



Civil Nuclear Police Authority



Annual Report
& Accounts 2018/19

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Civil Nuclear Police Authority

Annual Report & Accounts
2018/19

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Chairman's statement

2018/19 has been another successful year for the Civil Nuclear Constabulary (CNC) and the Civil Nuclear Police Authority (CNPA) in which we have met our Mission and successfully delivered armed policing at civil nuclear sites across the country. We carry out a nationally important and unique task as an infrastructure police force and counter terrorism remains at the heart of everything we do, especially in the face of ever changing and emerging threats globally.

As part of the ongoing evolution of the CNC and the Police Authority, we have continued to drive our alignment with Home Office forces. Our Authorised Firearms Officers (AFOs) already meet the College of Policing fitness standard and undertake the same licensed firearms training. In 2018/19 their Terms and Conditions of Service became aligned to the Winsor terms adopted by Home Office forces for the first time. This was a huge piece of work which took the best part of a decade to achieve and I am very proud of all the effort that has gone into the project across the CNC.

As the fourth largest armed police force in the UK, we are constantly improving our capability to ensure we can meet any threat and have continued to train officers in dynamic search, intervention methods and tactical care. We have completed a number of escorted moves of nuclear material nationally and remain a highly respected and trusted organisation when protecting nuclear sites and material in transit.

During 2018/19 work was undertaken to move to an Oracle Cloud platform for our payroll, purchasing and finance systems as part of the Multi Force Shared Service (MFSS) which went live on 1 April 2019. The MFSS is a partnership between the CNC and three other police forces which allows us to make efficiency savings and provide various functions in one system to our staff, including payroll, purchasing and appraisals. The move to Oracle Cloud was a challenging time for many departments across the organisation however its implementation means we have a modern and secure way of carrying out numerous business functions.

As the CNPA Chairman, I continue to meet regularly with our sponsoring government department, the Department for Business, Energy and Industrial Strategy (BEIS) about a wide range of issues. This includes our interoperability with other police forces, and our ability to recruit and retain AFOs against the challenges we face, such as the national uplift of armed officers, the uncertainty of the future of some of the sites we police, and the pension age of our officers.

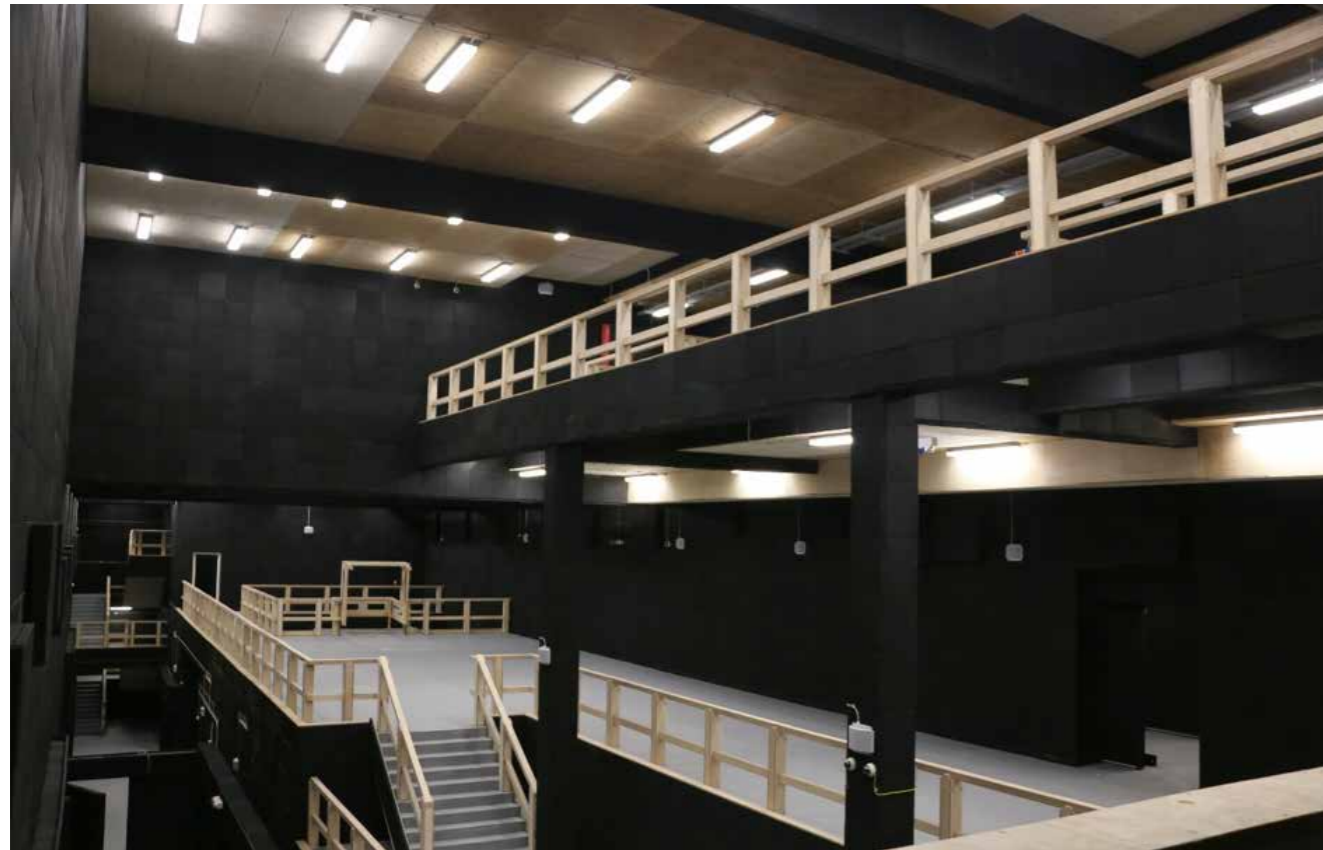
For the 2019/20 year, we have many challenges and opportunities to focus on. We will be moving into and begin training at our new Griffin Park Tactical Training Centre, which will be a Centre of Excellence delivering world-class firearms training in one of the best equipped live fire training centres in Europe. We will also be focusing on recruiting and training new AFOs to ensure we can continue to meet the minimum officer requirement at all our sites.

Over the coming years with changes in the nuclear industry, we are somewhat in a state of necessary change moving forward, however there will always be a requirement for an armed police force to protect our civil nuclear assets and this will remain our core activity. The CNC remains highly trained, capable, and equipped to continue delivering this demanding role into the foreseeable future and the CNPA will provide the support and governance necessary to ensure this Mission is delivered.



Vic Emery OBE
Chairman of the CNPA

The Griffin Park Tactical Training Centre at Sellafield - a centre of excellence delivering world-class firearms training



Ambition, Mission & Credo

Our Ambition

To be recognised nationally and internationally as the United Kingdom's leading organisation for the provision of Armed Protective Security.

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

Our Credo

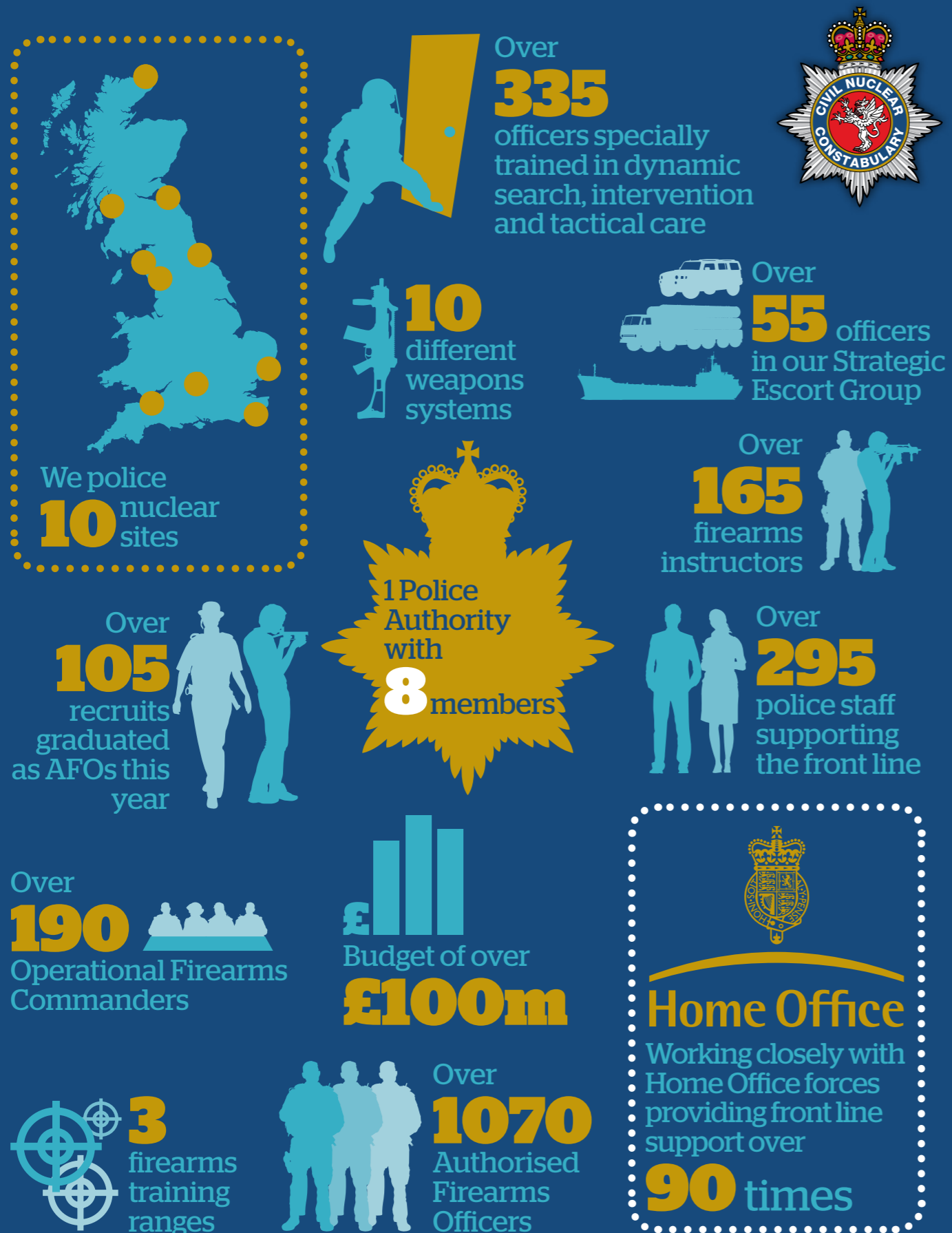
We are proud to be part of the security structure which defends the nation. We deliver to our Mission by being recruited, trained, deployed and developed to the required national and international standards. We are capable of carrying out our duties in a flexible and dynamic way, instilling in ourselves 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.

CNC at a glance



Performance Report

Chief Executive Officer and Chief Constable's Overview

The Civil Nuclear Constabulary remains an important component of the wider policing family. We are proud of our role in protecting the public by ensuring the security of civil nuclear material on the sites we protect, in transit across the UK and internationally on escort operations. With the threat posed by international terrorism remaining at Substantial, we are not complacent, our police officers and police staff work tirelessly to remain match fit to ensure that we are ready to deliver a robust response to anyone with malicious intent.

Over the past year we have been developing our Ambition "to be recognised nationally and internationally as the leading organisation in the UK for the provision of armed protective policing services". The significance of our Ambition is our determination to deliver excellence in armed policing, whether we are performing our core role in securing civil nuclear material or supporting other police forces as part of the nation's armed policing reserve.

We have delivered high levels of capability and are fully compliant with the national standards set by the College of Policing. These skills are cross transferable, and we are keen to work with the government to offer value for money and professional armed protective policing services in support of our Home Office police force colleagues. In doing so we will not be distracted from our core role in protecting civil nuclear material.

Within our Strategic Plan for 2019/22, our Ambition is now underpinned by one Strategic Objective, focused on delivering the operation. Everything we do, whether front line armed policing, or the services that enable this to happen, are seen as contributing to the overall operational effect. We are keen to develop our organisational culture and values as people of integrity who are proud of what we do, capable, and inclusive. We will do this by involving as many of our officers and staff as possible with the overall intention to deliver the Ambition.

During the past year we have completed the work on new Terms and Conditions of Service for our police officers and these are now closely aligned to the terms and conditions applied to Home Office police forces. The future pension age of our police officers remains a significant challenge for us, as does recruitment and retention of our highly valued police officers and staff.

Despite these significant challenges our operation remains efficient and effective and I am looking forward to working with the Civil Nuclear Police Authority to provide the best possible service to the public and the companies who operate the sites we police.



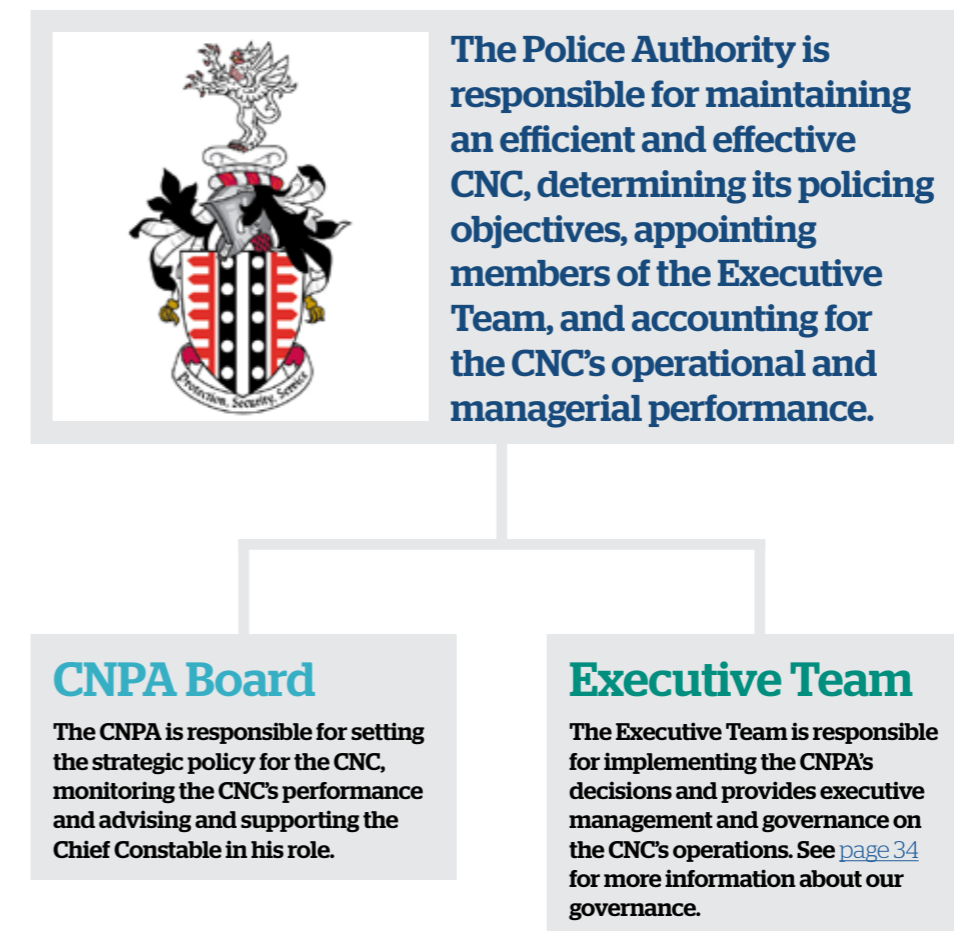
Simon Chesterman QPM
Chief Executive Officer and Chief Constable

Business Model

Who are we	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.
What we do	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 licenced nuclear sites throughout the UK and provides armed escorts for movements of nuclear materials within the UK and abroad. The Constabulary deploys armed officers in support of the Strategic Armed Policing Reserve and is ready to be called on to support national contingency operations if required.
How we do it	By meeting the standards set by the College of Policing (CoP), the Constabulary is licenced in all its firearms and training activities. The CNC 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.
Why we do it	The CNC works in partnership with site operators and carriers to protect the civil nuclear industry from terrorist attack and other malicious activity, whilst also deploying armed officers to the Strategic Armed Policing Reserve at times of national emergency.

Our future is closely related to the future of our customers. As the nuclear decommissioning process continues, the CNC may police fewer sites in the short to medium term, however the nature of the nuclear sector in the UK means new nuclear power stations may be built over the coming years and resourcing requirements may increase on existing sites. The CNC also has the ambition to be recognised as the leading organisation providing armed protective security, which means there is further potential to expand our operational remit in the longer term.

Relationship with CNPA & CNC



Strategic Objectives

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. The risk associated with these objectives are assessed and managed as set out in the following section:

Strategic Objective 1 Deter and respond	To deter and respond to Nuclear Industries Malicious Capabilities Planning Assumptions (NIMCA)-defined threats to nuclear sites and escorted materials.
Strategic Objective 2 Develop and maintain	To develop and maintain our capability as a lead organisation for the delivery of armed protective security in the UK.
Strategic Objective 3 Efficiency and effectiveness	To optimise the efficiency and effectiveness with which we deliver our services and maintain the confidence of our stakeholders.
Strategic Objective 4 Attract, develop and retain	To attract, develop and retain the best people for our profession and lead them to achieve high performance in an inclusive, healthy, fit and safe environment.

Strategic Risks and Uncertainties

In common with all organisations, the CNPA faces internal and external factors and influences that make it uncertain whether or when it will achieve its objectives. The effect of this uncertainty on objectives could be either a risk or an opportunity. All activities that the CNPA undertakes involve risk and opportunity. We manage these risks and opportunities by identifying and analysing them and then evaluating whether action should be taken so that the risk or opportunity falls within our tolerance for risk, or our appetite for opportunity.

Risk Management Process

The key to managing the uncertainties is a strong and robust risk management process and for the CNPA this can be summarised as follows:

Organisation

A cross-functional network of risk owners identifies, monitors and manages risks within their respective functional areas. A central risk team consolidates and reports on risk information to the Executive Management Team and Audit, Risk and Governance Committee.

Process

We embedded a new risk management approach into routine activities two years ago. This now supports and ensures robust business decision-making. The standardisation of risk management processes across directorate/functions supports a consistency in our approach to the management of risk, facilitating its use and enhancing its effectiveness.

System and control

We have embedded a common risk management system, together with training and approaches to engender cross-functional/directorate consistency of risk identification, assessment, monitoring and reporting. This ensures that risks are appropriately captured across the organisation.

Report and improving

Our risk reporting is structured to inform the appropriate internal and external stakeholders promptly to aid the decision-making process. Reporting also allows us to effectively categorise risks (also see risk appetite below) so that appropriate committees discuss relevant risks.

Our risk management process is constantly developing as the organisation matures in its risk management approach and is seeking to adapt over time to become more efficient and effective as the organisation changes.

Risk Appetite Statement

The concept of a "risk appetite" (as defined by HM Treasury Orange Book) is key to achieving effective risk management and it is essential to consider it before moving on to contemplate how risks can be addressed. The concept may be looked at in different ways depending on whether the risk (the uncertainty) being anticipated is a threat or an opportunity. The risk appetite for CNPA can be defined as:

"Risk appetite is the amount of risk that one is prepared to accept, tolerate, or be exposed to at any point in time."

In setting and reviewing the risk appetite statement the question that has been considered is how much and what type of risk the CNPA is generally prepared to accept to achieve its strategic, operational and financial objectives.

Risk Appetite across Risk Categories

The table below shows the level of risk appetite we have across the risk categories associated with our objectives.

Risk Categories	Risk Appetite	Zero (1)	Low (2)	Medium (3)	High (4)	Very High (5)
Finance/value for money						
Innovation and transformation						
Compliance						
Reputation						
Health and safety						

Below we set out what this means for each category. In all instances, decisions made must be made in the context of these categories, though demonstrating in all cases that areas identified as zero appetite are adhered to. For each risk, a target risk score can be recorded in the risk register, demonstrating the risk appetite for that area of activity.

Finance/value for money - this is the risk of changes to the CNPA's financial position and circumstances. We must maintain long-term financial viability and prove value for money to the bodies and partners that fund our operations through grants. As the CNC is a publicly funded body, there is an obligation for fiduciary stewardship and accountability for all spending. The risk appetite in this category is low.

Innovation and transformation - this is the extent to which the CNPA are prepared to explore new and innovative options for delivery of our objectives, the level in the organisation at which decisions are made and our willingness to invest in new technology. Where value for money can be demonstrated, we seek innovative technology to improve the safety of our officers and the effectiveness of our service delivery.

Compliance - this is the risk arising from the nature of our activities, for example, failing to act in a lawful fashion or to follow regulations. We operate in a heavily regulated environment and any breaches could result in injury or loss of life to the wider population. As such, our appetite for risk in this category is zero.

Reputation (especially in relation to our strategic stakeholders) - this is the risk to the CNPA in achieving or failing to achieve our priority outcomes and objectives included in our business plans and our willingness to expose ourselves to attention, good or bad. A large proportion of our activity is undertaken in a confidential manner to protect the nuclear material and prevent harm to the public.

Health and safety - this is the risk that our officers and staff are exposed to injury. The CNPA is an armed force, protecting potentially dangerous and harmful materials and is committed to ensuring all statutory health and safety requirements are met, and that effective risk management processes are in place to minimise the chances of injury or harm to our officers and staff, and to the public.

Levels of Risk Appetite

The following table gives a definition of the levels of risk appetite:

Levels of risk appetite	Behaviours
Zero	Risk averse - no appetite for any decisions or events that could lead to negative outcomes for the CNC.
Low	Risk minimalist - appetite for risk taking in pursuit of objectives is limited to those decisions or events where there is no chance of significant negative outcomes for the CNC.
Medium	Risk cautious - appetite to take decisions in the pursuit of objectives with potential to expose the CNC to negative outcomes, but only where appropriate steps have been taken to minimise any negative exposure or maximise on benefits.
High	Risk open - appetite to take decisions in pursuit of objectives that are likely to expose the CNC to negative outcomes but where there are significant potential benefits.
Very high	Risk hungry - appetite to take decisions in pursuit of objectives that are likely to expose the CNC to significant negative outcomes but where there are very significant potential benefits.

Monitoring and Review

Proposals for new projects, financial commitments, policies and strategies will explicitly include confirmation where they fall within the Board's risk appetite, through the standard reporting format. The collective financial impact of the CNC's commitments will be monitored through reports to the Planning and Performance Committee and Audit, Risk and Governance Committee (ARGC). The CNPA Board via the ARGC satisfies itself that the risk appetite of the CNC is being actively adhered to, considered and applied through at least an annual review of risk management.

Key Strategic Risks for the CNPA

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. These risks are reviewed on a regular basis together with risk mitigation actions. The strategic risks and uncertainties facing the CNPA that have been identified via the processes previously described, together with their mitigation through existing controls and actions were as follows:

FAILURE TO DEFEAT A TERRORIST ATTACK - Strategic Risk (SR)1

Risk	Mitigation
The 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
Robust police officer and staff retention process	
Robust multi agency planning framework	

FAILURE OF TRANSFORMATION PROGRAMMES - SR 2

Risk	Mitigation
The 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
	Individual programme and project plan together with risk and governance management for each project
	Large projects/programmes have project boards
	Monthly reporting to project and programme boards and Executive Team
	Applying assurance mechanisms to high value and high risk projects and programmes (e.g. Gateway reviews)

LOSS OF STAKEHOLDER CONFIDENCE - SR 3

Risk	Mitigation
Regulatory or operational failures (e.g. 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.	Appropriately designed and applied handling strategies for key stakeholders
	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
	Successful delivery of capability improvement and business transformation programmes to time and budget
	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 - SR 4

Risk	Mitigation
The 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
	Policies, procedures and support to recognise vulnerability in the workforce to prevent the likelihood of actions causing personal or collective harm
	Fitness testing of all officers to meet College of Policing standards

FAILURE TO MATCH STRATEGIC DEMANDS WITH AVAILABLE RESOURCES - SR 5

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
	The CNPA Board input and challenge to strategy and budget
	Realistic budgets and delivery plans reviewed quarterly

INABILITY TO TRANSITION TO MODERN WORKFORCE - SR 6

Risk	Mitigation
The CNC is unable to transition to a modern workforce and reduces its operational effectiveness and/or increases its costs.	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 (TACOS)
	Secure funding for capability payments
	Compliance with CNC programmes' and projects' policies and procedures
	Deliver 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
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) - SR 7

Risk	Mitigation
The 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 CIS recommended critical security controls
	Cyber security awareness training for senior staff
	Retain accreditation for Public Services Network
	Compliance with IT security policy and procedures
	Compliance with Her Majesty's Government and Office for Nuclear Regulation Security Policy Frameworks

FAILURE TO DELIVER TO BUDGET TARGETS - SR 8

Risk	Mitigation
The CNC fails to deliver to its budget and efficiency savings targets leading to higher charges to the nuclear operating companies.	Regular review of performance through monthly financial reports
	Preparation of 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
	Specific work stream within Sellafield Training Facility project to identify cost savings to cover any cost increases from operating the new facility

CNC FAILS TO MAINTAIN GOOD COMMUNICATIONS AND RELATIONSHIPS WITH ITS SPONSORING DEPARTMENT - SR 9

Risk	Mitigation
The CNC fails to deliver to its agreed Strategic Plan and Key Deliverables	Appropriately designed and applied handling strategies for key stakeholders
	Communication and Engagement Strategy 2018/21 with ongoing annual Delivery Plan in place
	Compliance with BEIS/CNPA Framework Document in all dealings with sponsoring department
	MOU to codify CNC dealings with sponsoring department

CNC FAILS TO MEET THE CHALLENGE ON RECRUITMENT AND RETENTION OF CNC OFFICERS - SR 10

Risk	Mitigation
The CNC fails to recruit and retain enough police officers to provide agreed levels of coverage at all the key sites and in delivering national commitments	Annual Assessment Centre Plan
	Development and implementation of a bespoke CNC transferee course for policing family transferees
	Development of a career engagement plan with the British Forces Resettlement Services and the Career Transition Partnership to encourage consideration of the CNC as the next employer
	Devise and develop effective retention proposals
	Ongoing social media presence to drive traffic to the CNC
	Additional resource allocated for proactively progressing candidates through the recruitment process in order to meet the demands for the next Initial Foundation Course (IFCs)
	Profiling the CNC model candidate and development of attraction strategies
Strategic Workforce Planning and monitoring of workforce requirement and future needs	

CNC FAILS TO MITIGATE THE IMPACT OF BREXIT - SR11

Risk	Mitigation
That Brexit will cause significant disruption and prevent the CNC from delivering its key objectives	Advance purchase of clothing and equipment at pre-tariff prices
	Build increased delivery timeframes into plans to mitigate the impact on expected delivery dates
	Building strategic stocks of high volume supplies essential to the CNC discharging its statutory duty
	Gold Strategy prepared, and Gold Commander identified
	Gold, Silver and Bronze Commanders in place as part of the Strategic Armed Policing Reserve
	Quarterly re-forecasts to allow re-prioritisation and re-allocation of budgets across the CNC organisation to manage cost increases/cost pressures

Performance Analysis

Key Performance Indicators

Performance against key deliverables contained in the CNPA's Strategic Plan 2018/21 is provided below. A number of activities are deliverable over two or three years and these are shown as Partially Achieved where specific milestones have been delivered in the reporting period. Where progress against a specific target/milestone has been delayed against targets a note at the bottom of the table has been included to explain the reasons and the impacts. The performance rating provided below is against their 2018/19 milestones.

Strategic Objective 1 is underpinned by five strategic priorities:

Deter and respond	Performance 2018/19
Maintain 24/7-armed response at civil nuclear sites	Achieved
Enhanced and sustained operational deployment levels of Authorised Firearms Officers	Achieved
Developed and implemented revised policing models	Achieved
Provided armed escorts for movements of nuclear material	Achieved
Demonstrated CNC readiness to support the Strategic Armed Policing Reserve and spontaneous armed surge requirements	Achieved

Strategic Objective 2 is underpinned by five strategic priorities:

Develop and maintain	Performance 2018/19
Develop a firearms training centre of excellence (note 1)	Partially achieved
Be ready to provide armed protective security to national infrastructure	Achieved
Improve and sustain effective command and control systems across CNC	Partially achieved
Implement and embed recovery capabilities	Partially achieved
Maintain our tactical advantage through the use of technology	Partially achieved

Strategic Objective 3 is underpinned by five strategic priorities:

Efficiency and effectiveness	Performance 2018/19
Deliver effective business support services across CNC (note 2)	Partially achieved
Transform our commercial delivery and business efficiency (note 3)	Delayed
Modernise and improve ICT infrastructure and improve its information and cyber security	Partially achieved
Build internal collaboration and partnership working across CNC	Partially achieved
Maintain external stakeholder confidence and work effectively in partnership with suppliers, nuclear operating companies and our sponsor department	Achieved

Strategic Objective 4 is underpinned by five strategic priorities:

Attract, develop and retain	Performance 2018/19
Implement and refresh the People Strategy	Achieved/on target
Implement attraction, retention, reward and recognition frameworks that support the full employee lifecycle	Partially achieved
Implement new Terms and Conditions of employment, with embedded revised pensions note 4	Achieved/pensions delayed
Implemented improved mental health provisions	Achieved
Implement a suitable qualifications framework underpinning the leadership development and talent management processes	Partially achieved

Notes:

1. Develop a firearms training centre of excellence - this was originally due to be delivered in August 2018, however due to construction delays this will now be fully delivered in 2019/20. This is partially delivered as this is a multi phase/year project
2. Key back office services are delivered by the MFSS. During 2018/19 whilst overall service delivery was improved, some of the key KPIs performance slipped due to problems implementing a new IT platform which went live on 1 April 2019
3. A key element of the transformation objective was the delivery of the MFSS migration to the Oracle Cloud Platform. This was due for delivery in October for the main system and January for payroll. Due to system implementation issues this was delayed and went live on 1 April 2019
4. The change of pension schemes has been delayed due to external factors beyond the CNPA's control

Non-Financial Information Statement

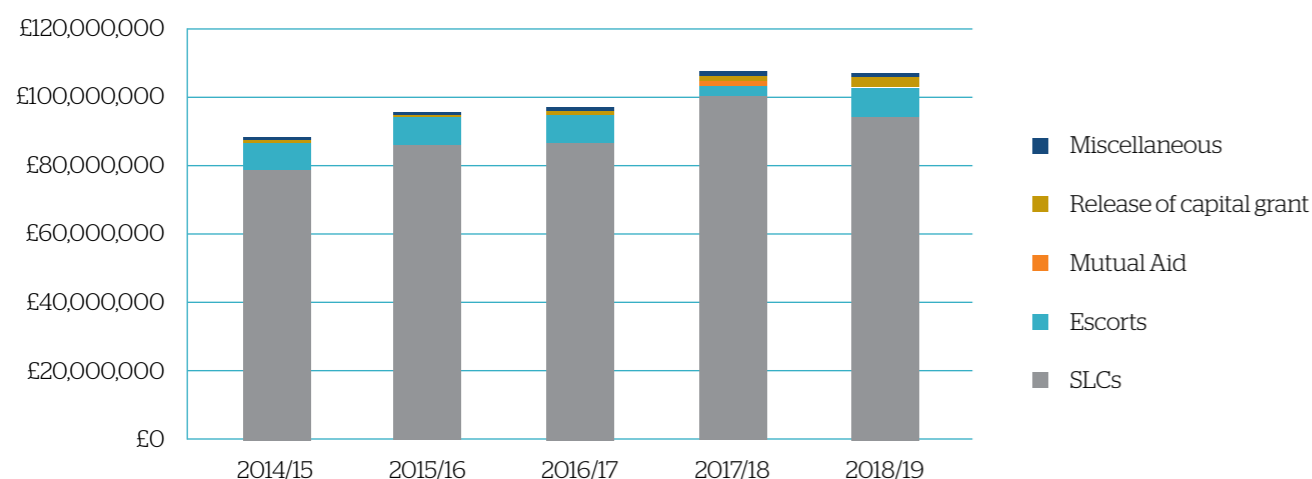
The CNPA's aim is to comply fully with the non-financial reporting requirements contained in the Government's Financial Reporting Manual (Non-financial reporting regulations 2016). The table below, and the information it refers to, is to help users to understand our position on key non-financial matters.

Reporting requirement	Policies and standards that govern our approach	Additional information or risk management
Environmental statement		Sustainability report, page 29
Employees	Equality and diversity policy	Employees section, page 56
	Equality, diversity and inclusion strategy (including online training)	
	Equality support groups	
	Health, safety and wellbeing	Health and safety, page 35
		Wellbeing section, page 58
Human rights	Human rights and equality impact assessments (part of equality and diversity policy)	Employees section, page 56
	Data privacy policy	
	Information and cyber security policy	Information and cyber security, page 35
Anti-corruption and anti-bribery	Anti-fraud, anti-bribery and anti-corruption policy	Anti-fraud, anti-bribery and anti-corruption policy, page 36
	Fraud response plan	
	Code of business conduct	
	Code of Ethics for policing	
Description of strategic business risks and impacts of business activities		Strategic risks and uncertainties, page 16
		Risk management, page 13
Description of business model		Business model, page 10
Non-financial key performance indicators		Key performance indicators, page 21
		Key staff indicators, page 53

Financial Overview

The majority of the CNPA's funding is through income from the Site Licence Companies (SLCs). The CNPA continues to make efficient use of our funding and identify savings more effectively. We encourage all our people to deliver value for money and to be accountable for public funds. During 2018/19, we delivered improvements to management information resources to support increased financial management acumen and transparency by delivering a new financial management reporting tool and increased information to budget holders. There have been changes to the way financial information is presented to the Executive Team, the CNPA Board and to budget holders across the organisation. The following table sets out how CNPA's income has changed over the last five years.

Income



Key drivers of financial performance

The CNC is mandated by the Energy Act 2004 to police specific sites belonging to site licence companies (SLCs - our customer base) and to escort materials in transit and in situ. The key drivers of our financial performance are therefore very closely linked to the strategic priorities of our customer base.

Our customer base has not changed in recent years, but we proactively respond to changing customer requirements as necessary. All policing provision results from regular close consultation with our SLCs and agreements formalised with them. Similarly, if additional policing is required by one or more SLC, this is also formally negotiated, and our policing provision ramped up in line with specified requirements. One example of additional requirements occurred during 2018/19, resulting in costs of £0.4m for a specific SLC, with a short-term planned increase of policing being managed for four months, primarily via overtime working. The budgeting provision for this additional requirement was negotiated in-year, as it was identified after the formal budget had been set and approved by the CNPA Board.

The Constabulary project to move firearms training for northern sites to a new firearms training facility in Cumbria experienced some delay during 2018/19, and commencement of training was deferred to 2019/20. This resulted in lower costs since running costs for the facility were not incurred, and all costs incurred in 2018/19 were charged to a specific SLC, following in-year negotiation and agreement.

Sometimes costs are driven by government initiatives (and therefore outside the control of the CNC), such as the Emergency Services Network project. Significant projects like this, covering multiple years and costing multiple millions, are capital-funded by the department for Business, Energy and Industrial Strategy (BEIS) and charged to SLCs as depreciation upon implementation of the project. The impact of this project over 2017/18 and 2018/19 has been volatile due to project delays, and the ongoing annual depreciation impact is yet to be determined.

The consequences of these delays and changes resulted in the CNPA spending less than was originally approved by the CNPA Board for 2018/19 and reductions in income and expenditure were managed and agreed with the SLCs through the quarterly re-forecasting process.

Financial outturn

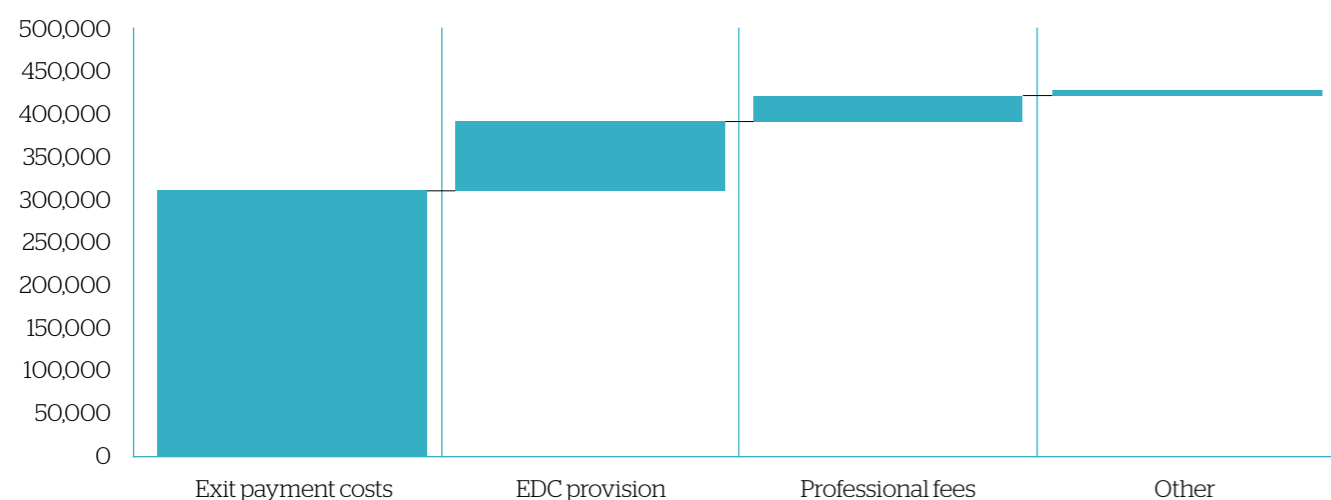
The financial objective for the CNPA is to achieve a breakeven position, and the detailed financial statements are set out in this report in section 3. For standard operations this objective was achieved, however the CNPA has reported an operating deficit of £427,000 for the year ended 31 March 2019, for specific technical reasons which are due to the following:

The deficit includes exit payments incurred by the CNPA of £316,000. These payments are reimbursable by BEIS through grant-in-aid and recognised in the CNPA's financing reserves in 2018/19. This is shown in the Statement of Changes in Taxpayers' Equity.

The provision held by the CNPA to cover pension payments (EDC provision in table below) to former employees who have retired early was increased by £76,000 in the year including revising indexing rate and unwinding the discount due to changes in forecast rates for the Consumer Index that underpin future pension payments for employees who have received voluntary early retirements from sites that the CNC no longer police. These funds are recovered through grant-in-aid as incurred.

The CNPA also incurred professional fees of £32,000 during 2018/19 which are recoverable through grant-in-aid and recognised in the CNPA's accounts.

Operating deficit 2018/19



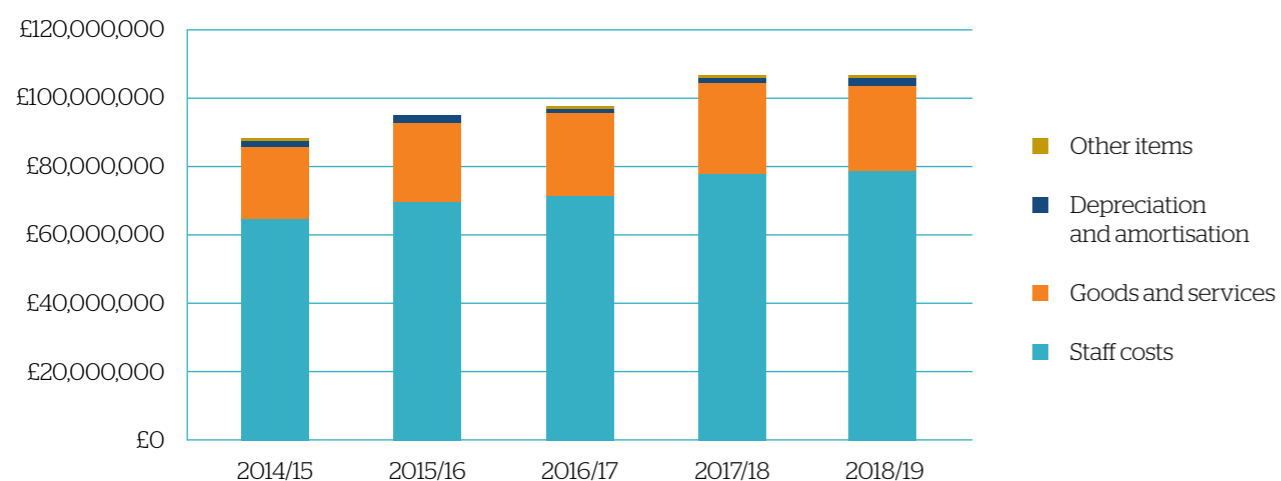
Operating Costs

Expenditure for the year ended 31 March 2019 was £113,304,000 (2017/18: £112,996,000). The increase in expenditure was largely due to an increase of £715,000 in staff costs, including a pay award for police officers and staff offset by a reduction in overtime and allowances related to the deployment of police officers for Strategic Armed Policing Reserve deployment for Operation Temperer during 2017/18.

Other expenditure decreased by £407,000 as 2017/18 costs were increased for travel and subsistence costs due to two Operation Temperer deployments. This was offset in part by an increase in costs due to modernisation of the CNC's IT infrastructure.

The table below provides information on key areas of expenditure and shows the changes over the last three years.

Expenditure



Financial Position

Assets	Balance 2017/18	Balance 2018/19	Increase (Decrease)
Carrying value of property, plant and equipment	£10,174,000	£9,086,000	(£1,088,000)
Assets and assets under construction additions totalled £1,259,000 which included £406,000 for transport related assets including the purchase of nine vehicles; £386,000 on plant and machinery, which included purchases of replacement weaponry, radio equipment and new ballistic shields; £428,000 on IT equipment, which included purchase of new IT user hardware/network infrastructure and hardware relating to command and control and intelligence systems; and £39,000 on fixtures and fittings. Assets with an original cost value of £2,367,000 and a current net book value of £42,000 were disposed of during 2018/19, these included disposal of the previous networking and connectivity equipment. Depreciation of £2,440,000 was charged to the Statement of Comprehensive Net Expenditure.			
Carrying value of intangible assets	£2,140,000	£4,784,000	£2,644,000
Intangible asset additions of £3,190,000 comprised the work to implement the new Oracle Cloud Applications business system, new command and control and intelligence systems, and work relating to the preparation for the new emergency services communication network. Assets with an original cost value of £710,000 and a current net book value of £46,000 were disposed during 2018/19. Amortisation of £365,000 was charged to the Statement of Comprehensive Net Expenditure.			
Trade and other receivables due within one year	£13,370,000	£12,990,000	(£380,000)
Trade and other receivables due after one year	£312,000	£262,000	(£50,000)
Inventories	£2,134,000	£2,273,000	£139,000
Cash at bank	£10,467,000	£9,592,000	(£875,000)
Liabilities	Balance 2017/18	Balance 2018/19	Increase (Decrease)
Trade and other payables due after one year	£10,008,000	£9,237,000	(£771,000)
This decrease is due to the release of capital grant, offset by the purchase of new assets funded by capital grants.			
Trade and other payables due within one year	£13,363,000	£14,002,000	£639,000
This increase is due to an increase in the value which has been accrued for goods and services received but not billed.			
Provisions	£1,477,000	£1,565,000	£88,000

Future Funding Requirements

Approximately 75 per cent of the CNPA's annual expenditure is on staff costs. Changes to public sector pensions could result in higher employer pension charges from 1 April 2020, if the CNPA moves to the new pension scheme, however there is some uncertainty if this will happen in the 2020/21 financial year. If the change happens there are estimated to be £5m of extra costs per annum.

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.

Adoption of Going Concern Basis

The CNPA Board approved a revenue expenditure budget of £117.6m and a capital expenditure budget of £5.7m for 2019/20. The provision of policing services generates income and there is the continued need for those services for the foreseeable future. Accordingly, the CNPA Board continues to adopt the going concern basis in preparing the financial statements.

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' energy, 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.

Similarly, the CNPA occupies offices at Summergrove Halls, Cumbria and the Lord Roberts Centre, Bisley, Surrey. In these premises, an all-inclusive charge is paid, and we are unable to separately identify energy use. In this year's report, we have included energy figures from ancillary buildings and firearms ranges on Bisley Camp for which CNC has exclusive use. This has resulted in an increase of reported energy usage and cost for this financial year.

The majority of the CNPA's policing operations are undertaken on licenced nuclear sites. The CNPA is provided with accommodation and utility services at these sites, which are the responsibility of the Site Licence 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 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, training school and firearms training venues up to 31 March 2019. Emissions from fleet and business travel across the estate are indicated in scope 1 and 3.

Greenhouse gas emissions

Greenhouse gas emissions		2014/15	2015/16	2016/17	2017/18	2018/19
Non-financial indicators (CO ₂ e in tonnes)	Scope 1 emissions (vehicle fleet)	531.98	683.88	518.94	434.88	490.72
	Scope 2 emissions (energy)	336.77	311.93	271.85	294.59	279.97
	Scope 3 emissions (official business travel)	1,296.29	1,120.61	1,062.62	1,321.83	1,149.59
Financial indicators (£000)	Carbon Reduction Commitment gross expenditure	The CNPA does not participate in this scheme				
	Expenditure on accredited offsets	The CNPA does not participate in this scheme				
	Total expenditure on official business travel (excluding accommodation costs and subsistence)	1,974	2,314	2,266	2,296	2,074

Total Emissions - 2018/19

The chart below shows the break-down of the CNC's carbon emissions. Total emissions are 1,920.28 (tonnes).

Approximately 60 per cent of CNC's emissions come from official business travel (not including fleet vehicles).

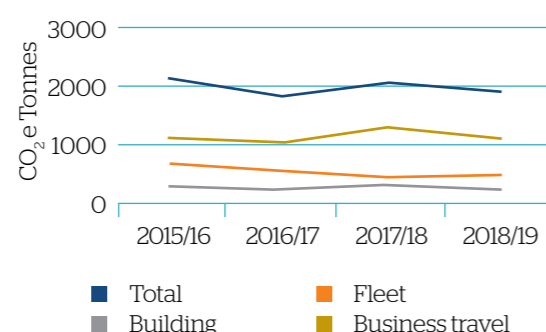
The chart below shows the CNC's total recorded carbon emissions over the past four years.

Total CO₂ emissions in tonnes



- Scope 1 emissions (vehicle fleet)
- Scope 2 emissions (energy)
- Scope 3 emissions (official business travel)

CO₂ emissions four-year trend



- Total
- Fleet
- Building
- Business travel

The above table shows that the CNPA through its activities has seen an overall downward trend in CO₂ emissions, however whilst the CNPA has been granted exemptions from the Greening Government Commitment's reduction targets for delivering sustainable operations and procurement, the impact on the climate is taken seriously and through the Strategic Plan 2019/22 work is ongoing to review how emissions can be further reduced (supporting and developing the controllable impacts described in the following section).

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 which has changed due to operational need, rather than environmental impact. An additional vehicle has been provided to EDF sites and Harwell. Both of these changes have resulted in an increase in reported mileage for business for scope 1 use.

Scope 2 emissions include energy use from our Culham HQ building and dedicated buildings and ranges at Bisley Camp. The scope has increased to include part of Bisley; however, emissions are lower than the previous year. This may be due to a more moderate climate however, a more general decline over the last few years can be attributed to improvements in IT technology in lowering power consumption and enabling flexible working.

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. There has been no significant change in emissions here. Vehicle mileage has remained constant whilst international air travel has reduced. This corresponds with a decrease in overseas activity by the CNC's Strategic Escort Group.

Recorded own-vehicle mileage has reduced significantly in the last financial year. This is due to a change of terms and conditions in September 2018 whereby officers are no longer eligible to claim home to work mileage related to overtime.

Total expenditure on official business travel has decreased. There are three reasons for this:
 1) own-vehicle mileage claims have decreased (as above)
 2) the capital costs of fleet vehicle are no longer incorporated into the monthly costs
 3) additional costs relating to Operational Temperer have not been incurred

Influenced Impacts

The CNPA encourages its employees, through periodic awareness campaigns, to minimise travel and utilise alternatives such as videoconferencing, teleconferencing and Skype.

Employees are further encouraged to use more environmentally friendly modes of transport where practicable.

Waste

Waste		2014/15	2015/16	2016/17	2017/18	2018/19	
Non-financial indicators (tonnes)	Total waste	2.83	4.99	6.71	5.67	3.46	
	Hazardous waste total	0.09	0.19	0.37	0.17	0.66	
	Non-hazardous waste	Landfill	-	-	-	-	-
		Reused/recycled	2.70	4.80	6.34	5.49	2.81
		Incinerated/energy reused	Not available				
Financial indicators (£000)	Total disposal cost	4.1	4.4	6.1	4.9	3.5	
	Hazardous waste - total disposal cost	Not reported. Included in total disposal cost					
	Non-hazardous waste - total disposal cost	Landfill					Nil
		Reused/recycled	Not reported. Included in total disposal cost				
		Incinerated/energy reused	Not available				

Controllable Impacts

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. However, these are not captured in the above figures as the UKAEA do not separate the CNPA's waste.

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.

The CNPA have benefited from a cost reduction in bulky waste and furniture disposal costs by utilising a UKAEA contractor based at Culham. Waste furniture from HQ is taken to the Southern Firearms Training Unit skills facility where it is re-used to create realistic training scenarios. Both have contributed to a reduction in recorded waste.

Influenced Impacts

The CNPA encourages its employees to recycle where possible providing facilities to segregate waste appropriately.

Water

Finite resource consumption			2014/15	2015/16	2016/17	2017/18	2018/19
Non-financial indicators (m ³)	Water consumption	Supplied	1,311	2,252	1,470	1,243	1,358
		Abstracted	-	-	-	-	-
Financial indicators (£000)	Water supply costs		14	2.5	15	1.3	1.8

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. As noted previously, 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			2014/15	2015/16	2016/17	2017/18	2018/19
Non-financial indicators (kWh)	Energy consumption	Electricity - non-renewable	420,193	416,114	428,521	456,792	529,094
		Electricity - renewable	-	-	-	-	-
		Gas	633,855	509,997	517,828	727,615	707,935
		LPG	-	-	-	-	-
		Other	-	-	-	-	-
Financial indicators (£000)	Total energy expenditure		69	67	62	81	105

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.

The increase in electricity can be attributed to a widening of the scope in this year's report; figures from much of the Bisley training estate are now incorporated. Similarly, due to the wider scope, reported gas usage has increased compared with a three year-average but decreased compared to last year due to a milder winter.

Influenced Impacts

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

Simon Chesterman QPM

Chief Executive Officer and Chief Constable

8 July 2019

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:

Vic Emery OBE (Non-Executive)	Chairman and Independent Member and Chairman of the Senior Appointments Committee	
Mike Griffiths CBE	Chief Executive Officer and Chief Constable	
Chris Armit QPM	Operations Director and Assistant Chief Constable	Temporary appointment to Capability Director and Deputy Chief Constable commenced 4 March 2019
Mike Calloway (Non-Executive)	Industry Member and member of the Audit, Risk and Governance Committee	Appointment commenced 9 July 2018
Simon Chesterman QPM	Capability Director and Deputy Chief Constable	Chief Executive Officer and Chief Constable designate from 4 March 2019
Phil Craig (Non-Executive)	Industry Member	Appointment ended 31 October 2018
Paul Kernaghan CBE QPM (Non-Executive)	Independent and Police Advising Member; Chairman of the Audit, Risk and Governance Committee (to 30 September 2018) and member of the Senior Appointments Committee	
Kenneth Kilpatrick	Business Director	
Kenna Kintrea (Non-Executive)	Industry Member and member of the Audit, Risk and Governance Committee and the Senior Appointments Committee	Appointment ended 8 July 2018
Mark Neate (Non-Executive)	Industry Member	
Joyce Robertson	People Programme Director and Temporary Assistant Chief Constable	Appointed ended 31 May 2018
Neelam Sarkaria (Non-Executive)	Independent Member; Chairwoman of the Audit, Risk and Governance Committee (from 1 October 2018) and member of the Senior Appointments Committee	
Richard Saunders	Director of People and Organisational Development	Appointment commenced 1 June 2018
Rebecca Weston (Non-Executive)	Industry Member	Appointment commenced 25 March 2019
Duncan Worsell	Temporary Operations Director and Assistant Chief Constable	Temporary appointment commenced 4 March 2019
Paul Winkle (Non-Executive)	Industry Member and member of the Audit, Risk and Governance Committee	Appointment commenced 1 April 2018
Robert Wright (Non-Executive)	Independent Member and Member of the Senior Appointments Committee	Appointment ended 17 January 2019

Register of Interests

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 2018/19 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

Our health and safety policy and procedures comply with all relevant legislation and are reviewed as appropriate. The total number of injury incidents reported during 2018/19 was 228 which is a 31 per cent increase on the previous year. This is primarily due to necessary changes in the type and intensity of the realistic dynamic training scenarios required to simulate achieving the CNC Mission.

During 2018/19, 20 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 eight per cent increase on last year. All RIDDOR incidents have been subject to a full investigation and lessons learned processes. Ten incidents occurred during realistic dynamic training scenarios to simulate achieving the CNC Mission. Any lessons that can be learnt are considered and implemented to reduce the risk of further injuries, but this is not always possible in dynamic training scenarios. Analysis of the other 10 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 81 per cent of our monitored workers did not receive a measurable exposure during 2018. The remaining workers had an individual average radiation dose of 0.01 millisievert (mSv), which is the same average level as the previous year and is below the industry significant exposure level of 1mSv. This compares to the average UK natural dose of 2.7mSv per year or a single dental x-ray of 0.02mSv.

Information and Cyber Security

Information assurance and cyber security remain high priority activities for the CNC and we continue to work with external agencies to ensure we apply national standards, best practice and meet minimum standards.

Following the introduction of the Government Data Protection Regulation (GDPR), governance structures supporting information assurance and cyber security have been reviewed to ensure the Senior Information Risk Owner (SIRO) remained abreast of risks and threats so they can assure the Executive and CNPA Board of our progress and compliance.

The CNPA's approach to information assurance and cyber security is identified in Strategic Objective 3, which has been subject to regular review by the CNPA Board throughout the year. This reporting period has seen the completion of the CNC IT Modernisation Programme and we are now on a platform that minimises our vulnerabilities due to obsolescence and sees many of our services benefit from the resilience of the Cloud. This has also enabled the CNC to progress our Cyber Security and Information Assurance Plan through improved delivery against nationally recognised Critical Security Controls. Beyond this, as part of our assurance programme, the CNPA has reported on its performance against Her Majesty's Government Departmental Security Health Check and Knowledge and Information Maturity Model to BEIS.

Looking forward, the recent external appointment of a new Head of IT and the appointment of a new SIRO will bring a fresh perspective to, and continue to drive forward, the CNC's organisation, activities and governance supporting the assurance of IT and information.

Security Breaches and Security Incidents

The following table summarises the number of security breaches and security incidents since 2014/15.

Nature of incident	2014/15	2015/16	2016/17	2017/18	2018/19
Loss of assets; electronic equipment; and devices or paper documents from secured CNC premises	-	-	-	-	-
Loss or theft of protectively marked electronic equipment, devices or paper documents from outside secured CNC premises	1	5	1	2	6
Insecure disposal of inadequately protected electronic equipment, devices or paper documents	-	-	-	-	-
Unauthorised disclosure through insecure transmission of protectively marked documents	5	6	4	9	10
Compromise of personal data	-	-	-	3	6
Other 'low level' breaches/incidents	7	10	13	9	5
Total	13	21	18	23	27

Whilst the table shows a slight upward trend in 2018/19, all the security breaches and security incidents were of a minor nature. The unauthorised disclosures were emails with the security rating of Official Sensitive being sent to the correct recipient but not through a secure network and in breach of CNC policy. There were six breaches involving personal data. The six documents lost all relate to the loss of CNC Warrant or ID cards. These six were not of a type that were protected personal data-related incidents that required to be reported to the Information Commissioner's Office in 2018/19.

Accounts Direction

The CNPA is following an accounts direction that has been previously provided by the Secretary of State with the approval of HM Treasury, and in accordance with Schedule 10 of the Energy Act 2004.

Anti-Fraud, Anti-Bribery and Anti-Corruption Policy

The CNPA requires all Police Authority members, employees, and representatives, such as contractors, consultants and agents to act honestly and with integrity and to safeguard the public resources for which they are responsible and in accordance with our Code of Business Conduct and national Code of Ethics for policing. The CNPA will not accept any level of fraud, bribery or corruption; consequently, any case will be thoroughly investigated and dealt with appropriately. The CNPA is committed to ensuring that opportunities for fraud, bribery and corruption are reduced to the lowest possible level of risk. To achieve this there are comprehensive policies and all Police Authority members, employees and representatives are required to undertake training.

Financial Risk Management

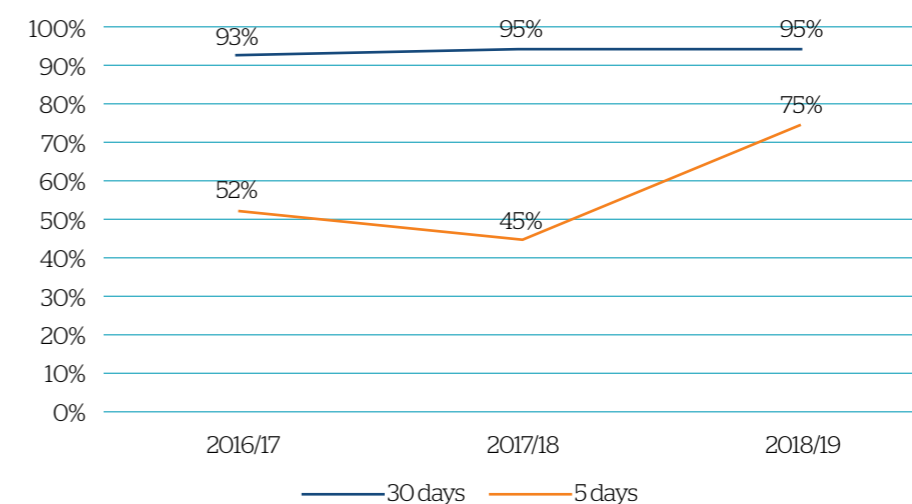
Information on the CNPA's financial risk management objectives and policies and its exposure to credit risk, liquidity risk and market risk is disclosed in note 8 to the financial statements.

Events after the Reporting Period

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

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 2018/19, the CNPA paid 95 per cent of its invoices on time. The CNPA has sought to comply with central government's commitment to pay suppliers within five working days from receipt of a valid invoice wherever possible. For the year to 31 March 2019, the CNPA paid 75 per cent of its invoices within five working days. The improvement in these results is due to the embedding in of processes and systems and a drive to improve employee awareness and compliance through improved communications.



Pension Arrangements

Further information on pensions is disclosed in the Remuneration Report and in notes 1.9 and 5 to the financial statements.

Auditor

The financial statements have been audited by the Comptroller and Auditor General. The cost of the statutory audit was £48,000 (2017/18: £45,000). 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
- 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.

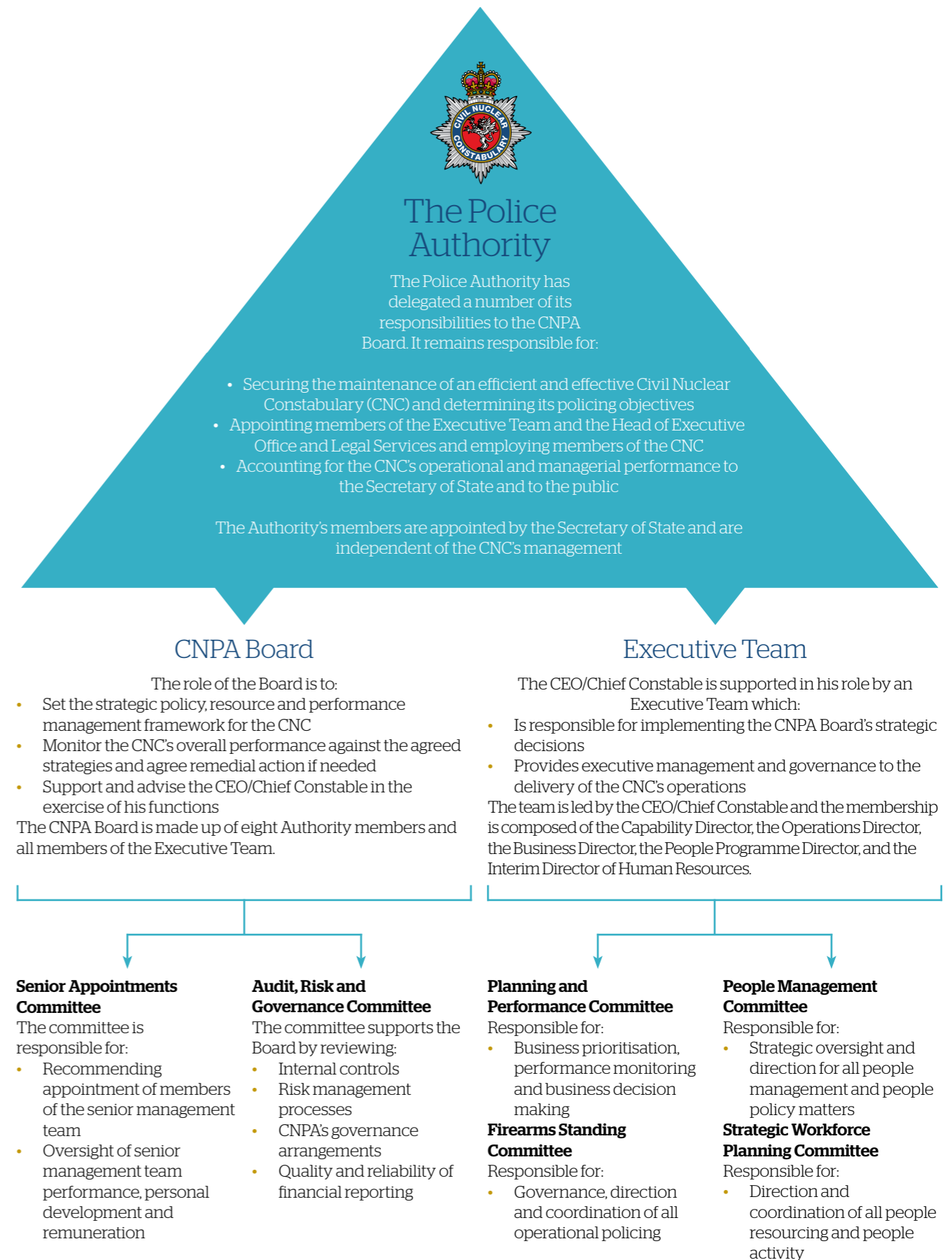
Governance Statement 2018/19

Introduction

As Accounting Officer, and working with the Civil Nuclear Police Authority (CNPA) Board, 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.



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 four times in 2018/19. It received and endorsed the revised terms of reference of the Authority, the Board, the Audit, Risk and Governance Committee (ARGC) and the Senior Appointments Committee (SAC) and the 2017/18 annual reports of the ARGC and the SAC. It received the recommendations of the SAC in relation to executive succession planning, extension of executive contracts, executive appointments and recruitment; incremental pay progression and pay awards for the Executive Team and committee membership.

The CNPA Board

The Board is a committee of the CNPA and was composed of eight Authority members (two posts were vacant at 31 March 2019) 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 strategic 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 2018/19.

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 2018/19. 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 seven meetings in 2018/19 including one extraordinary meeting. The SAC oversaw senior leadership, development and succession planning and recommended a one-year extension of appointment for the Capability Director/Deputy Chief Constable. It also considered opportunities for internal succession planning.

The SAC reviewed executive performance against objectives and executive pay awards and the mechanisms for their future determination, with reference to the recommendations of the Review Body on Senior Salaries and the government's pay cap. It considered and recommended the recruitment and appointment of two members of the Executive Team; the new Executive-level post of Director of People and Organisational Development and a new CEO/Chief Constable following Mike Griffiths' retirement on 31 March 2019.

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 the CNPA Board meetings and by chairing various committees. During 2018/19, 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 People Management Committee that provides strategic oversight and direction for people management matters across the CNC; and the Strategic Workforce Planning Committee that focuses on the CNC's workforce planning policy and procedures.

Policies are routed either through the People Management Committee or the Firearms Standing Committee for approval at the Planning and Performance Committee. The Executive Team is supported by senior operational and non-operational managers.

The CNPA Board Activities in 2018/19

The Board held its July 2018 meeting at Sellafeld to give members the opportunity to revisit the new Griffin Park Tactical Training Centre that was under construction to enable the CNC to meet its operational commitments at Sellafeld. Members were given an overview and a short tour of the facility.

Evaluation of Board Performance

The Board reviews its performance biennially. The next review is scheduled to take place in the autumn of 2019 so that it is aligned to the rescheduled government's tailored review. The Board also reviews its performance at the end of each Board meeting and members are subject to annual performance reviews with the CNPA Chairman.

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 the CNPA joint control of the MFSS together with the other partner organisations to the agreement. Governance and oversight of MFSS is exercised by its Joint Committee which also sets the strategic direction of the MFSS and usually meets three to four times per year but holds additional extraordinary meetings when required to deal with specific issues. The Chair of the Joint Committee is rotated among partner organisations and was occupied by the CNPA Chairman until October 2018. I am a member 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 confirm that the CNPA is compliant with the recommendations from the Alexander review of the tax arrangements for public sector employees. I have not received any Accounting Officer directions in 2018/19.

Attendance at Police Authority, Board and Committee Meetings in 2018/19

Members Non-Executive (NE)	Police Authority (4 in year)	CNPA Board (6 in year)	Audit, Risk and Governance Committee (6 in year)	Senior Appointments Committee (7 in year)
Vic Emery (Chairman) (NE)	4/4	6/6	. ⁽¹⁾	7/7
Mike Griffiths (CEO/Chief Constable)	. ⁽¹⁾	6/6	5/5 ⁽²⁾	7/7
Chris Armitt	. ⁽¹⁾	4/6	. ⁽¹⁾	. ⁽¹⁾
Mike Calloway (NE) ⁶	3/4	4/5	2/2	. ⁽¹⁾
Simon Chesterman	. ⁽¹⁾	6/6	. ⁽¹⁾	. ⁽¹⁾
Phil Craig (NE) ⁶	2/2	3/3	. ⁽¹⁾	. ⁽¹⁾
Paul Kernaghan (NE)	3/4	5/6	4/4 ⁽³⁾	3/4 ⁽⁴⁾
Kenneth Kilpatrick	. ⁽¹⁾	5/6	6/6	. ⁽¹⁾
Kenna Kintrea (NE) ⁶	0/0	0/1	3/3	1/1
Mark Neate (NE)	4/4	6/6	. ⁽¹⁾	. ⁽¹⁾
Joyce Robertson ⁶	. ⁽¹⁾	0/1	. ⁽¹⁾	. ⁽¹⁾
Neelam Sarkaria (NE)	4/4	5/6	2/2 ⁽⁵⁾	3/4 ⁽⁵⁾
Richard Saunders ⁶	. ⁽¹⁾	6/6	. ⁽¹⁾	5/7
Paul Winkle (NE) ⁶	3/4	5/6	4/5	. ⁽¹⁾
Robert Wright (NE) ⁶	2/2	3/4	. ⁽¹⁾	5/5
Rebecca Weston (NE) ⁶	0/0	0/0	. ⁽¹⁾	. ⁽¹⁾
Duncan Worsell ⁶	. ⁽¹⁾	0/1	. ⁽¹⁾	. ⁽¹⁾

Notes

- 1 Not members of the committees
- 2 Not members of the committees, but a standing invitation to attend
- 3 Appointment to ARGC ended 1 October 2018
- 4 Appointment to SAC commenced 1 October 2018
- 5 Appointment to SAC and ARGC commenced 1 October 2018
- 6 Appointment/end dates appropriate to meeting attendance, see contract dates on [page 34](#)

Risk Management and Control

Risk Management

The CNPA has a strategic 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, the ARGC and the CNPA Board. The key 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 the 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; 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 risk register.

Risk Management Assurance

The ARGC challenges the Executive Team to provide the assurance it needs over risk management. Focused reviews of two of the CNPA's key risks were performed in 2018/19. These were Strategic Risk 10, *Challenges on recruitment and retention of CNC officers* and Strategic Risk and Threat Assessment Risk 9, *Exercise and testing of response model*.

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 risk. The results of both reviews supported the information presented in the risk register and concluded that the risk, its management and the assurances over the controls and mitigations were appropriate. The review of Strategic Risk 10 identified that further actions were being undertaken to mitigate the risk that were not fully reflected in the risk register. The risk register was subsequently updated.

A review was undertaken on accounting for the CNPA's stock of ammunition. The CNPA's stocks of operational and training ammunition are significant, with the stock holdings and monetary values split across two separate systems. There were unexplained movements in stock items between the system used by the armouries showing the type and amount of stock of ammunition and the system used to account for and value the stock holdings used by the finance team. Whilst no physical stock losses were identified, discrepancies were found between the two systems but fundamentally stock levels were correct and represented in the stock system. Process improvements were recommended to improve the reconciliation of both systems and to reduce any differences.

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 licenced nuclear sites and material in transit. The CNPA is also seeking to protect itself against cyber-attacks and is applying the 20 CIS Critical Security Controls. This is being implemented through the CNPA's IT modernisation programme and rolling programme of cyber security and information assurance improvements.

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 reported to the Information Commissioner's Office in 2018/19 (2017/18: four).

General Data Protection Regulation

General Data Protection Regulation (GDPR) has applied in the UK since 25 May 2018. The government has confirmed that the UK's decision to leave the EU will not affect the commencement and application of the Regulation. In general, any action or activity that uses Personally Identifiable Information must comply with the Regulation. The CNPA has successfully implemented GDPR. It has appointed a Data Protection Officer to monitor and record all breaches and near misses and to work across the organisation to minimise the impact from any breach, to assess the risk of damage and to report to affected data subjects and the Information Commissioner's Office (ICO) if appropriate. The initial GDPR project has been extended. This is aimed at embedding the new compliance activities across the CNPA and continuous improvement, supported by a programme of monitoring and assurance.

EU Exit

The CNPA is confident that it is adequately prepared for the UK leaving the European Union. It has worked closely with BEIS throughout 2018/19 in supporting the department's EU Exit plans and in developing and delivering its own plans. The CNPA has undertaken two impact assessments and reviewed the relevant technical notices on EU Exit. A detailed assessment of EU Exit on its key contracts and supply chain has been performed and the results shared with BEIS. Critical contracts have been identified with mitigations applied by building modest stocks of high-volume supplies that are key to CNPA discharging its statutory obligations. Operational plans are in place to provide officers to support civil contingencies should a request be received from government.

Cyber Security Self-Assessment

The CNPA has applied the cyber security self-assessment questions in the National Audit Office's publication, *Cyber security and information risk guidance for Audit Committees*. This provided guidance to audit committees by setting out high-level questions and detailed issues for audit committees to consider. It covers:

- The overall approach to cyber security and risk management
- Capability needed to manage cyber security
- Specific aspects, such as information risk management, network security, user education, incident management, malware protection, monitoring and home and mobile working
- Related areas, such as using cloud services and developing new services or technology

The results showed that the CNPA's continued approach to cyber security is consistent with the good practice guidance contained in the National Audit Office (NAO) publication. It did identify areas for improvement but did not reveal any significant cyber security weaknesses. These areas for improvement will be taken forward as part of the CNPA's three-year cyber security strategy.

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

The 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. The ARGC could take partial, reasonable or substantial assurance that the internal controls tested were suitably designed, consistently applied and effective for the following 17 reviews:

- Estates Management 1.18/19
- People Programme - Terms and Conditions of Service (TACOS) 2.18/19
- Main Site Command Facility Project Management- IMS Lessons Learned 3.18/19
- Health and Safety 4.18/19
- Recruitment and Retention 5.18/19
- Core Accounting 6.18/19
- General Data Protection Regulations 7.18/19 (advisory)
- MFSS Transaction Testing 8.17/18
- Ammunition Stock Follow Up 9.18/19
- Project Management - Efficiency Savings 10.18/19
- Follow up 11.18/19 (advisory)
- Strategic Business Planning 12.18/19 (advisory)
- Oracle Cloud Payroll Project Preparedness 13.18/19
- Governance and Risk Management 14.18/19
- Annual Governance Statement 15.18/19 (advisory)
- Recruitment and Retention including HR Consultancy 16.18/19
- MFSS Governance 17.18/19 (advisory)

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. However, the Recruitment and Retention audit conducted in March did identify a number of key weaknesses in these processes especially around delays in recruitment and high levels of attrition which if not addressed could impact the CNPA's ability to adequately police all of its sites.

RSM undertook advisory audits on the documenting of current data governance processes, procedures and controls following the introduction of the General Data Protection Regulation. An advisory audit on Strategic Business Planning assessed how performance against the Strategic Plan 2019/22 could be appropriately measured and monitored and the progress made against embedding the business planning and organisational performance frameworks. There were two additional advisory audit opinions issued on the Annual Governance Statement and MFSS Governance. The advisory audits did not provide an audit opinion but found areas of good practice, some areas of weakness and made recommendations for improvement.

The 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 2018/19 in the provision of assurance on the CNPA standards of governance, risk management and internal control.

The committee also undertakes an annual review of its areas of business activity that includes consideration of its performance over the appropriate reporting period. The draft results of the 2018/19 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; Office of Nuclear Regulation (ONR); by meeting the standards set by the College of Policing (CoP); the CNPA's 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 four advisory reports during the year and, where appropriate, agreeing action plans with business owners to secure improvements
- 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.

Other Assurance Activities

The 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 2019/20.

The College of Policing undertook a detailed inspection of the Constabulary's firearms training policies, processes, systems and risk controls, confirming these to be strong and effective. As a result, the CNC was relicensed for the safe delivery of firearms training for a further four years, subject to annual quality assurance submissions.

Significant Internal Control Weaknesses

I can report that there were no significant weaknesses in the CNPA's system of internal controls in 2018/19 that affected the achievement of its key policies, aims and objectives.

Simon Chesterman QPM

Chief Executive Officer and Chief Constable

8 July 2019

Remuneration & Staff Report

Remuneration Report

The Civil Nuclear Police Authority (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:

- Vic Emery
- Kenna Kintrea to 8 July 2018
- Robert Wright to 17 January 2019
- Paul Kernaghan from 1 October 2018
- Neelam Sarkaria from 1 October 2018

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 2019	Notice period
Chris Armit ⁽¹⁾ Assistant Chief Constable	13 July 2015	1 year, 3 months	6 months
Mike Calloway Industry Member (Nuclear Decommissioning Authority)	9 July 2018	1 year, 3 months	3 months
Simon Chesterman ⁽²⁾ Deputy Chief Constable	6 January 2014	9 months	6 months
Phil Craig Industry Member (Dounreay Site Restoration Ltd)	4 January 2016	-	End of appointment 31 October 2018
Vic Emery Chairman and Independent Member	12 October 2016	1 year, 6 months	3 months
Mike Griffiths Chief Executive Officer and Chief Constable	1 October 2012	-	End of appointment 31 March 2019
Paul Kernaghan Independent and Policing Advisor Member	5 February 2013	10 months	3 months
Kenneth Kilpatrick Business Director	29 September 2014	-	End of appointment 5 April 2019
Kenna Kintrea Industry Member (Nuclear Decommissioning Authority)	16 September 2015	-	End of appointment 8 July 2018
Mark Neate Industry Member (Sellafield Ltd)	7 April 2016	2 years	3 months
Joyce Robertson Temporary Assistant Chief Constable	26 May 2015	-	End of appointment 31 May 2018
Neelam Sarkaria Independent Member	10 October 2016	6 months	3 months
Richard Saunders ⁽³⁾ Director of People and Organisational Development	18 December 2017	Not stated	3 months
Rebecca Weston Industry Member (Dounreay Site Restoration Ltd)	25 March 2019	2 years	3 months
Paul Winkle Industry Member (EDF Energy Nuclear Generation Ltd)	1 April 2018	1 year	3 months
Duncan Worsell ⁽⁴⁾ Temporary ACC	4 March 2019	-	-
Robert Wright Independent Member	4 January 2010	-	End of appointment 17 January 2019

Notes

- (1) Assumed appointment as Temporary DCC on 4 March 2019 (to 4 September 2019)
- (2) Appointed as CEO and Chief Constable 1 April 2019
- (3) Took up appointment as Director of People and Organisational Development on 1 June 2018; previously Interim Director of Human Resources
- (4) Assumed appointment as Temporary ACC on 4 March 2019 (to 4 September 2019)

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 Representatives 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 2018/19 was as follows:

Executive Team

Name	Salary and allowances £000		Benefits in kind ⁽¹⁾ (to nearest £100)		Pension benefits ⁽²⁾ (to nearest £000)		Total Remuneration £000	
	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18
Chris Armit Assistant Chief Constable	100-105	100-105	7,200	7,200	-	-	110-115	110-115
Simon Chesterman Deputy Chief Constable	125-130	125-130	7,200	7,700	-	-	130-135	130-135
Mike Griffiths Chief Executive Officer and Chief Constable	135-140	135-140	7,200	7,400	6,000	25,000	150-155	170-175
Kenneth Kilpatrick Business Director	100-105	100-105	7,200	7,200	10,000	28,000	120-125	135-140
Joyce Robertson ⁽³⁾ Temporary Assistant Chief Constable	35-40	105-110	-	-	(52,000)	34,000	(15)-(10)	135-140
Richard Saunders Director of People and Organisational Development	105-110	25-30	-	-	-	-	105-110	25-30

Notes

- 1 Benefits in kind for Chris Armit, Simon Chesterman, Mike Griffiths and Kenneth Kilpatrick comprised a fully maintained car
- 2 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
- 3 Joyce Robertson retired during 2018/19. A scheme pay debit has been deducted over 2018/19 resulting in a reduction in the real increase in benefits. Full year equivalent salary and allowances was £105-£110k.

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 2019 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 2019 and related lump sum £000	Real increase in pension and related lump sum at age 60 £000	Cash equivalent transfer value at 31 March 2019 £000	Cash equivalent transfer value at 31 March 2018 £000	Real increase in cash equivalent transfer value £000
Executive Team					
Mike Griffiths	5-10 plus 60-65 lump sum	(25)-0 plus 30-32.5 lump sum	257	224	9
Kenneth Kilpatrick	25-30 plus 80-85 lump sum	0-2.5 plus 25-5 lump sum	536	459	6
Joyce Robertson	50-55 plus 130-135 lump sum	(25)-0 plus (325)-(30) lump sum	1,148	1,156	(51)

Note

Simon Chesterman, Chris Armit and Richard Saunders are not members of the CPS.

Joyce Robertson retired during 2018/19 and had scheme pays debits deducted. This has resulted in a reduction in the real increase in benefits and CETV.

Mike Griffiths took a cash lump sum on retirement resulting in a reduction in the accrued pension and increase in the lump sum benefits as at 31 March 2019.

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 2018/19	Fees £000 2017/18
Mike Calloway Industry Member (Nuclear Decommissioning Authority)	-	-
Phil Craig Industry Member (Dounreay Site Restoration Ltd)	-	-
Vic Emery Chairman and Independent Member	75-80 ⁽¹⁾	45-50
Paul Kernaghan Independent and Policing Advisor Member	15-20	15-20
Kenna Kintrea Industry Member (Nuclear Decommissioning Authority)	-	-
Mark Neate Industry Member (Sellafield Ltd)	-	-
Neelam Sarkaria Independent member	15-20	15-20
Rebecca Weston Industry Member (Dounreay Site Restoration Ltd)	-	-
Paul Winkle Industry Member (EDF Energy Nuclear Generation Ltd)	-	-
Robert Wright Independent Member	10-15 ⁽²⁾	15-20

Notes

- Chairman's terms and conditions of appointment varied from 2 to 3 days per week
- Robert Wright's contract ended 17 January 2019

Staff Report

The following information is subject to audit (listed below).

- Staff costs
- Average number of persons employed
- Exit packages
- Salary multiples

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

	2018/19	2017/18
Executive 1 Grade	1	1
Executive 2 Grade	1	1
Executive 3 Grade	4	4
	6	6

Staff Costs

Staff costs comprise:

	Permanently employed staff 2018/19 £000	Temporary and agency staff 2018/19 £000	Total 2018/19 £000
Wages and salaries	65,915	820	66,735
Social security costs	7,764	95	7,859
Other pension costs	10,416	99	10,515
Sub-total	84,095	1,014	85,109
Less costs recovered in respect of outward secondments	(345)	-	(345)
Total staff costs	83,750	1,014	84,764

	Permanently employed staff 2017/18 £000	Temporary and agency staff 2017/18 £000	Total 2017/18 £000
Wages and salaries	64,737	1,317	66,054
Social security costs	8,068	150	8,218
Other pension costs	9,959	163	10,122
Sub-total	82,764	1,630	84,394
Less costs recovered in respect of outward secondments	(211)	-	(211)
Total staff costs	82,553	1,630	84,183

Average Number of Persons Employed

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

	Permanently employed staff 2018/19	Temporary and agency staff 2018/19	Total 2018/19
Total average staff numbers	1,546	13	1,559

	Permanently employed staff 2017/18	Temporary and agency staff 2017/18	Total 2017/18
Total average staff numbers	1,524	27	1,551

Exit Packages

	2018/19	2018/19	2018/19
	Number of compulsory packages	Number of other departures agreed	Total number of exit packages by cost band
£10,001 - £25,000	2	-	2
£25,001 - £50,000	7	-	7
Total number of exit packages	9	-	9

	£000	£000	£000
Total value of exit packages	282	-	282

	2017/18	2017/18	2017/18
	Number of compulsory packages	Number of other departures agreed	Total number of exit packages by cost band
£10,001 - £25,000	2	-	2
£25,001 - £50,000	9	-	9
Total number of exit packages	11	-	11

	£000	£000	£000
Total value of exit packages	351	-	351

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 2018/19 was £145,000-£150,000 (2017/18: £145,000-£150,000). This was 4.1 times the median remuneration of the CNPA's employees (2017/18: 4.1 times), which was £36,188 (2017/18: £35,245). Median remuneration increased by approximately 2.83 per cent between 2017/18 and 2018/19. This increase was as a result of incremental and inflationary pay increases. The values exclude overtime and other payments for additional hours worked to ensure a meaningful comparison by removing the significant fluctuations which do not reflect pay policy changes. The increase in staff costs was offset by a reduction in overtime and allowances related to the deployment of police officers for the Strategic Armed Policing Reserve for Operation Temperer during 2017/18.

In 2018/19, nil employees received remuneration in excess of the highest-paid director (2017/18: nil). Remuneration, excluding that of the highest-paid director, ranged from £19,195 to £138,595 (2017/18: £18,941 to £138,453). 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

	2018/19 £000	2017/18 £000
Consultants	22	154

Consultancy costs in 2018/19 are for further work on the CNC's IT modernisation project, where specific technical expertise is required and occupational health consultancy.

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 2019. The appointment of contractors that are off payroll follows internal HR and Procurement processes to ensure that CNPA complies with current regulations. The table below provides data on off-payroll engagements:

	2018/19	2017/18
Number of engagements as at 31 March	6	8
Number of which existed:		
For less than one year at time of reporting	4	7
Between one and two years at time of reporting	2	1

Of the above recorded in 2018/19, none of the engagements were assessed as caught by IR35; six of these engagements which were assessed as not caught by IR35; and there were no engagements that saw a change to IR35 status following the consistency review.

Gender Breakdown and Gender Diversity

For the financial year the CNPA Board was composed of five male and one female executive members and five male and three female non-executive members. Following the formation of the People Directorate, CNC has moved to a position of having a total of 12 Heads of Department/Divisional Commanders. The gender split for this total is made up of four female and eight males. The CNPA had 1,243 male (2017/18: 1,238) and 321 female (2017/18: 319) employees at the end of the financial year.

Gender Pay Gap

Under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017, public authorities listed under Schedule 2, with 250 or more employees, were required to publish gender pay gap information on an annual basis by 31 March 2018. Information for the CNPA can be found at <https://gender-pay-gap.service.gov.uk/Employer/QsZnnEEw/2018>

Black, Asian and Minority Ethnic (BAME) Pay Gap Reporting

The CNPA is currently preparing to adopt the same reporting mechanism as that used for Gender Pay reporting. Our first BAME report will be issued in March 2020 alongside the Gender Pay Gap report.

Change in Terms and Conditions for Police Officers

Following agreement with HM Treasury, CNPA negotiated a change to police officers Terms and Conditions (T&C) to align with the Winsor National Police T&Cs. This change was implemented in September and was managed within the agreed resourcing limits.

Employees

Equality, Diversity and Inclusion (EDI)

The CNPA is committed to encouraging and achieving a working environment in which fairness to all is ensured, where diversity is recognised, encouraged and valued, and where the concept of individual responsibility is accepted by all. This vision extends beyond the employment relationship and encompasses the needs of all stakeholders and members of the community policed by the Civil Nuclear Constabulary (CNC).

We will treat all individuals both within the CNC, and in the community, with dignity and respect, providing an environment free of harassment, bullying, victimisation and discrimination.

The CNC operates under the governance of the CNPA and recognises the public-sector duties and specific legislative and statutory requirements that fall upon us. We are committed to meeting the requirements of the Equality Act 2010 and duties placed upon us as public body to:

- Eliminate discrimination, harassment and victimisation
- Advance equality of opportunity between people who share a characteristic and those who do not
- Foster good relations between people who share a characteristic and those who do not

EDI governance delivery mechanisms through the People Management Committee (PMC) are outlined within the EDI Strategy 2017/20. The strategy is being delivered in the following three phases where each phase is underpinned by an annual single equalities action plan:

- Education, Learning and Development (April 2017 to April 2018)
- Evaluation and Implementation (April 2018 to April 2019)
- Challenging behaviours and celebrating good practice (April 2019 to April 2020)

Phase 1 and 2 fully delivered with the following outcomes:

a) *Processes to secure employee engagement*

To underpin our fundamental equality duties, seven Corporate Equality Standards (CES) are in place. To uphold the standards and support, promote and embed the EDI agenda Custodians and Strategic Allies have been appointed for each equality strand. To ensure effective employee engagement and impactful delivery for the above standards, we have established the Equalities Consultative and Support Network (ECSN). An annual schedule of six business meetings is followed and detailed written notes of each meeting including any required actions are regularly shared with membership and key stakeholders.

To provide social, moral, cultural and professional support for employees with protected characteristics, Equality Support Groups (ESGs) for specific equality strands are established and a comprehensive protocol for effective operation of the ESGs has been in place since March 2017. All ECSN business meetings are focused upon a specific equality strand after which each ESG is expected to complete a brief action plan to progress the EDI activity for that specific equality area ie. LGBT ESG's action plan.

As part of our commitment to transparency and to demonstrate our desire to comply with the Specific Equality Duty, we publish our Diversity in Employment - annual information and monitoring report which outlines all information we currently hold about the make-up of our workforce and their performance. This report also details our gender pay gap and equal pay statement.

b) *Enhance inclusive management practices and diversify workforce.*

Departmental Inclusive Practice Delivery Plans (IPDPs) linked to our Strategic Objectives are a flagship EDI initiative to enhance, establish and embed inclusive management practices across all parts of the CNC. IPDPs are fully operational within all departments after going through an intensive internal impact assessment and are having a positive impact in terms of diversifying our services and workforce.

c) *Training and Development*

To enhance capacity, create specialism and empower key individuals; an intensive EDI training programme has been delivered. 48 individuals with designated EDI roles and responsibilities were given an intensive two days face to face training course on all aspects of equality. This was followed up by a resource review event where latest EDI support resources were identified and purchased. This included equality strand specific CNC pocket guides for the above employees.

d) *Implementation of selected recommendations from the National Police Chiefs Council (NPCC) and BEIS "Inclusive Employer" initiative*

HR campaign through road shows to increased recruitment from BAME communities and female officers continues successfully.

Scrutiny of all EDI functions and processes by an external provider to evaluate impact and learn lessons for the future concludes in June 2019.

Phase 3 (challenging behaviours and celebrating good practice) deliverables have been identified and are being formalised into the delivery plans which are progressing well.

Actions to achieve Gender Equality:

The following three Equality Support Groups (ESGs) with a dedicated Custodian and a Strategic Ally are in place to support and progress the gender equality agenda. Each ESG identifies the key challenges; secures resources and provides support via an action plan:

- Women's Network
- Menopause Action Group
- HeForShe

Occupational Health and Wellbeing

The CNC is committed to supporting the health and wellbeing of all of its people and in developing and embedding a wellbeing culture in all that we do. By establishing an identifiable brand that we can all understand and buy into, we will ensure that we keep people fitter, motivated and safe regardless of where they are located, both at work and play.

The key areas of wellbeing that can be influenced by the CNC include: Healthy Lifestyle, Mental Wellbeing, Physical Fitness, Employee Engagement, Occupational Health, Neurodiversity and Disability support and, working closely with Health and Safety, these are all covered by separate elements of the Healthy, Fit and Safe strands of the CNC's People Strategy.

The CNC has made significant investment in terms of services and support that can be accessed by all and this is underpinned by a network of CNC employees who have volunteered to support our workforce in one of the Healthy, Fit and Safe strands. These include police medics, dyslexia workplace assessors, TRIM practitioners, fitness instructors and mental health first aiders. They are overseen by professionally qualified experts (including doctors, nurses, technicians, psychologist, fitness experts, neurodiversity lead and support teams), who in turn are supported by nationally recognised external experts specifically contracted to provide governance in their area of expertise.

The CNC Healthy, Fit and Safe plans were published in 2018. These detail the Occupational Health and Wellbeing and Health and Safety services available to all within the CNC and how to access them. It details the infrastructure in terms of people and resources employed to provide these services and the governance structures that support, oversee and assure the delivery of these services. Finally, it sets out clearly the detailed plans against which our commitments will be judged out to March 2020. The aim of this health and wellbeing infrastructure and the plans that underpin it is for all members of the Constabulary to understand what is available to them and for them to engage in using this service to support themselves in their working life. This is an ongoing and evolving area for the Constabulary and whilst the plans capture the planned activities the detail will continue to grow.

Mental Health

The CNC mental health and psychological wellbeing framework and plan which was published in 2018 covers nine key work areas as set out below and introduces a programme of development and activity from September 2018 to September 2020.

- Training for staff and managers and the development of online resources
- Post-incident psychological wellbeing, preventing and responding to psychological trauma
- How to access help, support and treatment, referral pathways and resources
- Mental health awareness, reducing stigma, and promoting wellness
- Suicide prevention
- Occupational Health service delivery regarding mental health
- Participation in national initiatives and networks
- Peer support
- Data monitoring, KPIs, audit and improvement cycles, and research

This document was designed by a working group comprising of the CNC psychologist and representatives from across the CNC, with executive support from the Chief Constable. The CNC have confirmed their commitment to this plan and its aims during 2018 via sign up to national initiatives, such as the Mindful Employer Charter, Oscar Kilo and the Time to Change and MIND Blue Light Pledges.



Neurodiversity

The CNC already has a team of 14 trained inhouse Dyslexia Workplace Assessors across the Constabulary to assist employees with dyslexia to achieve their full potential in the workplace. This year the CNC has committed to working towards becoming a neurodiversity workplace, creating a neurodiversity working group comprising of a cross section of the workforce including specialists in HR, and Occupational Health. The group is supported by an external neurodiversity expert and works to a neurodiversity framework and plan with the aim of moving towards a social rather than medical model approach.

Occupational Health and Wellbeing Policy Development

A number of policies have been reviewed throughout the year including the attendance management procedure, funding of medical treatment and/or investigation procedure, stress management policy and extension to sick pay procedure. These procedures have been further developed to support our employees to achieve the best possible levels of attendance and minimise non-deployability.

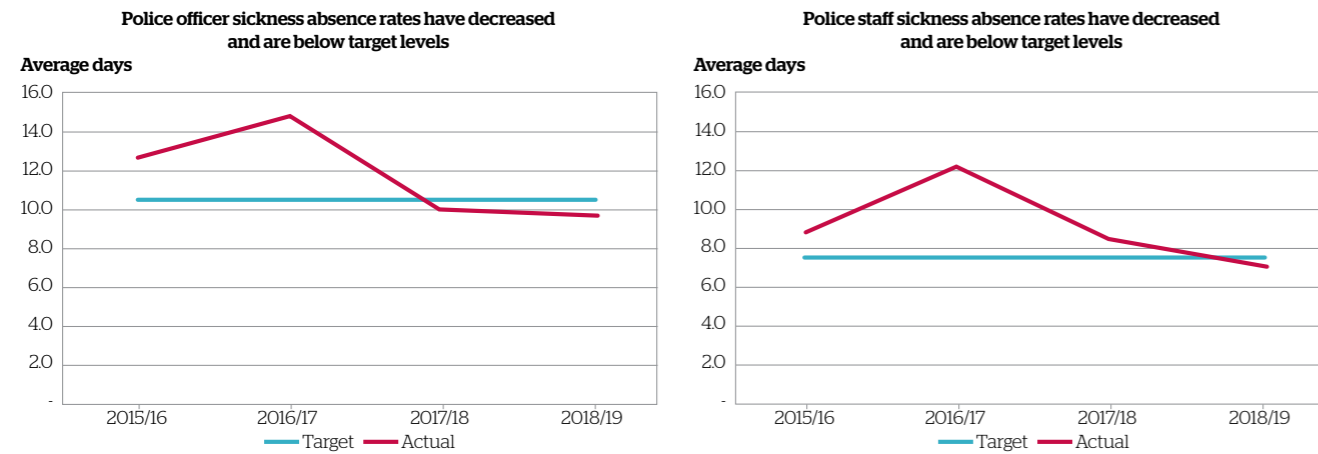
According to the Department of Work and Pensions, 16 per cent of working age adults have a disability, therefore in support of our employees with disabilities, work is ongoing to pilot a workplace adjustment passport, which is a document owned by individuals to share throughout their employment journey detailing reasonable adjustments in place. This work is being led by the Equality and Inclusion Manager, closely supported by the OH & Wellbeing Team and Equality Support Group for Disability.

Sickness Absences

The CNPA is committed to the physical and mental health and wellbeing of all its officers and staff. The Occupational Health and Wellbeing provision is available throughout the organisation and the team includes doctors, nurses and fitness/nutrition experts. During 2017/18, the CNPA was delighted to welcome an in-house psychologist to the team. The Occupational Health and Wellbeing service also extends to the provision of external fast track physiotherapy to all CNC employees and access to a confidential Employee Assistance Programme where support such as counselling can be accessed.

Police officer sickness absence rates have decreased this year to 9.8 days per officer, which is below their target of 10.5 days. This decrease is primarily due to a reduction in short term absence.

Total police staff sickness rates have decreased to 6.1 days per police staff member, below the target of 7.5 days. This decrease is primarily due to a reduction in long term absence. Short term sickness absence remains low at 3.4 days per police staff member.



Trade Union Facilities time

The CNPA supports its staff through the provision of trade union facility time. During 2018/19 there were nine employees who were relevant union officials. During this period, of the total hours worked by these employees, zero per cent was spent on paid trade union activities. The total cost of facility time undertaken by these employees was £32,906, which was 0.04 per cent of the CNPA's total pay bill of £86,211,591.

Simon Chesterman QPM
Chief Executive Officer and Chief Constable

8 July 2019

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 2019.

Fees and Charges

The CNPA recharges its operating expenditure from Site Licence Companies 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.

Simon Chesterman QPM
Chief Executive Officer and Chief Constable

8 July 2019

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

Opinion on financial statements

I have audited the financial statements of Civil Nuclear Police Authority for the year ended 31 March 2019 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, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

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 2019 and of Civil Nuclear Police Authority's 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 regularity

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

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of the Civil Nuclear Police Authority in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Conclusions relating to going concern

I am required to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Civil Nuclear Police Authority's ability to continue as a going concern for a period of at least twelve months from the date of approval of the financial statements. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern. I have nothing to report in these respects.

Responsibilities of the Police Authority and Accounting Officer for the financial statements

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.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit and express an opinion on the financial statements in accordance with Energy Act 2004.

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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Civil Nuclear Police Authority's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

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

Other Information

The Police Authority and the Accounting Officer are responsible for the other information. The other information comprises information included in the annual report, other than the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with Secretary of State directions made under the Energy Act 2004;
- in the light of the knowledge and understanding of the Civil Nuclear Police Authority and its environment obtained in the course of the audit, I have not identified any material misstatements in the Performance Report or the Accountability Report; 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 returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the 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.

Gareth Davies
Comptroller and Auditor General

Date - 12 July 2019

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



Financial Statements 2018/19

Statement of Comprehensive Net Expenditure

For the year to 31 March 2019

	Notes	2018/19 £000	2017/18 £000
Income	3	112,877	112,295
Expenditure			
Staff costs	5	(85,109)	(84,394)
Other expenditure	5	(28,195)	(28,602)
Operating (deficit)/surplus		(427)	(701)
Profit/(Loss) on disposal of property, plant and equipment		(13)	315
(Deficit)/surplus on ordinary activities before financing costs		(440)	(386)
Financial income - interest receivable		28	9
Financial expense - interest payable		(28)	(9)
Net financing costs		-	-
Total comprehensive (expenditure)/income for the year		(440)	(386)

All operations are continuing.

The notes on pages 70 to 92 form part of these financial statements.

Statement of Financial Position

As at 31 March 2019

	Note	2018/19 £000	2017/18 £000
Non-current assets			
Property, plant and equipment	6	9,086	10,174
Intangible assets	7	4,784	2,140
Trade and other receivables	10	262	312
Total non-current assets		14,132	12,626
Current assets			
Inventories	9	2,273	2,134
Trade and other receivables	10	12,990	13,370
Cash and cash equivalents	11	9,592	10,467
Total current assets		24,855	25,971
Total assets		38,987	38,597
Current liabilities			
Trade and other payables	12	(14,002)	(13,363)
Provisions	13	(392)	(266)
Total current liabilities		(14,394)	(13,629)
Total assets less current liabilities		24,593	24,968
Non-current liabilities			
Other payables	12	(9,237)	(10,008)
Provisions	13	(1,173)	(1,211)
Total non-current liabilities		(10,410)	(11,219)
Total assets less total liabilities		14,183	13,749
Taxpayers' equity and other reserves			
Income and expenditure reserve	14	(6,267)	(5,827)
Financing reserve	14	20,450	19,576
Total equity		14,183	13,749

The financial statements on pages 66 to 69 were approved by the CNPA Board on 5 July 2019 and signed on its behalf by:

Simon Chesterman

Chief Executive Officer and Chief Constable

8 July 2019

The notes on pages 70 to 92 form part of these financial statements.

Statement of Cash Flows

For the year ended 31 March 2019

	Note	2018/19 £000	2017/18 £000
Cash flows from operating activities			
Retained deficit for the year		(440)	(386)
Adjustments for:			
Loss/(Profit) on disposal of property, plant and equipment		13	(315)
Depreciation of property, plant and equipment	6	2,440	1,556
Amortisation of intangible assets	7	365	276
Release of capital grant		(2,624)	(1,641)
Impact of provisions	13	297	8
Operating cash flows before changes in working capital and provisions		51	(502)
Decrease/(increase) in trade and other receivables	10	430	(970)
Increase in inventories	9	(1,589)	(1,520)
(Decrease)/increase in trade and other payables	12	(132)	4,888
Use of provisions	13	(209)	(268)
Adjustment for items not passing through Statement of Comprehensive Net Expenditure		827	49
Cash generated from operations		(622)	1,677
Interest received		28	9
Net cash (outflow)/inflow from operating activities		(594)	1,686
Cash flows from investing activities			
Purchase of property, plant and equipment		(969)	(3,267)
Purchase of intangible assets		(3,434)	(360)
Net cash outflow from investing activities		(4,403)	(3,627)
Cash flows from financing activities			
Capital grant received		3,248	2,455
Grants from parent department		828	917
Other financing contributions		46	27
Net financing		4,122	3,399
Net (decrease)/increase in cash and cash equivalents in the period	11	(875)	1,458
Cash and cash equivalents at the beginning of the period	11	10,467	9,009
Cash and cash equivalents at the end of the period	11	9,592	10,467

The notes on pages 70 to 92 form part of these financial statements.

Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2019

	Note	Income and expenditure reserve £000	Financing reserve £000	Total £000
Balance at 31 March 2017		(5,441)	18,632	13,191
Changes in taxpayers' equity 2017/18				
Grant-in-aid received		-	917	917
Amounts payable to BEIS		-	27	27
Comprehensive expenditure for the year		(386)	-	(386)
Balance at 31 March 2018		(5,827)	19,576	13,749
Changes in taxpayers' equity 2018/19	14			
Grant-in-aid received		-	828	828
Amounts payable to BEIS		-	46	46
Comprehensive expenditure for the year		(440)	-	(440)
Balance at 31 March 2019	14	(6,267)	20,450	14,183

The notes on pages 70 to 92 form part of these financial statements.

Notes to the Accounts

1. Statement of Accounting Policies

The Civil Nuclear Police Authority (CNPA) is an executive non-departmental public body of the Department for Business, Energy and Industrial Strategy (BEIS) and is domiciled in the United Kingdom.

Statement of Compliance

These financial statements have been prepared in accordance with the 2018/19 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the CNPA for the purpose of giving a true and fair view has been selected. The particular policies adopted by the 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 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
- 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

Two new Standards have been issued by the International Accounting Standards Board (IASB) with effective dates such that they fall to be applied by the CNPA.

- IFRS 9 *Financial Instruments*: effective for periods beginning on or after 1 January 2018 (see note 1.16)
- IFRS 15 *Revenue from Contracts with Customers*: effective for periods beginning on or after 1 January 2018 (see note 1.17)

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 2019 and have not been applied in preparing these financial statements. These are:

- IFRS 16 - *Leases*. This standard replaces IAS 17 *Leases* and will be adopted by the public sector in 2020/21. IFRS 16 represents a significant change in lease accounting by removing the distinction between operating leases (off-statement of financial position financing) and finance leases (on-statement of financial position financing) and introducing a single lessee accounting model. IFRS 16 requires the recognition of all leases with terms of over 12 months as finance leases. This will result in the recognition of a right-of-use asset, measured at the present value of future lease payments, and a matching liability in the Statement of Financial Position (SoFP). Disclosure of operating leases is included in note 16.
- IFRS 17 - *Insurance Contracts*. This standard establishes the principles for the recognition, measurement, presentation and disclosure of insurance contracts within the scope of the standard, with the objective of ensuring the entity provides relevant information that faithfully represents those contracts. It provides a basis for users of the financial statements to assess the effect that insurance contracts have on the entity's financial position, financial performance and cash flows.

With the exception of the changes to the financial position identified as a result of implementing IFRS 16 - *Leases*, the CNPA does not anticipate that the adoption of these standard 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
Plant and machinery	5-10 years
Furniture and fittings	5-10 years
Information technology	Up to 5 years

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

1.5 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 the 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 from contracts with customers are allocated to individual promises, or performance obligations, on a stand-alone transaction price basis. Income is recognised in the Statement of Comprehensive Net Expenditure when the related performance obligation is satisfied, either over time or at a point in time and it is probable that the CNPA will collect the consideration due. The measurement of income takes account of significant variable consideration and excludes Value Added Tax.

IFRS 15 *Revenue from contracts with customers* has been adopted by the FReM with effect from 1 April 2018. The income recognition criterion introduced by IFRS 15 is consistent with how the CNPA previously accounted for income and there is no impact of the new standard on opening balances.

The ordinary activities of the CNPA is the provision of services provided by the Constabulary for the protection of licenced nuclear sites and safeguarding nuclear materials in Great Britain and elsewhere.

The CNPA also engages in other activities relating to this, including the provision of training for firearm officers and the secondment of officers to other forces.

Further details of the CNPA's application of IFRS 15 are set out in Note 3.

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

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.

1.12 Capital Grants

Funding for the purchase of property, plant and equipment is credited to deferred income and released to the Statement of Comprehensive Net Expenditure over the expected useful economic lives of the assets in amounts equal to the depreciation charge.

The profit or loss on disposal of 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.

1.13 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.

1.14 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.

1.15 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.

1.16 Financial Instruments

IFRS 9 has been adopted by the FReM with effect from 1 April 2018. We have determined that this has no material impact on the classification or measurement of the CNPA's financial instruments. IFRS 9 eliminates the threshold in IAS 39 for the recognition of credit losses and it is no longer necessary for a credit event to have occurred before credit losses are recognised. However, because the CNPA has very low credit risk for the reasons set out in note 8, there is no expected credit loss to recognise as at 31 March 2019.

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.

1.17 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 (OPU) and Escorted Movements. Operational Policing Units provide an armed response at civil nuclear licenced 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.

1.18 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.

2. Segment Information

The CNPA has two reportable segments: Operational Policing Units and Escorted Movements. Financial performance of all non-operating segments has been grouped under the heading Corporate Departments. This information is included to reconcile the financial performance of the operating segments.

2018/19	Operational Policing Units	Escorted Movements	Corporate Departments	Total
	£000	£000	£000	£000
Income	103,651	8,493	733	112,877
Expenditure				
Staff costs	(54,678)	(4,032)	(26,399)	(85,109)
Other expenditure	(3,537)	(996)	(20,560)	(25,093)
Depreciation and amortisation	(612)	(192)	(2,001)	(2,805)
Movement in provisions	-	-	(297)	(297)
Operating surplus/(deficit)	44,824	3,273	(48,524)	(427)
Profit/(Loss) on disposal of property, plant and equipment	35	-	(48)	(13)
Surplus/(deficit) on ordinary activities before financing costs	44,859	3,273	(48,572)	(440)
Finance income - interest receivable	-	-	28	28
Finance charges - interest payable	-	-	(28)	(28)
Retained surplus/(deficit) for the year	44,859	3,273	(48,572)	(440)
Assets and liabilities				
Segment assets	16,851	1,095	21,041	38,987
Segment liabilities	(2,850)	(319)	(21,635)	(24,804)
Net (liabilities)/assets	14,001	776	(594)	14,183
Taxpayers' equity				
Income and expenditure reserve	-	-	(6,267)	(6,267)
Financing reserve	-	-	20,450	20,450
Taxpayers' equity	-	-	14,183	14,183

2017/18	Operational Policing Units	Escorted Movements	Corporate Departments	Total
	£000	£000	£000	£000
Income	102,877	9,418	-	112,295
Expenditure				
Staff costs	(54,141)	(4,618)	(25,635)	(84,394)
Other expenditure	(3,580)	(1,388)	(21,794)	(26,762)
Depreciation and amortisation	(614)	(197)	(1,021)	(1,832)
Movement in provisions	-	-	(8)	(8)
Operating surplus/(deficit)	44,542	3,215	(48,458)	(701)
Loss on disposal of property, plant and equipment	24	-	291	315
Surplus/(deficit) on ordinary activities before financing costs	44,566	3,215	(48,167)	(386)
Finance income - interest receivable	-	-	9	9
Finance charges - interest payable	-	-	(9)	(9)
Retained surplus/(deficit) for the year	44,566	3,215	(48,167)	(386)
Assets and liabilities				
Segment assets	16,322	620	21,655	38,597
Segment liabilities	(3,179)	(452)	(21,217)	(24,848)
Net (liabilities)/assets	13,143	168	438	13,749
Taxpayers' equity				
Income and expenditure reserve	-	-	(5,827)	(5,827)
Financing reserve	-	-	19,576	19,576
Taxpayers' equity	-	-	13,749	13,749

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 (2017/18: three SLCs) each amounted to 10 per cent or more of the CNPA's total income. This income is reported within the OPUs operating segment. A breakdown of income by major customer is provided below:

	2018/19		2017/18	
	£000	%	£000	%
SLC 1	42,391	38	39,275	35
SLC 2	40,551	36	39,287	35
SLC 3	13,883	12	13,505	12
Others	16,052	14	20,228	18
Total	112,877	100	112,295	100

3. Income

The CNPA is required to recover its full operating costs each year. Income of £112,877,000 for the year to 31 March 2019 (2017/18: £112,295,000) represents a recharge of running costs to the SLCs of £108,700,000 (2017/18: £106,293,000), release of deferred capital income of £2,624,000 (2017/18: £1,641,000), miscellaneous income of £1,553,000 (2017/18: £1,294,000) and recharge of costs incurred in seconding officers to Home Office forces in support of the Strategic Armed Policing Reserve operations of £Nil (2017/18: £3,067,000). All activities are regarded as continuing.

Recharge of running costs to SLCs which includes for services provided at licenced nuclear sites and escorted movements as well as the release of deferred capital grant are relevant to IFRS 15. There are no legal contracts in place but there is deemed to be a contract through the Energy Act 2004 in accordance with the FReM adaptation of IFRS 15 that the definition of a contract is expanded to include legislation and regulation enabling an entity to receive income. The contract is deemed to include conditions agreed at relevant Police Authority meetings and as the conditions in the Site Policing Plan. The performance obligation is the requirement to comply with the Site Policing Plans to deliver a continual police service and so recognised over time. From time to time additional services are agreed between the Constabulary and the SLC, these additional services are highly interrelated with the delivery of the primary service and so do not qualify as distinct performance obligations. The transaction price charged is based on the direct cost of providing the service to the specific site plus an allocation of overhead costs based on the agreed policing proportionment. The payment terms are that invoices should be paid within 15 days. Contracts do not have a significant financing component.

Miscellaneous income mainly comprises revenue generated from secondment income and for the provision of training. The income from secondments is recognised over time and charged at cost. The provision of training is charged at a stand-alone transaction price based on estimated costs and recognised at the point in time the service is considered to have been delivered. Miscellaneous income is covered by commercial contracts.

The CNPA does not consider any of these charges as irrecoverable so no such provision is held.

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 2019. 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 was established at 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 2019/20 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	2018/19 £000	2017/18 £000
Staff costs			
Wages and salaries		66,735	66,054
Social security costs		7,859	8,218
Other pension costs		10,515	10,122
Total staff costs		85,109	84,394
Goods and services			
Information technology and communications		6,173	5,397
Hotels, subsistence and catering costs		4,130	4,660
Transport related costs		2,855	4,121
Specialist equipment and maintenance		2,814	3,200
Accommodation costs		2,552	2,639
Professional services and legal fees		2,216	2,456
People services		1,368	1,716
Joint operation for back office services	19	1,133	858
Insurance		756	797
Rentals under operating leases - buildings		525	440
Office supplies and services		133	221
Auditor remuneration		48	45
Other supplies and services		185	195
Total goods and services purchased		24,888	26,745
Non-cash items			
Depreciation of property, plant and equipment	6	2,440	1,556
Amortisation of intangible assets	7	365	276
Loss on disposal of inventory	9	186	-
Cost of capital charges		19	17
Movement in provisions	13	294	(1)
Unwinding of discount on provisions	13	3	9
Total non-cash items		3,307	1,857
Total other expenditure		28,195	28,602
		113,304	112,996

More information on staff costs can be found in the Staff Report on [pages 48 to 60](#)

6. Property, Plant and Equipment

	Transport equipment £000	Plant and machinery £000	Furniture and fittings £000	Information technology £000	Payments on account and assets under construction £000	Total £000
Cost or valuation						
At 1 April 2018	5,461	5,504	786	5,645	3,289	20,685
Additions	41	204	14	21	979	1,259
Disposals	(311)	(269)	(92)	(1,695)	-	(2,367)
Reclassifications	338	644	18	2,001	(2,866)	135
At 31 March 2019	5,529	6,083	726	5,972	1,402	19,712
Depreciation						
At 1 April 2018	3,327	3,359	514	3,311	-	10,511
Charged in year	544	544	54	1,298	-	2,440
Disposals	(308)	(260)	(88)	(1,669)	-	(2,325)
At 31 March 2019	3,563	3,643	480	2,940	-	10,626
Net book value at 31 March 2019	1,966	2,440	246	3,032	1,402	9,086
Asset financing						
Owned	1,966	2,440	246	3,032	1,402	9,086
Net book value at 31 March 2019	1,966	2,440	246	3,032	1,402	9,086

	Transport equipment	Plant and machinery	Furniture and fittings	Information technology	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
At 1 April 2017	4,943	5,428	695	3,426	3,323	17,815
Additions	325	64	8	583	2,287	3,267
Disposals	(287)	(15)	-	(3)	(14)	(319)
Reclassifications	480	27	83	1,639	(2,307)	(78)
At 31 March 2018	5,461	5,504	786	5,645	3,289	20,685
Depreciation						
At 1 April 2017	3,059	2,877	455	2,850	-	9,241
Charged in year	545	471	76	464	-	1,556
Disposals	(274)	(9)	-	(3)	-	(286)
Reclassifications	(3)	20	(17)	-	-	-
At 31 March 2018	3,327	3,359	514	3,311	-	10,511
Net book value at 31 March 2018	2,134	2,145	272	2,334	3,289	10,174
Asset financing						
Owned	2,134	2,145	272	2,334	3,289	10,174
Net book value at 31 March 2018	2,134	2,145	272	2,334	3,289	10,174

Payments on account and assets under construction represent assets that are incomplete or not yet in productive use by the CNPA. At 31 March 2019 this related to £622,000 for vehicles (2017/18: £588,000), £322,000 for information technology (2017/18: £1,788,000), £424,000 for plant and equipment (2017/18: £676,000) and £34,000 (2017/18: £237,000) 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
Cost or valuation				
At 1 April 2018	1,922	315	1,618	3,855
Additions	31	37	3,102	3,170
Disposals	(710)	-	-	(710)
Reclassifications	846	-	(981)	(135)
At 31 March 2019	2,089	352	3,739	6,180
Amortisation				
At 1 April 2018	1,518	197	-	1,715
Charged in year	324	41	-	365
Disposals	(684)	-	-	(684)
At 31 March 2019	1,158	238	-	1,396
Net book value at 31 March 2019	931	114	3,739	4,784
Asset financing				
Owned	931	114	3,739	4,784
Net book value at 31 March 2019	931	114	3,739	4,784
Cost or valuation				
At 1 April 2017	969	1,309	856	3,134
Additions	2	16	752	770
Disposals	(19)	(108)	-	(127)
Reclassifications	970	(902)	10	78
At 31 March 2018	1,922	315	1,618	3,855
Amortisation				
At 1 April 2017	577	989	-	1,566
Charged in year	220	56	-	276
Disposals	(19)	(108)	-	(127)
Reclassifications	740	(740)	-	-
At 31 March 2018	1,518	197	-	1,715
Net book value at 31 March 2018	404	118	1,618	2,140
Asset financing				
Owned	404	118	1,618	2,140
Net book value at 31 March 2018	404	118	1,618	2,140

Payments on account and assets under construction represent assets that are incomplete or not yet in productive use by the CNPA. At 31 March 2019 this related to information technology intangibles including £3,439,000 for a new Oracle Cloud business management system which is being implemented as part of our shared service provision with MFSS and went live in April 2019 (2017/18: £811,000), £290,000 for a new operational communication system (2017/18: £204,000).

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
- 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	2018/19 £000	2017/18 £000
Total receivables (excluding pre-payments)	12,933	13,240
Cash and cash equivalents	9,592	10,467
	22,525	23,707

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:

	2018/19 £000	2017/18 £000
Not past due	12,907	13,188
Past due less than 1 month	26	42
Between 1 and 2 months	-	-
Over 2 months overdue	-	10
	12,933	13,240

No receivables balances were considered impaired at the end of the reporting period (2017/18: £nil). There are no receivables that would otherwise be past due or impaired whose terms have been renegotiated (2017/18: £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 2019	Within 1 month £000	Between 1 and 3 months £000	Between 3 and 12 months £000	Total contractual maturity £000
Trade payables	447	-	-	447
Accrued expenses	-	7,730	-	7,730
Other payables	64	-	-	64
	511	7,730	-	8,241

At 31 March 2018	Within 1 month £000	Between 1 and 3 months £000	Between 3 and 12 months £000	Total contractual maturity £000
Trade payables	1,744	-	-	1,744
Accrued expenses	-	6,951	-	6,951
Other payables	55	-	-	55
	1,799	6,951	-	8,750

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, up to 30 October 2018, the CNPA had 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

	2018/19	2017/18
	£000	£000
Balance at 1 April	2,134	1,548
Purchases	1,589	1,520
Used and recognised as an expense	(1,264)	(934)
Write off of obsolete, slow moving or defective items of inventory	(186)	-
Balance at 31 March	2,273	2,134

10. Trade Receivables and Other Assets

	2018/19	2017/18
	£000	£000
Amounts falling due within one year:		
Pre-payments and accrued income	11,498	11,980
Early departure receivables due from pension scheme	165	31
Trade receivables	123	122
Other receivables	1,204	1,237
	12,990	13,370
Amounts falling due after more than one year:		
Early departure receivables due from pension scheme	237	275
Other receivables	25	37
	262	312

11. Cash and Cash Equivalents

	2018/19	2017/18
	£000	£000
Balance at 1 April	10,467	9,009
Net change in cash and cash equivalent balances	(875)	1,458
Balance at 31 March	9,592	10,467
The following balances at 31 March were held at:		
	2018/19	2017/18
	£000	£000
Commercial bank	9,592	10,467
	9,592	10,467

12. Trade Payables and Other Current Liabilities

	2018/19 £000	2017/18 £000
Amounts falling due within one year		
Accrued expenses	7,730	6,951
Deferred income	2,718	1,522
Other taxation and social security	1,804	1,878
Pension payables	1,239	1,213
Trade payables	447	1,744
Other payables	64	55
	14,002	13,363
Amounts falling due after more than one year:		
Deferred income	9,237	10,008
	9,237	10,008

13. Provisions for Liabilities and Charges

	Legal £000	Dilapidations £000	Early departure costs £000	Total £000
At 1 April 2017	107	246	1,384	1,737
Provided in the year	41	-	-	41
Provisions utilised in the year	(40)	-	(228)	(268)
Provisions not required written back	(20)	-	-	(20)
Change in discount rate	-	-	(22)	(22)
Unwinding of discount	-	-	9	9
At 31 March 2018	88	246	1,143	1,477
Provided in the year	146	76	64	286
Provisions utilised in the year	-	-	(209)	(209)
Provisions not required written back	(2)	-	-	(2)
Change in discount rate	-	-	10	10
Unwinding of discount	-	-	3	3
At 31 March 2019	232	322	1,011	1,565
Expected timings of cash flows				
Within one year	232	-	160	392
Between two and five years	-	-	197	197
After five years	-	322	654	976
	232	322	1,011	1,565

Legal

Of the 11 claims open at 1 April 2018, the provision is unchanged for six, four have been increased and one decreased during the reporting period. Further provision has been made for 16 additional claims.

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 has been estimated and includes VAT. This provision is expected to be used 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 October 2018 by HM Treasury. Pension payments to age 60 have been discounted using discount rates based on the prevailing CPI and real discount rate of 0.29 per cent. Payments after age 60 are discounted using the real discount rate of 0.29 per cent.

14. Taxpayers' Equity

Reconciliation of movement in taxpayers' equity

	Income and expenditure reserve £000	Financing reserve £000	Total £000
At 1 April 2017	(5,441)	18,632	13,191
Grant-in-aid received	-	917	917
Other financing contributions	-	27	27
Comprehensive expenditure for the year	(386)	-	(386)
At 1 April 2018	(5,827)	19,576	13,749
Grant-in-aid received	-	828	828
Other financing contributions	-	46	46
Comprehensive expenditure for the year	(440)	-	(440)
At 31 March 2019	(6,267)	20,450	14,183

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 £6,267,000 (2017/18: £5,827,000) is due to the provision of early departure costs for non-AFOs and police staff following withdrawal from Springfields, Capenhurst, Chapelcross and Wylfa sites and for other staff exit payments. 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. £202,000 of this funding relates to amounts received in 2017/18 which was initially treated as deferred income. Other financing contributions comprised £27,000 (2017/18: £10,000) of interest earned and £19,000 (2017/18: £17,000) 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:

	2018/19 £000	2017/18 £000
Property, plant and equipment	52	33
Intangible assets	1,033	470
	1,085	503

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 2019, £525,000 (2017/18: £440,000) 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:

	2018/19 £000	2017/18 £000
Leasehold properties		
Less than one year	525	433
Between one and five years	705	955
	1,230	1,388

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:

	2018/19 £000	2018/19 £000
Less than one year	1,533	2,015
Between one and five years	-	462
	1,533	2,477

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.

The CNPA has a liability arising through its association with the Multi Force Shared Service (MFSS) for a share of costs incurred. The timing and amount of this liability is uncertain.

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 Multi Force Shared Service (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 2019. 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.

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
- 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 Limited
- 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:

- Home Office
- Office for Nuclear Regulation
- Mayor's Office for Police and Crime and Metropolitan Police Commissioner

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 12 July 2019, 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.

