (SLCs) for a significant proportion of its income. Transactions with three SLCs (2015/16: three SLCs) each amounted to 10 per cent or more of the CNPA's total income. This income is reported within the OPU's operating segment. A breakdown of income by major customer is provided below:

	2016/17 £000	%	2015/16 £000	%
SLC 1	38,531	38	35,994	36
SLC 2	35,940	35	35,505	35
SLC 3	13,278	13	13,049	13
Others	14,680	14	15,918	16
<b>Total</b>	<b>102,429</b>	<b>100</b>	<b>100,466</b>	<b>100</b>

### 3. Income

The CNPA is required to recover its full operating costs each year. Income of £102,429,000 for the year to 31 March 2017 (2015/16: £100,466,000) represents a re-charge of running costs to SLCs of £101,131,000 (2015/16: £99,934,000) and miscellaneous income of £1,298,000 (2015/16: £532,000). All activities are regarded as continuing.

### 4. Pension Costs

All employees of the CNPA are eligible to be members of the CPS of the United Kingdom Atomic Energy Authority (UKAEA) for the year ended 31 March 2017. The CPS is a contributory unfunded statutory defined benefit public service pension scheme.

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

The employer contribution has been increased from 16.2 per cent to 19.3 per cent of pensionable earnings from 1 April 2017 following a review of contribution rates by the Government Actuary's Department. This rate is expected to continue throughout the 2017/18 scheme year.

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

### 5. Expenditure

	Notes	2016/17 £000	2015/16 £000
<b>Staff Costs</b>			
Wages and salaries		62,212	62,141
Social Security costs		7,477	5,516
Other pension costs		8,399	8,232
Agency staff		-	1
<b>Total staff costs</b>		<b>78,088</b>	<b>75,890</b>
<b>Goods and services</b>			
Information technology and communications		4,933	4,827
Hotels, subsistence and catering costs		4,123	3,727
Specialist equipment and maintenance		3,077	3,502
Accommodation costs		2,665	2,688
Transport related costs		2,436	2,532
Professional services and legal fees		2,507	3,401
People services		1,647	1,190
Joint operation for back office services	19	1,083	-
Insurance		719	635
Rentals under operating leases - buildings		395	338
Office supplies and services		335	245
Auditor remuneration		45	42
Rentals under operating leases - equipment		-	12
Other supplies and services		135	382
<b>Total goods and services purchased</b>		<b>24,100</b>	<b>23,521</b>
<b>Non-cash items</b>			
Loss on disposal of inventory		-	60
Depreciation of property, plant and equipment	6	1,363	1,693
Amortisation of intangible assets	7	285	253
Capital grants released		(1,273)	(1,061)
Cost of capital charges		5	33
Movement in provisions	13	115	(317)
Unwinding of discount on provisions	13	27	45
<b>Total non-cash items</b>		<b>522</b>	<b>706</b>
<b>Total other expenditure</b>		<b>24,622</b>	<b>24,227</b>
		<b>102,710</b>	<b>100,117</b>

The layout of this note, including the comparison period, has been amended to improve clarity for the user.

More information on staff costs can be found in the Staff Report on pages 46 to 51.

## 6. Property, Plant and Equipment

	Transport equipment	Plant and machinery	Furniture and fittings	Information Technology	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000	£000
<b>Cost or valuation</b>						
At 1 April 2016	4,725	5,894	677	3,022	2,354	16,672
Additions	183	295	24	213	1,269	1,984
Disposals	(342)	-	(6)	(457)	-	(805)
Reclassifications	377	(761)	-	648	(300)	(36)
<b>At 31 March 2017</b>	<b>4,943</b>	<b>5,428</b>	<b>695</b>	<b>3,426</b>	<b>3,323</b>	<b>17,815</b>
<b>Depreciation</b>						
At 1 April 2016	2,681	3,143	401	2,460	-	8,685
Charged in year	663	450	60	190	-	1,363
Disposals	(339)	-	(6)	(457)	-	(802)
Reclassifications	54	(716)	-	657	-	(5)
<b>At 31 March 2017</b>	<b>3,059</b>	<b>2,877</b>	<b>455</b>	<b>2,850</b>	<b>-</b>	<b>9,241</b>
<b>Net book value at 31 March 2017</b>	<b>1,884</b>	<b>2,551</b>	<b>240</b>	<b>576</b>	<b>3,323</b>	<b>8,574</b>
<b>Asset financing</b>						
Owned	1,884	2,551	240	576	3,323	8,574
<b>Net book value at 31 March 2017</b>	<b>1,884</b>	<b>2,551</b>	<b>240</b>	<b>576</b>	<b>3,323</b>	<b>8,574</b>

	Transport equipment	Plant and machinery	Furniture and fittings	Information Technology	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000	£000
<b>Cost or valuation</b>						
At 1 April 2015	3,800	5,562	594	2,604	1,022	13,582
Additions	498	401	86	390	1,975	3,350
Disposals	(137)	(69)	(3)	(45)	-	(254)
Reclassifications	564	-	-	73	(643)	(6)
<b>At 31 March 2016</b>	<b>4,725</b>	<b>5,894</b>	<b>677</b>	<b>3,022</b>	<b>2,354</b>	<b>16,672</b>
<b>Depreciation</b>						
At 1 April 2015	2,174	2,597	358	2,105	-	7,234
Charged in year	644	603	46	400	-	1,693
Disposals	(137)	(57)	(3)	(45)	-	(242)
<b>At 31 March 2016</b>	<b>2,681</b>	<b>3,143</b>	<b>401</b>	<b>2,460</b>	<b>-</b>	<b>8,685</b>
<b>Net book value at 31 March 2016</b>	<b>2,044</b>	<b>2,751</b>	<b>276</b>	<b>562</b>	<b>2,354</b>	<b>7,987</b>
<b>Asset financing</b>						
Owned	2,044	2,751	276	562	2,354	7,987
<b>Net book value at 31 March 2016</b>	<b>2,044</b>	<b>2,751</b>	<b>276</b>	<b>562</b>	<b>2,354</b>	<b>7,987</b>

Payments on account and assets under construction represent assets that are incomplete or not yet in productive use by the CNPA. At 31 March 2017 this related to £919,000 for vehicles (2015/16: £924,000), £2,187,000 for information technology (2015/16: £1,219,000), £99,000 for police control room equipment (2015/16: £114,000), £6,000 for plant and equipment (2015/16: £6,000) and £112,000 (2015/16: £91,000) for fixtures and fittings.

### Depreciation charge

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

## 7. Intangible Assets

	Software licences	Information Technology	Payments on account and assets under construction	Total
	£000	£000	£000	£000
<b>Cost or valuation</b>				
At 1 April 2016	474	1,674	-	2,148
Additions	68	26	856	950
Reclassifications	427	(391)	-	36
<b>At 31 March 2017</b>	<b>969</b>	<b>1,309</b>	<b>856</b>	<b>3,134</b>
<b>Amortisation</b>				
At 1 April 2016	406	870	-	1,276
Charged in year	146	139	-	285
Reclassifications	25	(20)	-	5
<b>At 31 March 2017</b>	<b>577</b>	<b>989</b>	<b>-</b>	<b>1,566</b>
<b>Net book value at 31 March 2017</b>	<b>392</b>	<b>320</b>	<b>856</b>	<b>1,568</b>
<b>Asset financing</b>				
Owned	392	320	856	1,568
<b>Net book value at 31 March 2017</b>	<b>392</b>	<b>320</b>	<b>856</b>	<b>1,568</b>
	Software licences	Information Technology		Total
	£000	£000		£000
<b>Cost or valuation</b>				
At 1 April 2015	508	1,179		1,687
Additions	-	495		495
Disposals	(40)	-		(40)
Reclassifications	6	-		6
<b>At 31 March 2016</b>	<b>474</b>	<b>1,674</b>		<b>2,148</b>
<b>Amortisation</b>				
At 1 April 2015	376	687		1,063
Charged in year	70	183		253
Disposals	(40)	-		(40)
<b>At 31 March 2016</b>	<b>406</b>	<b>870</b>		<b>1,276</b>
<b>Net book value at 31 March 2016</b>	<b>68</b>	<b>804</b>		<b>872</b>
<b>Asset financing</b>				
Owned	68	804		872
<b>Net book value at 31 March 2016</b>	<b>68</b>	<b>804</b>		<b>872</b>

Payments on account and assets under construction represent assets that are incomplete or not yet in productive use by the CNPA. At 31 March 2017 this related to £16,000 for software licences (2015/16: £nil), £186,000 for information technology intangibles (2015/16: £nil) and £654,000 for an incident management system (2015/16: £nil).

## Amortisation charge

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

## 8. Financial Instruments

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

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

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

### Credit risk

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

#### Exposure to credit risk

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

Loans and other receivables	2016/17	2015/16
	£000	£000
Total receivables (excluding prepayments)	12,178	12,635
Cash and cash equivalents	9,009	8,808
	<b>21,187</b>	<b>21,443</b>

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

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

	2016/17 £000	2015/16 £000
Not past due	12,178	12,606
Past due less than 1 month	-	29
Between 1 and 2 months	-	-
	<b>12,178</b>	<b>12,635</b>

No receivables balances were considered impaired at the end of the reporting period (2015/16: £nil). There are no receivables that would otherwise be past due or impaired whose terms have been renegotiated (2015/16: £nil).

### Liquidity risk

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

At 31 March 2017	Within 1 month	Between 1 and 3 months	Between 3 and 12 months	Total contractual maturity
	£000	£000	£000	£000
Trade payables	856	-	-	856
Accrued expenses	-	5,188	-	5,188
Other payables	1,159	-	-	1,159
	<b>2,015</b>	<b>5,188</b>	<b>-</b>	<b>7,203</b>

At 31 March 2016	Within 1 month	Between 1 and 3 months	Between 3 and 12 months	Total contractual maturity
	£000	£000	£000	£000
Accrued expenses	-	6,265	-	6,265
Other payables	1,136	-	-	1,136
	<b>1,136</b>	<b>6,265</b>	<b>-</b>	<b>7,401</b>

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

### Market risk

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

#### Currency risk

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

#### Interest rate risk

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

#### Other price risk

The CNPA had no significant other price risk.

### Estimation of fair values

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

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

#### Early departure receivables

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

#### Cash at bank and in hand

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

## 9. Inventories

	2016/17	2015/16
	£000	£000
Ammunition	1,548	1,628
	<b>1,548</b>	<b>1,628</b>

During the reporting period £nil (2015/16: £60,000) of obsolete, slow moving or defective items of inventory was written off.

## 10. Trade Receivables and Other Assets

	2016/17	2015/16
	£000	£000
<b>Amounts falling due within one year:</b>		
Trade receivables	266	10,086
Early departure receivables due from pension scheme	83	260
Pre-payments and accrued income	10,842	1,228
Other receivables	1,059	929
	<b>12,250</b>	<b>12,503</b>
<b>Amounts falling due after more than one year:</b>		
Early departure receivables due from pension scheme	424	445
Other receivables	38	45
	<b>462</b>	<b>490</b>

Accrued income at 31 March 2017 included £8,618,000 for revenue which had not yet been invoiced. At 31 March 2016 the corresponding value had been invoiced and was included in trade receivables.

## 11. Cash and Cash Equivalents

	2016/17	2015/16
	£000	£000
Balance at 1 April	8,808	4,776
Net change in cash and cash equivalent balances	201	4,032
<b>Balance at 31 March</b>	<b>9,009</b>	<b>8,808</b>

The following balances at 31 March were held at:

	2016/17	2015/16
	£000	£000
Commercial bank	9,009	8,808
	<b>9,009</b>	<b>8,808</b>

## 12. Trade Payables and Other Current Liabilities

	2016/17	2015/16
	£000	£000
<b>Amounts falling due within one year:</b>		
Trade payables	856	-
Other taxation and social security	1,796	1,674
Accrued expenses	5,188	6,265
Deferred income	1,552	1,737
Other payables	1,159	1,136
	<b>10,551</b>	<b>10,812</b>
<b>Amounts falling due after more than one year:</b>		
Deferred income	5,878	4,259
	<b>5,878</b>	<b>4,259</b>



### 13. Provisions for Liabilities and Charges

	Legal	Dilapidations	Early departure costs	Total
	£000	£000	£000	£000
At 1 April 2015	666	243	1,802	2,711
Provided in the year	70	3	129	202
Provisions utilised in the year	(125)	-	(435)	(560)
Provisions not required written back	(519)	-	-	(519)
Unwinding of discount	-	-	45	45
<b>At 31 March 2016</b>	<b>92</b>	<b>246</b>	<b>1,541</b>	<b>1,879</b>
Provided in the year	55	-	72	127
Provisions utilised in the year	(28)	-	(256)	(284)
Provisions not required written back	(12)	-	-	(12)
Unwinding of discount	-	-	27	27
<b>At 31 March 2017</b>	<b>107</b>	<b>246</b>	<b>1,384</b>	<b>1,737</b>
<b>Expected timings of cash flows</b>				
Within one year	107	-	231	338
Between two and five years	-	246	416	662
After five years	-	-	737	737
	<b>107</b>	<b>246</b>	<b>1,384</b>	<b>1,737</b>

#### Legal

Of the 10 claims open at 1 April 2016, the provision is unchanged for six, increased for one and the remaining three have been utilised during the reporting period. Further provision has been made for six smaller claims of up to £10,000 each, of these one has been written back unused.

#### Dilapidations

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

#### Early departure costs

This provision has been made to cover pension payments to former employees who have retired early. Payments are made to the date on which the employee reaches normal retirement age of 60, after which the employee's pension costs will be borne by the pension scheme. Payments are made to the pension scheme after age 60 for an average of 22 years to cover the unenhanced elements of these pensions. Pension payments have been indexed in line with rules set out by the Official Committee on Occupational Pensions; that is pension payments are indexed annually in line with the Consumer Prices Index (CPI) to the previous September. Forecast CPI has been taken from the Budget Report published in March 2017 by HM Treasury. Pension payments to age 60 have been discounted using discount rates based on the prevailing CPI and real discount rate of 0.24 per cent. Payments after age 60 are discounted using the real discount rate of 0.24 per cent.

## 14. Taxpayers' Equity

### Reconciliation of movement in taxpayers' equity

	Income and expenditure reserve	Financing reserve	Total
	£000	£000	£000
<b>At 1 April 2015</b>	<b>(5,494)</b>	<b>19,541</b>	<b>14,047</b>
Grant-in-aid received	-	891	891
Other financing contributions	-	63	63
Comprehensive expenditure for the year	337	-	337
<b>At 1 April 2016</b>	<b>(5,157)</b>	<b>20,495</b>	<b>15,338</b>
Grant-in-aid received	-	150	150
Other financing contributions	-	41	41
Comprehensive expenditure for the year	(284)	-	(284)
<b>At 31 March 2017</b>	<b>(5,441)</b>	<b>20,686</b>	<b>15,245</b>

### Income and expenditure reserve

The income and expenditure reserve shows accumulated surpluses and deficits. The CNPA is required to recover its full operating costs each year through charges to customers to whom it provides a service. The deficit of £5,441,000 (2015/16: £5,157,000) is due to the provision of early departure costs for non-AFOs and police staff following withdrawal from Springfields, Capenhurst, Chapelcross and Wylfa OPUs. These costs are not considered operating costs and cannot be recharged to the CNPA's customers. They will be met in full by BEIS, through grant-in-aid funding, as and when they fall due for payment and will be recognised by the CNPA on a cash basis in the year in which the payment is received.

### Financing reserve

The finance reserve relates to grant-in-aid provided by the CNPA's sponsoring department. It is credited to the financing reserve, as it is regarded as a contribution from a controlling party giving rise to a financial interest in the residual interest of the CNPA. Other financing contributions comprised £13,000 (2015/16: £14,000) of interest earned on the CNPA's bank accounts and £28,000 (2015/16: £49,000) from charges made to operating companies to finance purchases of property, plant and equipment. Other financing contributions are payable to BEIS and, by agreement with BEIS included within financing.

## 15. Capital Commitments

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

	2016/17 £000	2015/16 £000
Property, plant and equipment	603	1,459
Intangible assets	51	-
	<b>654</b>	<b>1,459</b>

## 16. Commitments Under Operating Leases

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

Office accommodation	15 years
Office equipment	3 - 4 years

During the year to 31 March 2017, £350,000 (2015/16: £350,000) was recognised as an expense in respect of operating leases in the Statement of Comprehensive Net Expenditure.

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

	2016/17 £000	2015/16 £000
<b>Leasehold properties</b>		
Less than one year	486	113
Between one and five years	1,322	-
	<b>1,808</b>	<b>113</b>

	2016/17 £000	2015/16 £000
<b>Leasehold office equipment</b>		
Less than one year	43	-
	<b>43</b>	<b>-</b>

## 17. Other Financial Commitments

The CNPA has entered into non-cancellable contracts (which are not leases or Private Finance Initiatives contracts) for access to the Airwave communication network, IT networking and for rental and licence contracts for business premises. Payments to which the CNPA is committed are as follows:

	2016/17	2015/16
	£000	£000
Less than one year	1,855	1,179
Between one and five years	2,212	2,358
	<b>4,067</b>	<b>3,537</b>

## 18. Contingent Liabilities

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

## 19. Joint Operation

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

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

There are no reportable assets or liabilities relating to the MFSS as at 31 March 2017. The MFSS only provides services to those organisations who are parties to the MFSS therefore there is no reportable income. The cost to the CNPA of participating in the MFSS is reported in note 5 to these accounts. The CNPA joined MFSS on 4 April 2016 and as this is the first year of operation there is no comparative information.

## 20. Related Party Transactions

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

- United Kingdom Atomic Energy Authority.

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

- International Nuclear Services Ltd; and
- Sellafield Limited.

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

- Dounreay Site Restoration Site Limited; and
- Magnox Limited.

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

- The Home Office; and
- The Office for Nuclear Regulation.

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

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

## 21. Events After the Reporting Period

There are no reportable events after the reporting period. These accounts were authorised for issue by the Accounting Officer on 10 July 2017, the date that the accounts were certified by the Comptroller and Auditor General.

## 22. Accounts Direction

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

ISBN 978-1-4741-4413-1



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