

Civil Nuclear Police Authority



Annual Report
& Accounts 2017/18

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Civil Nuclear Police Authority

Annual Report & Accounts
2017/18

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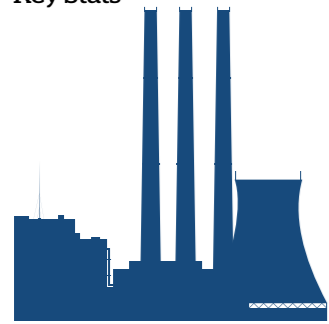
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Chairman's statement

Key Stats



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

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

As a national infrastructure police force with counter terrorism at the heart of everything we do, we carry out a nationally important and unique task, which becomes ever more challenging as global terrorism threats change and new ones emerge.

2017 saw five horrific and cowardly terrorism attacks on UK soil, which left over 30 people dead and over 370 people injured. As a result, the UK Threat Level was raised to Critical on two occasions and over 800 Authorised Firearms Officers from the Civil Nuclear Constabulary (CNC) were deployed to 23 different forces across the country as part of the national armed policing surge. During these deployments, officers remained on all 10 of the nuclear sites we police to protect these vital assets and ensure we were able to continue to carry out our Mission, with support from military colleagues.

On both occasions, CNC officers and staff effectively contributed to keeping the country safe and reassuring members of the public in the wake of these attacks. I am very proud of the support we were able to provide to our territorial policing colleagues.

We continue to undertake training to improve our capability to operate in the wider policing landscape and now have over 200 Operational Firearms Commanders and over 320 officers specially trained in dynamic search, intervention methods and tactical care. We will continue to roll out Project Servator across all our sites over the coming year. Project Servator sees highly visible yet unpredictable deployments of specially trained officers around our sites and the surrounding local community. These officers are deployed to deter, help detect, and provide reassurance and confidence to members of the public and to date, over 60 have been trained in the policing tactics necessary to deliver the project.

As Chairman of the Civil Nuclear Police Authority (CNPA), I have continued to meet regularly with our sponsoring government department, the Department for Business, Energy and Industrial Strategy (BEIS) about a wide range of issues. These include the pension age of our officers and the introduction of new Terms and Conditions of Service, which has bought CNC officers in line with their Home Office colleagues for the first time and is a result of eight years of hard work. The Infrastructure Policing Review is still under consideration and the CNC continues to take steps to ensure we maintain our close working relationships with other affected police forces and government departments involved in the project, as well as exploring any opportunity to increase our interoperability.

For the 2018/19 year, we remain focussed on delivering our annual Strategic Plan, which is set against challenging financial restraints and the tougher trading conditions facing the nuclear operating companies who are responsible for providing the majority of our funding. Against this, we will continue to deter and respond to any threat to our nuclear sites and any material being escorted in a professional and effective manner, while maintaining the confidence of our diverse stakeholders.



Vic Emery OBE
Chairman

Ambition, Mission & Credo

.....

Key Stats



Over
1,050
Authorised
Firearms
Officers

.....

Our Ambition

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

Our Mission

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

Our Credo

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

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

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

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

Performance Report

.....

Chief Executive Officer and Chief Constable's Overview

In the evolving national and international terrorism landscape, 2017/18 has seen the Civil Nuclear Constabulary (CNC) deliver its core role of security operations to the civil nuclear sector to a very high professional standard. In addition, on two occasions when the threat level was raised to Critical, the Constabulary played a key role in the Strategic Armed Policing Reserve in deploying over 800 firearms officers to support Home Office forces.

Our performance delivery has remained strong against a backdrop of growing operational demands and uncertainty. We have several challenging strategic issues to resolve that directly affect our workforce and its morale. These include the future of the Constabulary within the Infrastructure Policing Review; the delivery of new Terms and Conditions of Service for our officers (bringing them in line with their Home Office colleagues); and confirming the retirement pension age for our firearms officers whilst also moving all employees to a new pension scheme. My officers and staff have remained as focussed as ever in delivering what we ask of them in our 24/7 operation despite these uncertainties. I am enormously proud of their contribution to the ongoing success of the organisation and to the nation's security.

During 2017/18, we have successfully delivered against a three-year Strategic Plan, which sets out our direction of travel. We have worked closely with our Site Licence Companies, government and other stakeholders to ensure we met our critical activities, which were:

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

This plan was designed to be demanding to ensure that as an organisation we were fit and able to deal with all our key operational activities. The success of our work was reflected in receiving the Counter Terror Policing award in March 2018. We maintained a credible and well trained armed response force across all 10 sites throughout this time and successfully completed all planned road and sea escort operations. Alongside this operational activity we saw the continued delivery of our People Strategy, which ensures we maximise our key asset as an organisation: our people.



Key Stats



Over
200
Operational
Firearms
Commanders

As an open and transparent organisation, our Strategic Plan 2018/21 is available to read on our GOV.UK website and sets out the context against which we will operate, as well as our strategic objectives, underpinning priorities and key deliverables. I consider the development of our critical activities for 2018/19 to be:

- **Delivering the operation** - in partnership with our stakeholders we will execute all planned operations, implement revised policing and security models and maintain high levels of operational deployability
- **Supporting the operation** - we will continue to deliver nationally accredited firearms and command training and embrace new capability and technology: maximising the full potential of our new Tactical Training Centre will be key
- **Supporting our people** - implementation of the new Terms and Conditions of Service for our officers and the enhancement of our organisational wellbeing, performance, development and engagement strategies
- **Delivering best value** - whilst continuing to employ the most effective business management, we will seek efficiencies across the organisation

Although there has been little progress this year in the national Infrastructure Policing Review due to the government's already full legislative programme, we continue to inform those taking decisions of our role, responsibilities and capabilities within the civil nuclear sector, as well as our ongoing compliance with policing standards. We are aware that any such integration would offer opportunities as well as challenges for the organisation and remain committed to exploring every opportunity presented to us.

2018/19 promises to be another busy year for the Constabulary, to be delivered against understandable budget constraints, and we look forward to working with our partners to continue to deliver our nationally vital service to the high standard we always have done.



Mike Griffiths CBE
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 government's commitment to allow energy companies to build new nuclear power stations has the potential to expand our operational remit in the longer term.



Strategic Objectives

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.

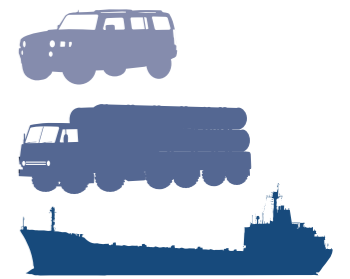
Strategic Risks and Uncertainties

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.

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, together with their mitigation through existing controls and actions were as follows:

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

Key Stats



Over
65
officers in our
Strategic Escort
Group



Key Stats



80

recruits
graduating as
AFOs this year



FAILURE OF TRANSFORMATION PROGRAMMES

Risk	Mitigation
CNC fails to transform its front-line operations and provide appropriate resources and capabilities to the front line and comply with government expectations and transform its back and mid office functions to support the operational front line.	Managing high value and high-risk programmes and projects using recognised programme and project management method
	Individual programme and project plans 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 (eg. Gateway reviews)

LOSS OF STAKEHOLDER CONFIDENCE

Risk	Mitigation
Regulatory or operational failures (eg. loss of firearms licence, failed exercises) or failures with our transformation programmes leads to a loss of reputation, increased government scrutiny and reduced investment from SLCs that reduces our operational effectiveness and ability to defeat a terrorist attack.	Appropriately designed and applied handling strategies for key stakeholders, including media strategies for responding to "fake news"
	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

Risk	Mitigation
CNC fails in its duty of care responsibilities, causing death or serious injury.	Successful delivery of the annual health and safety plan and programme of health and safety audits
	Compliance with HSE safe system of work, working time directive and driving policy
	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

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



Key Stats



INABILITY TO TRANSITION TO MODERN WORKFORCE	
Risk	Mitigation
CNC is unable to transition to a modern workforce and reduces its operational effectiveness and/or increases its costs.	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)	
Risk	Mitigation
CNC fails to protect its critical assets including confidential or personal data leading to potential damage to its reputation and opening the organisation up to potential litigation and regulatory fines.	Achieve Information Assurance Management Maturity level 3
	Implement 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	
Uncertainty	Mitigation
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 18-month quarterly rolling forecasts permitting a rebalancing of budgets and reprioritisation of deliverables
	Annual horizon scanning of future costs
	Implementation of integrated finance, planning and performance framework
	Delivery against annual efficiency savings target and identify new areas for cost reduction
	Specific work stream within Sellafield Training Facility project to identify cost savings to cover any cost increases from operating the new facility



Performance Analysis

Key Performance Indicators

Performance against key deliverables contained in the CNPA's Strategy and Business Plan 2017/20 is provided below. A number of activities are deliverable over two or three years. The performance rating provided below is against their 2017/18 milestones.

Strategic Objective 1 is underpinned by five strategic priorities:

Deter and respond	Performance 2017/18
Maintain 24/7 armed response at civil nuclear sites	Achieved
Provide armed escort for movements of nuclear materials	Achieved
Develop and implement revised policing models	Achieved
Maintain and sustain deployment levels of firearms officers	Achieved
Support the national Strategic Armed Policing Reserve	Achieved

Strategic Objective 2 is underpinned by five strategic priorities:

Develop and maintain	Performance 2017/18
Develop a firearms training centre of excellence	Partly achieved
Be ready to provide armed protective security to national infrastructure	Achieved
Improve and sustain effective command and control systems across CNC	Partly achieved
Implement and embed recovery capabilities	Achieved
Maintain our tactical advantage through the use of technology	Partly achieved

Strategic Objective 3 is underpinned by five strategic priorities:

Efficiency and effectiveness	Performance 2017/18
Deliver effective business support services across CNC	Achieved
Transform our commercial delivery and business efficiency	Achieved/on target
Modernise and improve ICT infrastructure and improve its information and cyber security	Achieved/on target
Build internal collaboration and partnership working across CNC	Achieved/on target
Increase external stakeholder confidence and work effectively in partnership with site operators, national and local constabularies and CNC's sponsoring department	Achieved/on target

Strategic Objective 4 is underpinned by five strategic priorities:

Attract, develop and retain	Performance 2017/18
Implement the People Strategy	Partly achieved/on target
Implement attraction, retention, reward and recognition frameworks that support the full employee lifecycle	Partly achieved/on target
Implement new Terms and Conditions of employment, with embedded revised pensions	Partly achieved/on target
Develop a comprehensive workforce planning capability	Achieved
Implement a qualifications framework underpinning leadership development and talent management processes	Partly achieved

Key Stats



Over
135
Firearms
Instructors

Key Stats



Budget of over
£100
million

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 23
Employees	Equality and diversity policy Equality, diversity and inclusion strategy (including on-line training) Equality support groups Health, safety and wellbeing Learning and development	Employees section, page 51 Health and safety, page 28
Human rights	Human rights and equality impact assessments (part of equality and diversity policy) Data privacy policy Information and cyber security policy	Employees section, page 51 Information and cyber security, page 28
Anti-corruption and anti-bribery	Anti-fraud, anti-bribery and anti-corruption policy Fraud response plan Code of business conduct Code of Ethics for policing	Anti-fraud, anti-bribery and anti-corruption policy, page 29
Description of strategic business risks and impacts of business activities		Strategic risks and uncertainties, page 11 Risk management, page 38
Description of business model		Business model, page 9
Non-financial key performance indicators		Key performance indicators, page 16 Key staff indicators, page 52

Financial Overview

The CNPA's total expenditure for 2017/18 was £112,996,000 (2016/17: £103,983,000). The majority of the CNPA's funding is through income from the Site Licence Companies (SLCs) which was £106,293,000 (2016/17: £101,131,000). The remainder of the funding was from the Home Office forces in support of Strategic Armed Policing Reserve (SAPR) operations and release of capital grants funding from BEIS.

The CNPA continues to make efficient use of our funding and identify savings more effectively. We encourage all of our people to deliver value for money and be accountable for public funds. During 2017/18, we delivered improvements to management information resources to support increased financial management acumen and transparency. There have been changes to the way financial information is presented to the Executive Team, CNPA Board and to budget holders across the organisation.

The CNPA continues to engage with BEIS and our SLCs to reduce and control costs across the public sector and to maintain good governance.

Key drivers of Financial Performance

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

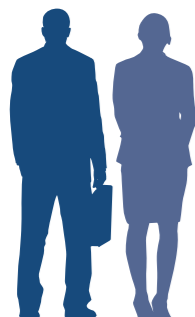
Our customer base has not changed in recent years, but we pro-actively respond to changing customer requirements. All policing provision results from regular consultation with our regulator, the Office for Nuclear Regulation (ONR), and our SLCs and agreements formalised with them. Typical examples of this are when materials are moved off specific sites which therefore no longer need policing; in this situation, withdrawal timescales from sites are agreed with the ONR and SLCs; carefully planned withdrawal enables cost control and minimises the need for redundancies, through re-deployment to targeted areas which have continuing requirements for policing. We managed the withdrawal of policing from Wylfa during 2016/17, resulting in reduced costs of £3.6m per annum from 2017/18.

Similarly, if additional policing is required this is formally agreed and our policing provision increased in line with specified requirements. Two such examples of additional requirements occurred during 2017/18, resulting in costs of £1.8m for a specific SLC, with a planned phased increase of police officers being managed through the year. The budgeting provision for these additional requirements was negotiated in-year since they were identified after the formal budget had been set and approved by the CNPA Board. The ongoing annual impact for the period during which this additional policing will be required is £3.7m per annum, 3% of our annual turnover.

Sometimes costs are driven by government initiatives and outside the control of the CNC, such as the Emergency Services Network project. Significant projects such as this, covering multiple years and costing multiple millions, are capital-funded and charged to SLCs as depreciation upon implementation of the project. The impact over 2017/18 has been volatile due to project delays, and the ongoing annual depreciation impact has yet to be determined.



Key Stats



Over
40
Stakeholders

Financial Outturn

The financial objective for CNPA is to achieve a breakeven position, and the detailed financial statements are set out in this report in section 3. The CNPA has reported an operating deficit of £701,000 for the year ended 31 March 2018. This loss is due to the following:

- Profit of £315,000 has been recognised on disposal of property, plant and equipment, this has been offset against operating costs thereby reducing the recharges to customers
- The CNPA has incurred £400,000 on exit payment costs for employees. These payments are reimbursable by BEIS through grant-in-aid and recognised in CNPA's financing reserves in 2017/18. This is shown in the Statement of Changes in Taxpayers' Equity
- The balance on the deficit is offset by £14,000 which is due to unwinding the discount on future payments and changes to the provision for early departure costs. These are due to changes in forecast rates for the Consumer Prices Index that underpin future pension payments for employees who have received voluntary early retirement from sites that the CNC no longer police

Operating Costs

Expenditure for the year ended 31 March 2018 was £112,996,000 (2016/17: £103,983,000). The increase in expenditure was due largely to increased staff costs of £6,306,000 to £84,394,000. Much of the increase was due to increased employer's pensions contributions, a pay award for police officers and staff and an increase in overtime and allowances related to the deployment of police officers for SAPR deployments for Operation Temperer.

Other expenditure increased by £2,707,000 to £28,602,000. The key drivers behind this cost increase were increased travel and subsistence costs due to two Operation Temperer deployments, an increase in new police officer recruits training and increase in specialist training, catch-up on backdated fleet costs and modernisation of CNC's IT infrastructure.

Interest receivable of £9,000 (2016/17: £13,000) was earned on cash balances held by the CNPA. This was matched by interest payable of the same amount, as the CNPA is not permitted to retain any interest earned but required either to remit it back to BEIS to be surrendered to the Consolidated Fund, or offset it against requests for capital funding from BEIS.

Financial Position

The carrying value of property, plant and equipment at 31 March 2018 was £10,174,000 (31 March 2017: £8,574,000). Asset and assets under construction additions totalled £3,267,000 which included £481,000 for the purchase of 15 vehicles, £780,000 on plant and machinery, which included purchases of

replacement TASERs (less lethal weapon) and new ballistic shields, £1,808,000 on IT equipment, which included purchase of new IT user hardware/ network infrastructure, and hardware relating command and control and intelligence systems, and £224,000 on fixtures and fittings related to equipment for the CNC's new firearms training facility in Cumbria. Depreciation of £1,556,000 was charged to the Statement of Comprehensive Net Expenditure.

The carrying value of intangible assets was £2,140,000 at 31 March 2018 (31 March 2017: £1,568,000). Intangible asset additions of £770,000 comprised the work to implement the new Oracle Cloud Applications business system and work relating to the preparation for the new emergency services communication network. Amortisation of £276,000 was charged to the Statement of Comprehensive Net Expenditure.

Inventories at 31 March 2018 amounted to £2,134,000 (31 March 2017: £1,548,000). The increase is due to the purchase of new TASER cartridges and the purchase towards the end of the financial year of additional training ammunition.

Trade and other receivables due within one year amounted to £13,370,000 at 31 March 2018 (31 March 2017: £12,250,000). The increase in charges to our customers related to timing of purchase and payments for projects being accrued at the end of the financial year and invoiced at the start of the 2018/19 financial year.

Trade and other payables due within one year amounted to £13,363,000 (31 March 2017: £10,551,000), this increase related to a number of transactions, including purchase of inventories which occurred toward the end of the financial year and whilst the goods/services were received by 31 March 2018, the invoices had not been paid.

Other payables due after more than one year amounted to £10,008,000 (31 March 2017: £7,932,000). This movement is a result in an increase in funding for capital programmes, and will be released over the life of the assets as they are depreciated.





Resources Required in 2018/19

The CNPA Board has approved a revenue expenditure budget of £115.2m and a capital expenditure budget of £4.3m for 2018/19.

Future Funding Requirements

Approximately 75 per cent of the CNPA's annual expenditure is on staff costs. Changes to public sector pensions will result in higher employer pension charges from 1 April 2019. These are estimated to be £1.0m per annum from 1 April 2019.

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 has approved a revenue expenditure budget of £115.2m and a capital expenditure budget of £4.3m for 2018/19. The CNPA Board believe that the CNPA has adequate resources and sufficient funding to continue in operational existence for the foreseeable future. Accordingly, the CNPA Board continues to adopt the going concern basis in preparing the financial statements.

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.

The majority of the CNPA's policing operations are undertaken on licensed nuclear sites. The CNPA is provided with accommodation and utility services at these sites, which are the responsibility of the Site 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 of its estate is office-based.

The following tables and commentaries provide details of the CNPA's greenhouse gas emissions, waste disposal, water, electricity and gas consumption at its Oxfordshire headquarters and training school up to 31 March 2018.

Greenhouse Gas Emissions

Greenhouse gas emissions		2013/14	2014/15	2015/16	2016/17	2017/18
Non-financial indicators (CO ₂ e in tonnes)	Scope 1 emissions (vehicle fleet)	639.84	531.98	683.88	518.94	434.88
	Scope 2 emissions (energy)	389.96	336.77	311.93	271.85	294.59
	Scope 3 emissions (official business travel)	1,231.53	1,296.29	1,120.61	1,062.62	1,321.83
Financial indicators (£000)	Carbon Reduction Commitment gross expenditure	CNPA does not participate in this scheme				
	Expenditure on accredited offsets	CNPA does not participate in this scheme				
	Total expenditure on official business travel (excluding accommodation costs and subsistence)	2,250	1,974	2,314	2,266	2,296

Key Stats



Over
290
police staff
supporting the
front line



Controllable Impacts

The CNPA's scope 1 emissions include mileage and consequent CO₂ emissions from our operational vehicle fleet, which are linked to our patrol strategy and are driven by operational need, rather than environmental impact. Carbon multipliers used to calculate emissions have been reduced in line with the Department for Environment, Food and Rural Affairs (DEFRA) reporting guidelines and continue to do so each year. This reflects improvements in technology to mitigate the impact of travel. This, together with the operational fleet covering fewer miles in 2017/18 has helped reduce scope 1 emissions.

Scope 2 emissions include energy use from our Culham HQ building. There has been an increase in the apportioned gas usage, particularly in the final quarter of the financial year due to colder than expected temperatures.

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. When reviewing the emissions there has been an increase carbon output throughout the year due to increased travel which was mainly driven by the two Operation Temperer deployments, increase in new police officer recruits training and increase in specialist training. Long distance air travel has increased significantly since the last financial year. This corresponds with an increase in overseas activity by CNC's Strategic Escort Group.

Rail travel continues to increase yet remains a small portion of business miles travelled.

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		2013/14	2014/15	2015/16	2016/17	2017/18
Non-financial indicators (tonnes)	Total waste	2.80	2.83	4.99	6.71	5.67
	Hazardous waste total	-	0.09	0.19	0.37	0.17
	Non-hazardous waste					
	Landfill	-	-	-	-	-
	Reused/recycled	2.80	2.70	4.80	6.34	5.49
	Incinerated/energy reused					not available
Financial indicators (£000)	Total disposal cost	6.4	4.1	4.4	6.1	4.9
	Hazardous waste - total disposal cost	not reported, included in total disposal cost				
	Non-hazardous waste					
	Landfill - total disposal cost					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 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 recorded waste figures are impacted by office moves and refurbishment activity. However, where possible, furniture items that are no longer required at headquarters are reused at CNC's tactical training facility in Aldershot.

Influenced Impacts

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

Water

Finite resource consumption		2013/14	2014/15	2015/16	2016/17	2017/18
Non-financial indicators (m ³)	Water consumption	1,748	1,311	2,252	1,470	1,243
	Supplied					
	Abstracted	-	-	-	-	-
Financial indicators (£000)	Water supply costs	1.7	1.4	2.5	1.5	1.3

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		2013/14	2014/15	2015/16	2016/17	2017/18
Non-financial indicators (kWh)	Energy consumption	499,389	420,193	416,114	428,521	456,792
	Electricity - non-renewable					
	Electricity - renewable	-	-	-	-	-
	Gas	680,645	633,855	509,997	517,828	727,615
	LPG	-	-	-	-	-
	Other	-	-	-	-	-
Financial indicators (£000)	Total energy expenditure	75	69	67	62	81

Key Stats



10 different weapons systems

.....

Key Stats



26,000

miles travelled
by Strategic
Escort Group

.....

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 both gas and electricity corresponds with the end of the financial year and can be attributed, in part, to cold weather in the final months.

Influenced Impacts

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

Mike Griffiths CBE

Chief Executive Officer and Chief Constable

29 June 2018

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
Simon Chesterman QPM	Capability Director and Deputy Chief Constable
Phil Craig (Non-Executive)	Industry Member
Paul Kernaghan CBE QPM (Non-Executive)	Independent and Police Advising Member and Chairman of the Audit, Risk and Governance Committee
Kenneth Kilpatrick	Business Director
Kenna Kintrea (Non-Executive)	Industry Member and member of the Audit, Risk and Governance Committee and the Senior Appointments Committee
Mark Neate (Non-Executive)	Industry Member
Gwen Parry-Jones OBE (Non-Executive)	Industry Member and member of the Audit, Risk and Governance Committee (departed 12 January 2018)
Joyce Robertson	People Programme Director and Temporary Assistant Chief Constable
Neelam Sarkaria (Non-Executive)	Independent Member
Richard Saunders	Interim Director of Human Resources
Robert Wright (Non-Executive)	Independent Member and Member of the Senior Appointments Committee

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Register of Interest

The CNPA maintains a register of interests to ensure potential conflicts of interest can be identified and addressed in advance of Board discussions. Where potential conflicts exist, they are recorded in the Board minutes, along with any appropriate action to address them. During 2017/18 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.

Key Stats



18
people trained
in-house to
become
nationally
accredited
firearms
instructors

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 2017/18 was 167, which is 20 per cent lower than the previous year. This is primarily due to active engagement in the investigation of incidents, lessons learnt, proactive management and supervision to ensure compliance with risk assessments and safe systems of work.

During 2017/18, 18 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 a 43 per cent decrease 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. Analysis of the other eight 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 82 per cent of our monitored workers did not receive a measurable exposure during 2017. The remaining workers had an individual average radiation dose of 0.01 millisievert (mSv), which is the same average level as last year, and is below the industry significant exposure level of 1mSv. This compares to average UK natural dose of 2.7 mSv per year or a single dental x-ray of 0.02 mSv.

Information and Cyber Security

Following security issues experienced by some public sector organisations, cyber security has become a high profile risk. The CNC has worked with external agencies to improve its governance structures surrounding the management of cyber related matters in order to keep the Business Director informed of threats and potential threats in his capacity as Senior Information Risk Owner (SIRO). This has then allowed the SIRO to keep the Executive and CNPA Board briefed and informed of CNPA/CNC cyber related risks.

The CNPA's strategic approach to information technology and cyber is stated under Objective 3 (efficiency and effectiveness) which has been regularly reviewed by the CNPA Board throughout the financial year. During 2017/18 work continued on the Cyber Security and Information Assurance Plan as the CNC implemented the work established in Year 1. Areas of progress included improvements against the SysAdmin, Audit, Network and Security (SANS) Institute CIS 20 Critical Security Controls, roll out of a new ICT operating model resulting in a more flexible, secure environment which will prepare the CNC for cloud based systems and services in 2018/19. The CNC also launched a SharePoint intranet which has document management principles applied and developed in preparation for a SharePoint electronic document and records management system (EDRMS) which will be initiated during 2018/19.

Security Breaches and Security Incidents

The following table summarises the number of security breaches and security incidents since 2013/14.

Nature of incident	2013/14	2014/15	2015/16	2016/17	2017/18
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	2	1	5	1	2
Insecure disposal of inadequately protected electronic equipment, devices or paper documents	-	-	-	-	-
Unauthorised disclosure through insecure transmission of protectively marked documents	2	5	6	4	9
Compromise of personal data	1	-	-	-	3
Other 'low level' breaches/incidents	32	7	10	13	9
Total	37	13	21	18	23

Whilst the table shows a slight upward trend in 2017/18, 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 three breaches involving personal data, however one of these included two separate emails and therefore a total of four incidents were reported to the Information Commissioners Office (ICO) in 2017/18. No further action has been proposed by the ICO.

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

Accounts Direction

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

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 polices 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 9 to the financial statements.

Events After the Reporting Period

Events after the reporting period are disclosed in note 22 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 2017/18, the CNPA paid 95 per cent of its invoices on time (2016/17: 93 per cent). 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 2018, the CNPA paid 45 per cent of its invoices within five working days (2016/17: 52 per cent within five working days).

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 £45,000 (2016/17: £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.

Key Stats



1 Police
Authority with
8
members

Governance Statement

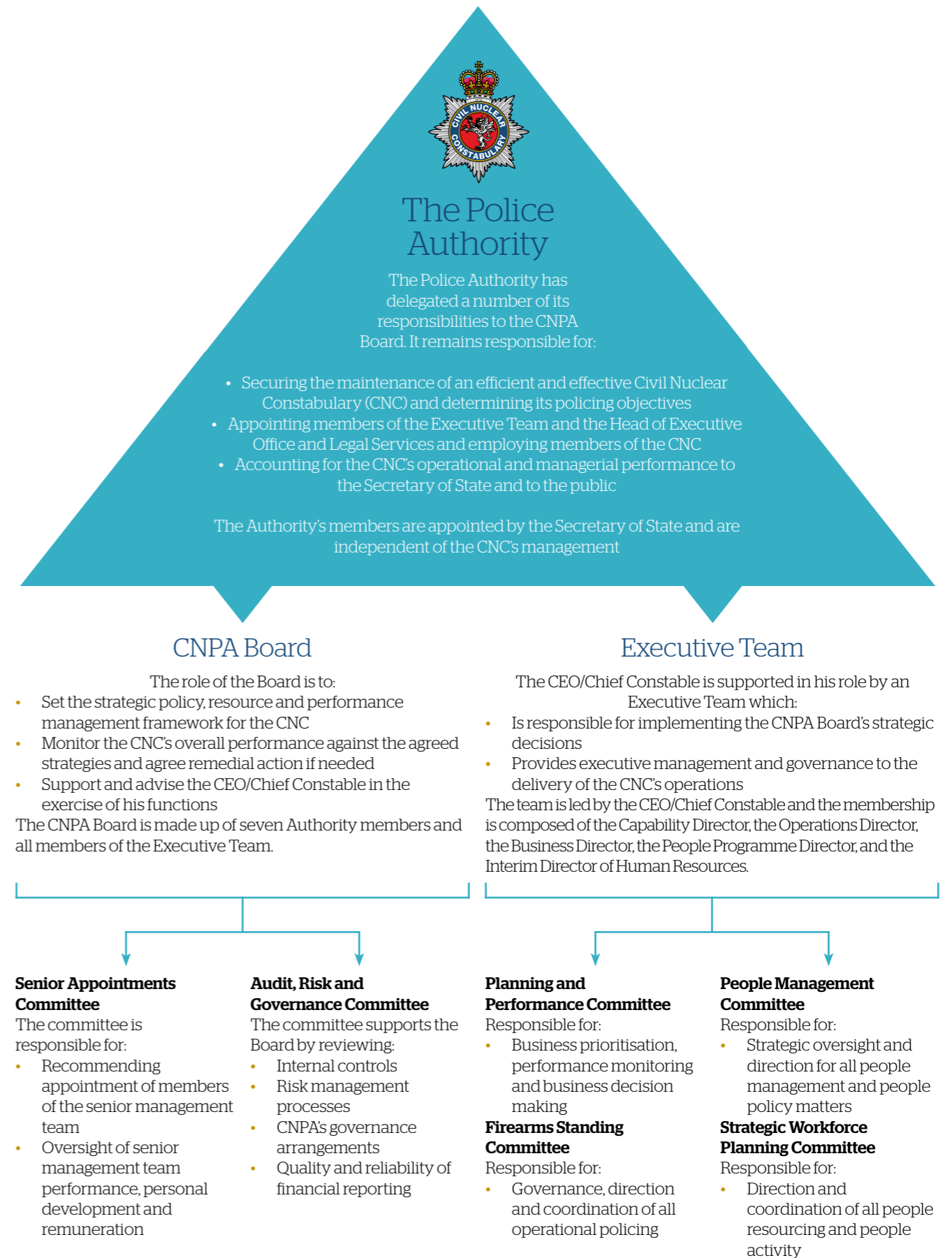


Introduction

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 right:



The Police Authority

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

The Authority met three times in 2017/18. 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 and incremental pay progression for the Executive Team.

The CNPA Board

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

The CNPA Chairman is responsible for leading the Board and ensuring that it is effective in discharging its role. He is supported by independent non-executives and non-executives drawn from senior roles within the nuclear industry, all of whom are chosen to ensure an appropriate mix of skills and experience to inform the strategic thinking of the CNPA. The Board met six times in 2017/18.

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 2017/18. 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 2017/18. The SAC oversaw senior leadership, development and succession planning and recommended a one-year extension of appointment for the Capability Director/Deputy Chief Constable and the appointment of an Interim Human Resources Director to facilitate a restructure of Executive portfolios. 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 a report commissioned from Korn Ferry Hay.

The Executive Team

I am supported by an Executive Team, which meets weekly at the Executive Strategy Meeting to monitor, review and give Executive-level direction for key strategic issues where necessary and to enable coordination across the organisation for the delivery of key strategic and operational objectives. Executive management and governance of operational and business activities is undertaken through attendance at CNPA Board meetings and by chairing various committees. During 2017/18, 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 focusses on the CNC's workforce planning policy and procedures.

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

Key Stats



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

7.6



The CNPA Board Activities in 2017/18

The Board held its July 2017 meeting at the Sellafield operational site to give members the opportunity to visit the new Griffin Park Tactical Training Centre that was under construction to enable the CNC to meet its operational commitments at Sellafield. Members were given an overview and a short tour of the facility followed by a conducted tour of Sellafield site, including the Sellafield Main Site Control Facility, the dog training facility and the Firearms Training Unit.

Evaluation of Board Performance

The Board reviews its performance biennially. The next review is scheduled to take place in the autumn of 2018. The Board also routinely reviews its performance at the end of each Board meeting.

Multi-Force Shared Service

The CNPA signed a collaboration agreement with the Multi-Force Shared Service (MFSS) for the provision of back office transactions processing functions for HR, Finance and Procurement from April 2016. The collaboration agreement gives CNPA joint control of the MFSS together with the other partner 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 meets three to four times per year. The Chair of the Joint Committee is rotated among partner organisations and is currently occupied by the CNPA Chairman. 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 can confirm that the CNPA is compliant with the MacPherson recommendations for quality assuring analytical models and the recommendations from the Alexander review of the tax arrangements for public sector employees. I have not received any Accounting Officer directions in 2017/18.

Attendance at Police Authority, Board and Committee Meetings in 2017/18

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

Notes

- 1 Not members of the committees.
- 2 Not members of the committees, but standing invitation to attend.
- 3 Appointment ends 8 July 2018.
- 4 Resigned as an industry member on 12 January 2018.
- 5 Appointment ends 31 May 2018.
- 6 Appointed as Interim Human Resources Director from 18 December 2017.

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, 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. Focussed reviews of three of the CNPA's key operational risks were performed in 2017/18. These were Operational Risk 3 *Command is not 'match fit'*, Operational Risk 4 *Unable to provide sustainable recruitment and resourcing of firearms training* and Operational Risk 13 *Recruitment of police officers and staff to workforce plan*.

The reviews focussed 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 all three 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.

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 four protected personal data-related incidents reported to the Information Commissioner's Office in 2017/18 (2016/17: nil). These were low level breaches and no further action has been proposed by the Information Commissioner.

General Data Protection Regulation

General Data Protection Regulation applies in the UK from 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 is undertaking data flow mapping and a gap analysis and a project is underway to ensure it complies with the Regulation.

Key Stats



Over
800
CNC officers
deployed to
protect the
public after
terrorist
attacks as part
of Operation
Temperer

.....

Key Stats



Home Office

Provided front
line support
over
70
times to help
other police
forces

.....

Audit, Risk and Governance Committee's Reports on 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 reasonable or substantial assurance that the internal controls tested were suitably designed, consistently applied and effective for the following eight reviews:

- Core Accounting Systems
- Recruitment and Retention
- Government Commercial Operating Standards
- Operation Temperer - cost recovery review
- Multi-Force Shared Service: Transaction Testing
- Risk Management and Governance Follow-up
- Business Continuity and Emergency Planning
- People Programme - fitness and armed policing

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

The CNPA requested RSM undertake advisory audits on CNC's project to migrate its payroll system to Oracle Cloud and reviews of CNC's cyber security and strategic business planning and organisational performance. The advisory audits did not provide an audit opinion, but found areas of good practice 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 2017/18 in the provision of assurance on CNPA standards of governance, risk management and internal control.

The committee also undertakes an annual review of its performance. The draft results of the 2017/18 self-assessment demonstrated a continued high degree of compliance with good practice.

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

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

Internal Audit

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

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

Fleet Charges

A review of fleet charges was undertaken earlier this year that identified that Site Licence Companies (SLCs) had been undercharged by £956,000 over a period of five years. The payments to CNC's fleet managers, Chiltern Transport Consortium were correct, but we had used an out of date percentage to split the payments between the Statement of Comprehensive Net Expenditure (for repairs and servicing of the fleet) and the Statement of Financial Position (for purchases of replacement vehicles). The undercharges have been notified to SLCs and will be recovered in full.

Simplified charging with a clearer separation of revenue and capital charges and regular reconciliations, together with more regular communications with CNC's fleet managers, will be implemented to minimise the likelihood of these errors reoccurring.





Capital Funding

The CNPA has funded the purchase of capital assets by both grants and working capital. The CNPA was unable to reconcile the funds received since starting to recharge the SLCs for capital assets to the listing of capital assets recognised as grant funded. On further investigation a difference between the carrying value of grant funded assets and the balance of the capital grants funded was identified which amounted to £2,054,000 which was due to a mis-posting between grant-in-aid and the capital grant account which has been corrected in the financial statements. This has resulted in a reclassification of balances and prior period restatement.

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 2018/19.

Significant Internal Control Weaknesses

I am able to report that other than the issues on fleet management and capital grants disclosed above there were no significant weaknesses in the CNPA's system of internal controls in 2017/18 that affected the achievement of its key policies, aims and objectives.

Mike Griffiths CBE
Chief Executive Officer and Chief Constable

29 June 2018

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
Robert Wright

Statement of Remuneration Policy

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

Fees

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

Salaries and Allowances

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

Benefits in Kind

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

Pensions

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

Key Stats



Over
115
Home Office
police officers
trained by our
instructors at
our facilities

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 2018	Notice period
Chris Armitt Assistant Chief Constable	13 July 2015	2 years, 3 months	6 months
Simon Chesterman Deputy Chief Constable	6 January 2014	9 months	6 months
Phil Craig ⁽¹⁾ Industry Member (Dounreay Site Restoration Ltd)	4 January 2016	2 years	3 months
Vic Emery Chairman and Independent Member	12 October 2016	2 years, 6 months	3 months
Mike Griffiths Chief Executive Officer and Chief Constable	1 October 2012	1 year, 6 months	6 months
Paul Kernaghan Independent and Policing Advisor Member	5 February 2013	10 months	3 months
Kenneth Kilpatrick Business Director	29 September 2014	1 year, 6 months	6 months
Kenna Kintrea ⁽²⁾ Industry Member (Nuclear Decommissioning Authority)	16 September 2015	3 months	3 months
Mark Neate Industry Member (Sellafield Ltd)	7 April 2016	1 year	3 months
Gwen Parry-Jones Industry Member (EDF Energy Nuclear Generation Ltd)	1 June 2014	-	End of appointment 12 January 2018
Joyce Robertson ⁽³⁾ Temporary Assistant Chief Constable	26 May 2015	2 months	3 months
Neelam Sarkaria Independent Member	10 October 2016	1 year, 6 months	3 months
Richard Saunders ⁽⁴⁾ Interim Director of Human Resources	18 December 2017	not stated	3 months
Robert Wright Independent Member	4 January 2010	10 months	3 months

Notes

- ¹ Phil Craig's contract has been extended to 31 March 2020.
- ² Kenna Kintrea's appointment will end on 8 July 2018.
- ³ Joyce Robertson's appointment will end on 31 May 2018.
- ⁴ Richard Saunders took up appointment as Interim Director of Human Resources on 18 December 2017.

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

Remuneration

The following information is subject to audit.

Remuneration payable to the CNPA Board members in 2017/18 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	
	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17	2017/18	2016/17
Chris Armitt Assistant Chief Constable	100-105	95-100	7,200	7,200	-	12,000	110-115	115-120
Simon Chesterman Deputy Chief Constable	125-130	120-125	7,700	13,800	-	-	130-135	130-135
Mike Griffiths Chief Executive Officer and Chief Constable	135-140	135-140	7,400	7,500	25,000	29,000	170-175	170-175
Kenneth Kilpatrick Business Director	100-105	95-100	7,200	7,200	28,000	40,000	135-140	145-150
Joyce Robertson Temporary Assistant Chief Constable	105-110	100-105	-	-	34,000	83,000	135-140	180-185
Richard Saunders ⁽³⁾ Interim Director of Human Resources	25-30	-	-	-	-	-	25-30	-

Notes

- ¹ Benefits in kind for Chris Armitt and Kenneth Kilpatrick comprised a fully maintained car. Mike Griffiths and Simon Chesterman comprised a fully maintained car and medical treatment. Benefits for 2016/17 have been adjusted to include medical treatment received. The CNPA pay all tax due on medical treatment provided to staff.
- 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 Full year equivalent salary and allowances was £95-£100k.

Pension Entitlements

The pension entitlements shown in the table below are those that would be paid annually on retirement based on service to 31 March 2018 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 2018 and related lump sum £000	Real increase in pension and related lump sum at age 60 £000	Cash equivalent transfer value at 31 March 2018 £000	Cash equivalent transfer value at 31 March 2017 £000	Real increase in cash equivalent transfer value £000
Executive Team					
Mike Griffiths	5-10 plus 25-30 lump sum	0-2.5 plus 2.5-5 lump sum	224	176	26
Kenneth Kilpatrick	25-30 plus 80-85 lump sum	0-2.5 plus 2.5-5 lump sum	459	409	19
Joyce Robertson	50-55 plus 155-160 lump sum	0-2.5 plus 5-7.5 lump sum	1,156	1,104	33

Note

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

Cash Equivalent Transfer Value

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

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

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

Real Increase in CETV

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

Independent and Industry Members

Name	Fees £000 2017/18	Fees £000 2016/17
Phil Craig Industry Member (Dounreay Site Restoration Ltd)	-	-
Vic Emery Chairman and Independent Member	45-50	20-25
Paul Kernaghan Independent and Policing Advisor Member	15-20	15-20
Kenna Kintrea Industry Member (Nuclear Decommissioning Authority)	-	-
Mark Neate Industry Member (Sellafield Ltd)	-	-
Gwen Parry-Jones Industry Member (EDF Energy Nuclear Generation Ltd)	-	-
Neelam Sarkaria Independent member	15-20	5-10
Robert Wright Independent Member	15-20	15-20

Staff Report

The following information is subject to audit.

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

	2017/18	2016/17
Executive 1 Grade	1	1
Executive 2 Grade	1	1
Executive 3 Grade	4	3
	6	5

Staff Costs

Staff costs comprise:

	Permanently employed staff	Temporary and agency staff	Total
	2017/18	2017/18	2017/18
	£000	£000	£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
Agency staff	-	-	-
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

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

Reasons for the movement in staff costs are set out in the Financial Overview.

Average number of persons employed

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

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

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

Exit packages

	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

	2016/17	2016/17	2016/17
	Number of compulsory packages	Number of other departures agreed	Total number of exit packages by cost band
Less than £10,000	-	1	1
£10,001 - £25,000	1	-	1
£25,001 - £50,000	3	-	3
£50,001 - £100,00	1	-	1
Total number of exit packages	5	1	6

	£000	£000	£000
Total value of exit packages	198	1	199

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 2017/18 was £145,000-£150,000 (2016/17: £140,000-£145,000). This was 4.1 times the median remuneration of the CNPA's employees (2016/17: 3.98 times), which was £35,245 (2016/17: £35,795). Median remuneration decreased by approximately 1.5 per cent between 2016/17 and 2017/18. This decrease was as a result of a significant number of staff recruited at a salary less than the median offset by 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.

In 2017/18, nil employees received remuneration in excess of the highest-paid director (2016/17: nil). Remuneration, excluding that of the highest-paid director, ranged from £18,941 to £138,453 (2016/17: £17,675 to £135,895).

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

	2017/18	2016/17
	£000	£000
Consultants	154	144

The increase in consultancy costs is mainly due to work on the CNC's IT modernisation project, where specific technical expertise is required, and delivery of the move to Oracle Cloud with our shared service centre where specialist technical project manager resources are required.

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 2018. The CNPA uses a risk based approach to tax assurance with measures including:

- Tax letter of comfort
- HMRC employment status indicator assessment
- Specialist tax advice
- Confirmation from contract provider on employment status
- Completion of detailed working practices questionnaire

The table below provides data on off-payroll engagements

	2017/18	2016/17
Number of engagements as at 31 March	8	1
Number of which existed:		
For less than one year at time of reporting	7	1
Between one and two years at time of reporting	1	-

Gender Breakdown and Gender Diversity

At the end of 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. Of the nine heads of department and divisional commanders' roles, seven were occupied by men and two by women. The CNPA had 1,252 male (2016/17: 1,238) and 326 female (2016/17: 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 CNPA can be found at <https://www.gov.uk/government/publications/cnc-gender-pay-gap-report-and-data-201718>.

Employees

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 Civil Nuclear Police Authority 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

The delivery of equality, diversity and human rights is a guiding principle that supports the delivery of the CNC's Mission, Strategic Objectives, Code of Ethics and Core Values through which employee engagement and inclusive culture of CNC is corporately celebrated while adhering to our established Corporate Equality Standards.

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

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

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 10.1 days per officer, which is below their target of 10.5 days. This decrease is primarily due to a reduction in long term absence.

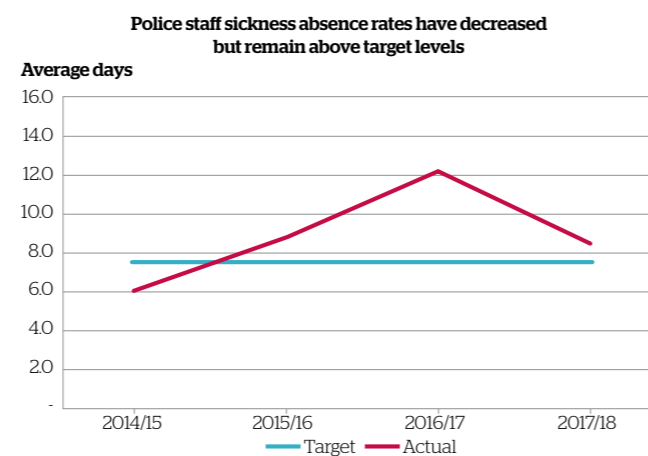
Total police staff sickness rates have decreased to 8.5 days per police staff member, above the target of 7.5 days. This decrease is primarily due to a reduction in long term absence. Short term sickness absence remains low at 3.1 days per police staff member.

Trade Union Facilities Time

The CNPA supports its staff through the provision of trade union facility time. During 2017/18 there were nine employees who were relevant union officials. During this period, of the total hours worked by these employees, 5.3 per cent was spent on paid trade union activities. The total cost of facility time undertaken by these employees was £32,366 which was 0.4 per cent of CNPA's total pay bill of £86,178,000.

Mike Griffiths CBE
Chief Executive Officer and Chief Constable

29 June 2018



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 2018.

Fees and Charges

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

Remote Contingent Liabilities

There are no remote contingent liabilities.

Long-term Expenditure Trends

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

Mike Griffiths CBE

Chief Executive Officer and Chief Constable

29 June 2018

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 2018 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 2018 and of net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Energy Act 2004 and Secretary of State directions issued thereunder.

Opinion on 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.

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 the 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.

- 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 the 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.
- 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. 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.
- 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.

Sir Amyas C E Morse
Comptroller and Auditor General

9 July 2018

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

Financial Statements 2017/18

Statement of Comprehensive Net Expenditure

For the year to 31 March 2018

	Notes	2017/18 £000	Restated* 2016/17 £000	Restated* 2015/16 £000
Income	4	112,295	103,702	101,527
Expenditure				
Staff costs	6	(84,394)	(78,088)	(75,890)
Other expenditure	6	(28,602)	(25,895)	(25,288)
Operating (deficit)/surplus		(701)	(281)	349
Profit / (Loss) on disposal of property, plant and equipment		315	(3)	(12)
(Deficit)/surplus on ordinary activities before financing costs		(386)	(284)	337
Financial income - interest receivable		9	13	14
Financial expense - interest payable		(9)	(13)	(14)
Net financing costs		-	-	-
Total comprehensive (expenditure)/income for the year		(386)	(284)	337

*Certain amounts shown here do not correspond to the 2016/17 financial statements and reflect adjustments. Please see note 2.

All operations are continuing.

The notes on pages 62 to 86 form part of these financial statements.

Statement of Financial Position

As at 31 March 2018

	Note	2017/18 £000	Restated* 2016/17 £000	Restated* 2015/16 £000
Non-current assets				
Property, plant and equipment	7	10,174	8,574	7,987
Intangible assets	8	2,140	1,568	872
Trade and other receivables	11	312	462	490
Total non-current assets		12,626	10,604	9,349
Current assets				
Inventories	10	2,134	1,548	1,628
Trade and other receivables	11	13,370	12,250	12,503
Cash and cash equivalents	12	10,467	9,009	8,808
Total current assets		25,971	22,807	22,939
Total assets		38,597	33,411	32,288
Current liabilities				
Trade and other payables	13	(13,363)	(10,551)	(10,812)
Provisions	14	(266)	(338)	(367)
Total current liabilities		(13,629)	(10,889)	(11,179)
Total assets less current liabilities		24,968	22,522	21,109
Non-current liabilities				
Other payables	13	(10,008)	(7,932)	(6,313)
Provisions	14	(1,211)	(1,399)	(1,512)
Total non-current liabilities		(11,219)	(9,331)	(7,825)
Total assets less liabilities		13,749	13,191	13,284
Taxpayers' equity and other reserves				
Income and expenditure reserve	15	(5,827)	(5,441)	(5,157)
Financing reserve	15	19,576	18,632	18,441
Total equity		13,749	13,191	13,284

*Certain amounts shown here do not correspond to the 2016/17 financial statements and reflect adjustments. Please see note 2.

The financial statements on pages 58 to 86 were approved by the CNPA Board on 29 June 2018 and signed on its behalf by:

Mike Griffiths CBE
Chief Executive Officer and Chief Constable

29 June 2018

The notes on pages 62 to 86 form part of these financial statements.

Statement of Cash Flows

For the year ended 31 March 2018

	Note	2017/18 £000	2016/17 £000
Cash flows from operating activities			
Retained deficit for the year		(386)	(284)
Adjustments for:			
(Profit)/Loss on disposal of property, plant and equipment		(315)	3
Amortisation of intangible assets	8	276	285
Depreciation of property, plant and equipment	7	1,556	1,363
Release of capital grant		(1,641)	(1,273)
Impact of provisions	14	8	142
Operating cash flows before changes in working capital and provisions		(502)	236
(Increase)/decrease in trade and other receivables	11	(970)	281
(Increase)/decrease in inventories	10	(1,520)	80
Increase in trade and other payables	13	4,888	1,358
Use of provisions	14	(268)	(284)
Adjustment for items not passing through Statement of Comprehensive Net Expenditure		49	(730)
Cash generated from operations		1,677	941
Interest received		9	13
Net cash inflow from operating activities		1,686	954
Cash flows from investing activities			
Purchase of property, plant and equipment		(3,267)	(1,727)
Purchase of intangible assets		(360)	(965)
Net cash outflow from investing activities		(3,627)	(2,692)
Cash flows from financing activities			
Capital grant received		2,455	1,748
Grants from parent department		917	150
Other financing contributions		27	41
Net financing		3,399	1,939
Net increase in cash and cash equivalents in the period	12	1,458	201
Cash and cash equivalents at the beginning of the period	12	9,009	8,808
Cash and cash equivalents at the end of the period	12	10,467	9,009

The notes on pages 62 to 86 form part of these financial statements.

Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2018

	Note	Income and expenditure reserve £000	Restated* Financing reserve £000	Restated* Total £000
Balance at 31 March 2015		(5,494)	17,766	12,272
Changes in taxpayers' equity 2015/16				
Grant-in-aid received		-	612	612
Amounts payable to BEIS		-	63	63
Comprehensive expenditure for the year		337	-	337
Balance at 31 March 2016		(5,157)	18,441	13,284
Changes in taxpayers' equity 2016/17	15			
Grant-in-aid received		-	150	150
Amounts payable to BEIS		-	41	41
Comprehensive expenditure for the year		(284)	-	(284)
Balance at 31 March 2017	15	(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

*Certain amounts shown here do not correspond to the 2016/17 financial statements and reflect adjustments. Please see note 2.

The notes on pages 62 to 86 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 2017/18 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

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

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 2018 and have not been applied in preparing these financial statements. These are:

- IFRS 9 Financial Instruments: effective for periods beginning on or after 1 January 2018. This standard produces a more principles-based approach to the accounting for financial instruments, including their classification and measurement. The changes in IFRS 9 does not have an impact on the CNPA's financial statements as the classification and measurement of financial instruments currently used by the CNPA is compliant with the new standard.
- IFRS 15 Revenue from Contracts with Customers: effective for periods beginning on or after 1 January 2018. This standard describes how and when an entity will recognise contract revenue as well as requiring such entities to provide users of financial statements with more informative, relevant disclosures. The standard provides a single, principles based five-step model to be applied to all contracts with customers. The impact on the CNPA is not expected to be significant as the CNPA already recognises income over the life of each contract in line with the delivery of contractual obligations.
- IFRS 16 Leases: effective for periods beginning on or after 1 January 2019. Most leases will now be accounted for on-balance sheet recognising a new right-of-use asset and liability based on discounted future lease payments. There would likely be an impact on the CNPA's results with the asset being depreciated over its useful economic life and the lease payment being apportioned between a finance charge and capital repayment. The CNPA will assess fully the impact on its financial statements once the Standard has been adopted by the FReM and any adaptations or interpretations for the public sector have been confirmed.

1.4 Property, Plant and Equipment

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

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

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

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

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

1.5 Intangible Assets

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

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

Software licences	Life of licence
Information Technology	Up to 5 years

1.6 Impairment of Assets

The carrying amounts of 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 is measured at the fair value of the consideration received or receivable and excludes Value Added Tax (VAT). Income is recognised in the Statement of Comprehensive Net Expenditure when the CNPA has performed its contractual obligations, the income can be measured reliably and it is probable that the economic

benefits from the transaction will flow to the CNPA. No income is recognised if there are significant uncertainties regarding recovery of the consideration due.

1.8 Taxation

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

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

1.9 Employee Benefits

Staff costs

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

Pension costs

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

1.10 Provisions and Contingent Liabilities

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

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

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

1.11 Grant-in-Aid and Capital Funding

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.

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.

1.12 Operating Leases

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

1.13 Foreign Currencies

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

1.14 Inventories

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

1.15 Financial Instruments

Cash and cash equivalents

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

Trade and other receivables

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

Trade and other payables

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

Financial income and financial expense

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

1.16 Segment Reporting

Operating segments are identified on the basis of internal reports about components of the CNPA that are regularly reviewed by the chief operating decision maker in order to allocate resources to the segment and to assess its performance. The CNPA has two reportable segments: Operational Policing Units (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.

1.17 Joint Arrangements

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

2. Prior Period Reclassification

In the financial statements for the year ended 31 March 2017, there was £2,054,000 of capital grants recorded in the financing reserve, but should have been recorded under trade and other payables. The £2,054,000 relates to income received between 2013 and 2016, but was incorrectly treated as grant-in-aid, rather than deferred income.

	2016/17 £000	2015/16 £000
Impact on liabilities		
Non-current trade and other payables	(2,054)	(2,054)
Impact on equity	(2,054)	(2,054)

The release of deferred capital income has been transferred from non-cash items within expenditure and is now presented as income. The value for 2016/17 was £1,273,000 and for 2015/16 £1,061,000.

3. Segment Information

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

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

2016/17	Restated* Operational Policing Units	Restated* Escorted Movements	Restated* Corporate Departments	Restated* Total
	£000	£000	£000	£000
Income	95,458	8,244	-	103,702
Expenditure				
Staff costs	(52,747)	(4,628)	(20,713)	(78,088)
Other expenditure	(3,028)	(1,363)	(19,714)	(24,105)
Depreciation and amortisation	(659)	(199)	(790)	(1,648)
Movement in provisions	-	-	(142)	(142)
Operating surplus/(deficit)	39,024	2,054	(41,359)	(281)
Loss on disposal of property, plant and equipment	(5)	-	2	(3)
Surplus/(deficit) on ordinary activities before financing costs	39,019	2,054	(41,357)	(284)
Finance income - interest receivable	-	-	13	13
Finance charges - interest payable	-	-	(13)	(13)
Retained surplus/(deficit) for the year	39,019	2,054	(41,357)	(284)
Assets and liabilities				
Segment assets	14,126	882	18,403	33,411
Segment liabilities	(5,495)	(939)	(13,786)	(20,220)
Net (liabilities)/assets	8,631	(57)	4,617	13,191
Taxpayers' equity				
Income and expenditure reserve	-	-	(5,441)	(5,441)
Financing reserve	-	-	18,632	18,632
Taxpayers' equity	-	-	13,191	13,191

*Certain amounts shown here do not correspond to the 2016/17 financial statements and reflect adjustments.

Please see note 2.

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 (2016/17: 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:

	2017/18		2016/17	
	£000	%	£000	%
SLC1	39,287	35	39,009	38
SLC2	39,275	35	36,387	35
SLC3	13,505	12	13,444	13
Others	20,228	18	14,862	14
Total	112,295	100	103,702	100

4. Income

The CNPA is required to recover its full operating costs each year. Income of £112,295,000 for the year to 31 March 2018 (2016/17: £103,702,000) represents a recharge of running costs to SLCs of £106,293,000 (2016/17: £101,131,000), recharge of costs incurred in seconding officers to Home Office forces in support of the Strategic Armed Policing Reserve operations of £3,067,000 (2016/17: £nil), release of deferred capital income of £1,641,000 (2016/17: £1,273,000) and miscellaneous income of £1,294,000 (2016/17: £1,298,000). All activities are regarded as continuing.

5. 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 2018. 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 2018/19 scheme year.

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.

6. Expenditure

	Notes	2017/18 £000	Restated* 2016/17 £000
Staff costs			
Wages and salaries		66,054	62,212
Social security costs		8,218	7,477
Other pension costs		10,122	8,399
Total staff costs		84,394	78,088
Goods and services			
Information technology and communications		5,397	4,933
Hotels, subsistence and catering costs		4,660	4,123
Specialist equipment and maintenance		3,200	3,077
Accommodation costs		2,639	2,665
Transport related costs		4,121	2,436
Professional services and legal fees		2,456	2,507
People services		1,716	1,647
Joint operation for back office services	20	858	1,083
Insurance		797	719
Rentals under operating leases - buildings		440	395
Office supplies and services		221	335
Auditor remuneration		45	45
Other supplies and services		195	135
Total goods and services purchased		26,745	24,100
Non-cash items			
Depreciation of property, plant and equipment	7	1,556	1,363
Amortisation of intangible assets	8	276	285
Cost of capital charges		17	5
Movement in provisions	14	(1)	115
Unwinding of discount on provisions	14	9	27
Total non-cash items		1,857	1,795
Total other expenditure		28,602	25,895
		112,996	103,983

*Certain amounts shown here do not correspond to the 2016/17 financial statements and reflect adjustments. Please see note 2.

More information on staff costs can be found in the Staff Report on pages 48 to 53

7. 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 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

	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 2016	4,725	5,894	677	3,022	2,354	16,672
Additions	183	295	24	213	1,269	1,984
Disposals	(342)	-	(6)	(457)	-	(805)
Reclassifications	377	(761)	-	648	(300)	(36)
At 31 March 2017	4,943	5,428	695	3,426	3,323	17,815
Depreciation						
At 1 April 2016	2,681	3,143	401	2,460	-	8,685
Charged in year	663	450	60	190	-	1,363
Disposals	(339)	-	(6)	(457)	-	(802)
Reclassifications	54	(716)	-	657	-	(5)
At 31 March 2017	3,059	2,877	455	2,850	-	9,241
Net book value at 31 March 2017	1,884	2,551	240	576	3,323	8,574
Asset financing						
Owned	1,884	2,551	240	576	3,323	8,574
Net book value at 31 March 2017	1,884	2,551	240	576	3,323	8,574

Payments on account and assets under construction represent assets that are incomplete or not yet in productive use by the CNPA. At 31 March 2018 this related to £588,000 for vehicles (2016/17: £919,000), £1,788,000 for information technology (2016/17: £2,187,000), £676,000 for plant and equipment (2016/17: £6,000) and £237,000 (2016/17: £112,000) for fixtures and fittings.

Depreciation charge

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

8. Intangible Assets

	Software licences	Information Technology	Payments on account and assets under construction	Total
	£000	£000	£000	£000
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
	Software licences	Information Technology	Payments on account and assets under construction	Total
	£000	£000	£000	£000
Cost or valuation				
At 1 April 2016	474	1,674	-	2,148
Additions	68	26	856	950
Reclassifications	427	(391)	-	36
At 31 March 2017	969	1,309	856	3,134
Amortisation				
At 1 April 2016	406	870	-	1,276
Charged in year	146	139	-	285
Reclassifications	25	(20)	-	5
At 31 March 2017	577	989	-	1,566
Net book value at 31 March 2017	392	320	856	1,568
Asset financing				
Owned	392	320	856	1,568
Net book value at 31 March 2017	392	320	856	1,568

Payments on account and assets under construction represent assets that are incomplete or not yet in productive use by the CNPA. At 31 March 2018 this related to information technology intangibles including £811,000 for a new business management system (2016/17: £nil), £371,000 for an incident management system (2016/17: £654,000), £207,000 for networking (2016/17: £nil) and £204,000 for a new operational communication system (2016/17: £nil).

Amortisation charge

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

9. 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	2017/18	2016/17
	£000	£000
Total receivables (excluding pre-payments)	13,240	12,178
Cash and cash equivalents	10,467	9,009
	23,707	21,187

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:

	2017/18	2016/17
	£000	£000
Not past due	13,188	12,178
Past due less than 1 month	42	-
Between 1 and 2 months	-	-
Over 2 months overdue	10	-
	13,240	12,178

No receivables balances were considered impaired at the end of the reporting period (2016/17: £nil). There are no receivables that would otherwise be past due or impaired whose terms have been renegotiated (2016/17: £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 2018	Within 1 month	Between 1 and 3 months	Between 3 and 12 months	Total contractual maturity
	£000	£000	£000	£000
Trade payables	1,744	-	-	1,744
Accrued expenses	-	6,951	-	6,951
Other payables	55	-	-	55
	1,799	6,951	-	8,750

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

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

Market risk

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

Currency risk

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

Interest rate risk

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

Other price risk

The CNPA had no significant other price risk.

Estimation of Fair Values

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

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

Early departure receivables

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

Cash at bank and in hand

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

10. Inventories

	2017/18 £000	2016/17 £000
Ammunition	2,134	1,548
	2,134	1,548

During the reporting period £nil (2016/17: £nil) of obsolete, slow moving or defective items of inventory was written off and £934,000 (2016/17: £1,386,000) was recognised as an expense.

11. Trade and Other Receivables

	2017/18 £000	2016/17 £000
Amounts falling due within one year:		
Prepayments and accrued income	11,980	10,842
Trade receivables	122	266
Early departure receivables due from pension scheme	31	83
Other receivables	1,237	1,059
	13,370	12,250
Amounts falling due after more than one year:		
Early departure receivables due from pension scheme	275	424
Other receivables	37	38
	312	462

12. Cash and Cash Equivalents

	2017/18	2016/17
	£000	£000
Balance at 1 April	9,009	8,808
Net change in cash and cash equivalent balances	1,458	201
Balance at 31 March	10,467	9,009
The following balances at 31 March were held at:		
	2017/18	2016/17
	£000	£000
Commercial bank	10,467	9,009
	10,467	9,009

13. Trade and Other Payables

	2017/18	Restated* 2016/17
	£000	£000
Amounts falling due within one year		
Accrued expenses	6,951	5,188
Other taxation and social security	1,878	1,796
Trade payables	1,744	856
Deferred income	1,522	1,552
Pension payables	1,213	1,045
Other payables	55	114
	13,363	10,551
Amounts falling due after more than one year:		
Deferred income	10,008	7,932
	10,008	7,932

Pension payables of £1,045,000 as at 31 March 2018 was included in other payables to improve clarity for the user.

*Certain amounts shown here do not correspond to the 2016/17 financial statements and reflect adjustments. Please see note 2.

14. Provisions for Liabilities and Charges

	Legal	Dilapidations	Early departure costs	Total
	£000	£000	£000	£000
At 1 April 2016	92	246	1,541	1,879
Provided in the year	55	-	72	127
Provisions utilised in the year	(28)	-	(256)	(284)
Provisions not required written back	(12)	-	-	(12)
Unwinding of discount	-	-	27	27
At 31 March 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
Expected timings of cash flows				
Within one year	88	-	178	266
Between two and five years	-	-	260	260
After five years	-	246	705	951
	88	246	1,143	1,477

Legal

Of the 12 claims open at 1 April 2017, the provision is unchanged for six, four have been utilised during the reporting period and the remaining two written back unused. Further provision has been made for five 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 was estimated by an external specialist organisation 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 November 2017 by HM Treasury. Pension payments to age 60 have been discounted using discount rates based on the prevailing CPI and real discount rate of 0.10 per cent. Payments after age 60 are discounted using the real discount rate of 0.10 per cent.

15. Taxpayers' Equity

Reconciliation of movement in taxpayers' equity

	Income and expenditure reserve	Financing reserve	Total
	£000	£000	£000
At 1 April 2016 Restated*	(5,157)	18,441	13,284
Grant-in-aid received	-	150	150
Other financing contributions	-	41	41
Comprehensive expenditure for the year	(284)	-	(284)
At 1 April 2017 Restated*	(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 31 March 2018	(5,827)	19,576	13,749

*Certain amounts shown here do not correspond to the 2016/17 financial statements and reflect adjustments. Please see note 2.

Income and expenditure reserve

The income and expenditure reserve shows accumulated surpluses and deficits. The CNPA is required to recover its full operating costs each year through charges to customers to whom it provides a service. The deficit of £5,827,000 (2016/17: £5,441,000) 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. Other financing contributions comprised £10,000 (2016/17: £13,000) of interest earned and £17,000 (2016/17: £28,000) 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.

16. Capital Commitments

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

	2017/18 £000	2016/17 £000
Property, plant and equipment	33	603
Intangible assets	470	51
	503	654

17. 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 2018, £440,000 (2016/17: £395,000) 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:

	2017/18 £000	2016/17 £000
Leasehold properties		
Less than one year	433	486
Between one and five years	955	1,322
	1,388	1,808
	2017/18 £000	2016/17 £000
Leasehold office equipment		
Less than one year	-	43
	-	43

18. 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:

	2017/18 £000	2016/17 £000
Less than one year	2,015	1,855
Between one and five years	462	2,212
	2,477	4,067

19. 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.

20. 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 2018. 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 6 to these accounts.

21. 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 Site 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:

- The Home Office
- The Office for Nuclear Regulation

The CNPA has had material transactions with the United Kingdom Atomic Energy Authority (UKAEA) Pension Scheme. The UKAEA Pension Scheme is regarded as a related party. Information on the transactions undertaken is given in note 5 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.

22. 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 9 July 2018, the date that the accounts were certified by the Comptroller and Auditor General.

23. 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.

