



Civil Nuclear Police Authority

# Annual Report and Accounts



2008/09





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

Ordered by the House of Commons to be printed 14 July 2009

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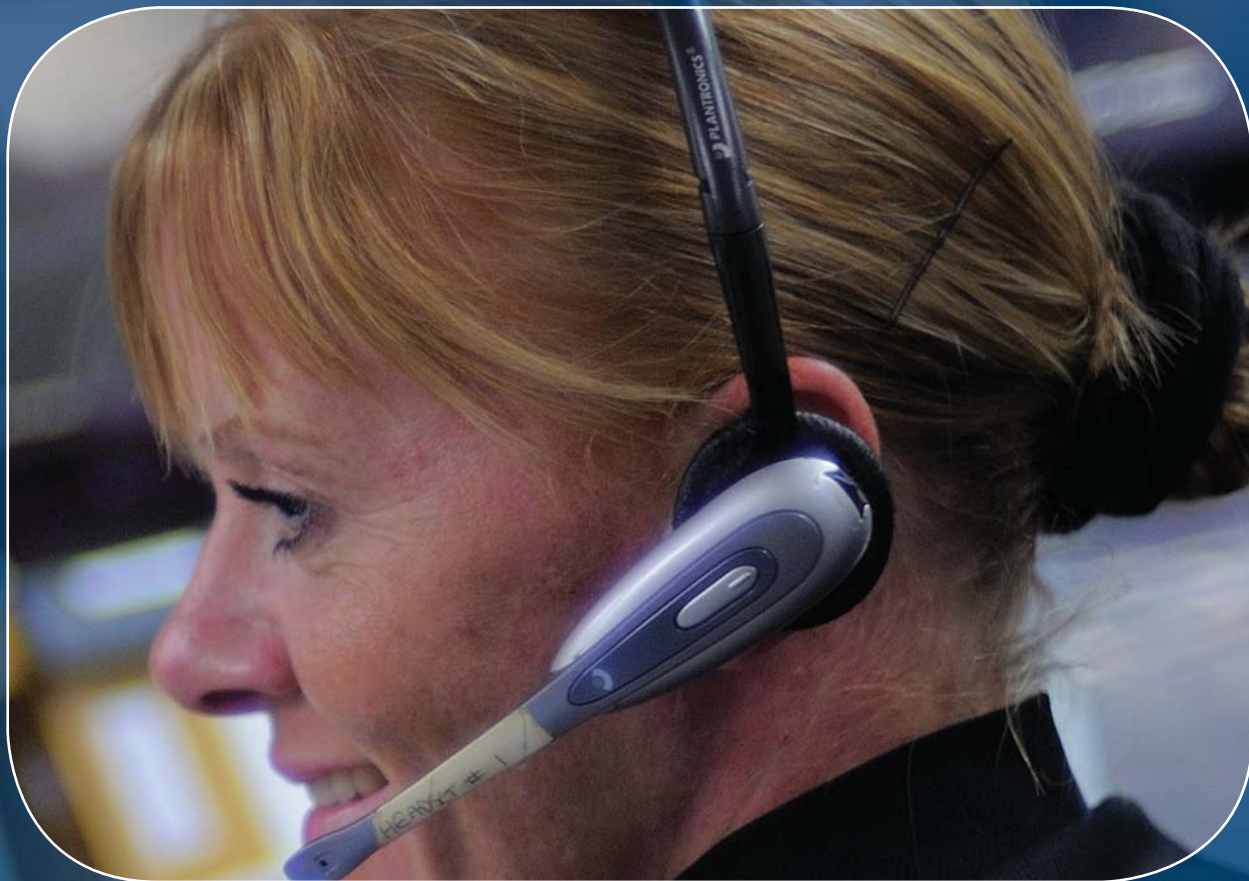
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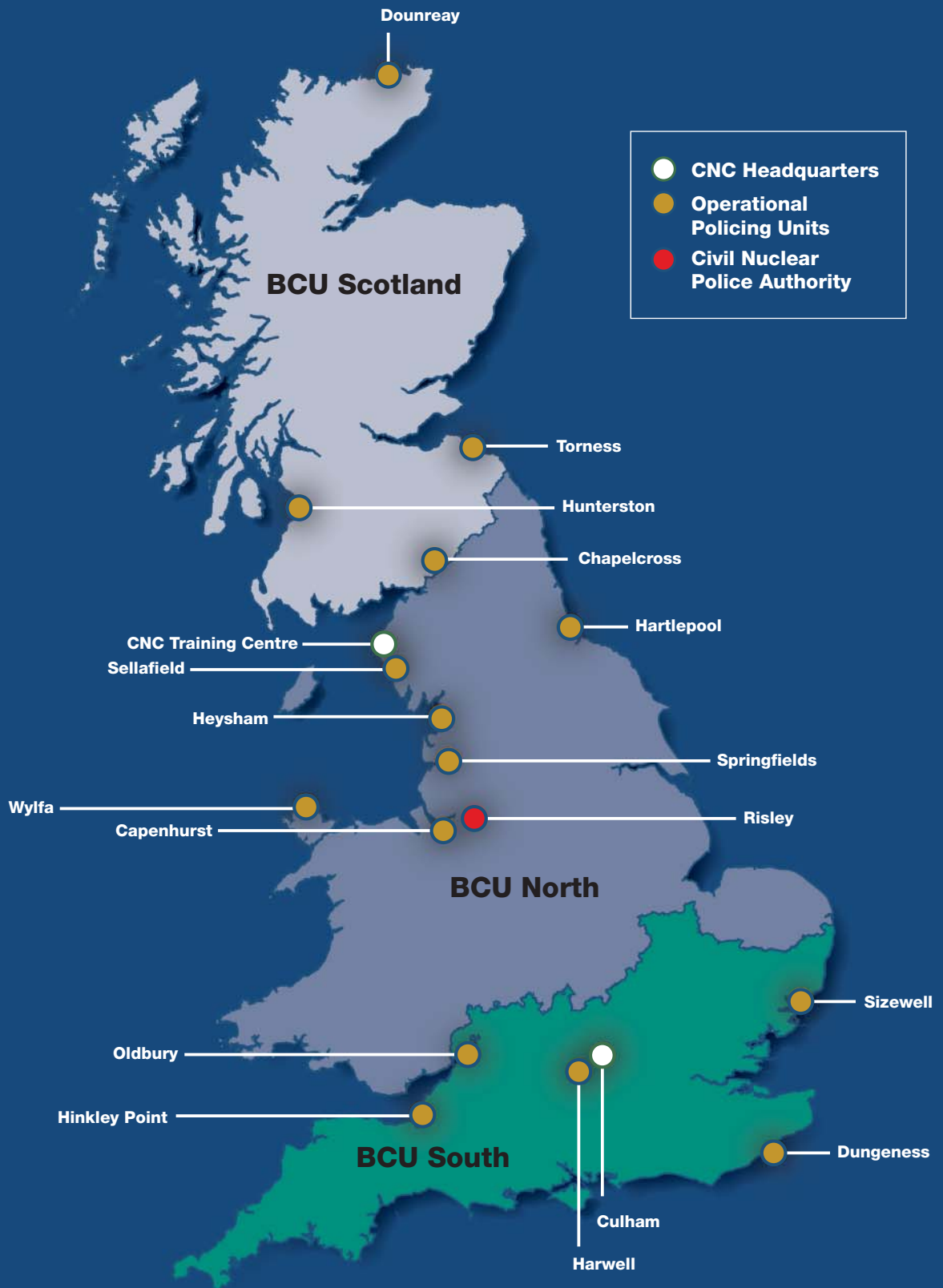
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ISBN: 9780102959079



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# Chairman's Statement

## **I often have to remind people that the Civil Nuclear Police Authority and the Civil Nuclear Constabulary have only been in existence for four years.**

As founding Chairman of a Police Authority accountable to Parliament for the Civil Nuclear Constabulary, those four years have witnessed the emergence of a professional police force committed to excellence in the protection of the UK's civil nuclear industry. As you read this report you will see some of the challenges we face; you will also see an organisation ready and fully committed to meeting those challenges.

As a Police Authority we are unwavering in our determination to establish the highest levels of governance. As Chairman, and in the interests of national security, I have given particular attention to ensuring the decisions and judgments we make are carefully considered, balanced and independent.

As a Police Authority we have been involved in ongoing and detailed assessments of our activities. Where required, the Police Authority has been willing to meet the challenge of continuous improvement. In this we have striven for nothing less than being world class. Looking forward, the Police Authority and Constabulary's ongoing change agenda is built around the necessity to meet UK security requirements and the future needs of a growing civil nuclear programme. This is a journey that we have commenced and one that the Police Authority and Constabulary are committed to seeing through. We operate in an industry rightly proud of its very high safety record. This will be mirrored in the level of protective security delivered by the Constabulary.

In preparing the organisation for the future, I have given particular attention to leadership within both the Police Authority and Constabulary. A strong top team has been

established and they will develop the organisation to meet the high standards set by the Police Authority. As I visit the nuclear installations that we are responsible for protecting, I am aware of the importance that front line staff and their immediate supervisors also play in maintaining high standards day in day out, in often very demanding circumstances.

As an organisation, we are largely funded through the civil nuclear industry. Matching security requirements with resources is never easy, and as a Police Authority we have to get the balance right. As Chairman I would like to thank the civil nuclear industry for their support, something that I trust the organisation can count on as it develops and grows.

As I stand down as Chairman of the Police Authority I do want to record my personal thanks for the many people who have made the past four years both fascinating and challenging. I have enjoyed enormous support and wish to put on record my appreciation to those, who at all levels inside and outside the organisation, have supported my vision to create a Police Authority capable of delivering the highest standards of policing to the civil nuclear industry.

I leave an organisation clear about its purpose and well positioned to meet the challenges in the years ahead.

I wish all involved every success.



Melvyn Smith J.P.  
Chairman

Civil Nuclear Police Authority





# Civil Nuclear Police Authority

**The Energy Act 2004 created the Civil Nuclear Police Authority as an executive non-departmental public body (NDPB) which is sponsored by the Department of Energy and Climate Change (DECC). Members of the Authority are appointed by the Secretary of State.**

The Authority has an independent Chairman, two independent members and four representatives from the nuclear industry. Melvyn Smith's appointment as Chairman of the Police Authority expired on 31 March 2009. Sir Chris Fox has been appointed as Chairman with effect from 1 April 2009. The function of the Authority is to ensure that the Civil Nuclear Constabulary (the Constabulary) is efficient and effective and meets the policing requirements of stakeholders in the nuclear industry in accordance with the strategic direction set by the Authority. Objectives and performance targets for the Constabulary are agreed between the Chief Constable and the Authority and are then published as part of the *Three-Year Strategic Policing*

*Plan* (which is available on our websites: [www.cnpa.police.uk](http://www.cnpa.police.uk) and [www.cnc.police.uk](http://www.cnc.police.uk)).

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

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

## **Committee Structures**

### **Audit and Risk Management Committee**

The responsibility of this Committee is to ensure



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

### Senior Appointments Committee

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

### Committee Review

During 2007/08, a review of the Authority's committee structure was undertaken and the Authority agreed to consolidate its committee structure, removing all committees save those for Audit and Risk Management and Senior Appointments. During 2008/09 the committee restructure was implemented with a further review taking place after six months as planned. This resulted in a still further streamlined committee structure which has been consolidated in favour of more frequent meetings of the full Police Authority. This is in line with the Authority's desire to operate in an efficient and effective manner. These arrangements have since been kept under review throughout the year.

### Police Authority Members

The Authority members who served during the year were:

#### Chairman

Melvyn Smith J.P. ,(Independent) (until 31 March 2009)

#### Members

John McNeill, (Independent)

Chair of the Audit and Risk Management Committee

Dame Elizabeth Neville, (Independent)

Police Advisor to the Police Authority

Matt Sykes,  
British Energy Generation Ltd

Dr Colin Bayliss,  
United Kingdom Atomic Energy Authority

Dr Janet Wilson, (from 1 April 2008)  
Nuclear Decommissioning Authority

Peter Bradley, (from 1 April 2008)  
URENCO UK Ltd

### Executive Director

Fraser Sampson, (until 4 July 2008)

Tony Regan, (from 8 September 2008)

### External Advisors

External Independent Advisors to the Audit and Risk Management Committee from September 2008;

Maria Sumner,  
Saima Afzal and  
John Woolley.

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

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# Chief Constable's Foreword

## **2008 marked the completion of a wide ranging review of the Constabulary's capability and capacity which was conducted against the revised Mission Statement and informed by the continuing and uncompromising nature of the terrorist threat.**

The review was supported in a most helpful manner by Her Majesty's Inspectorate of Constabularies, and identified a number of areas for improvement. A detailed implementation plan designed to address these, together with a new concept of operations that set out the way in which the Constabulary would deliver the operational effect required to mitigate the threat, were presented to and approved by the Authority. It duly allocated an increase in the Constabulary's budget which represents a significant vote of confidence and investment in the Constabulary by the Authority. Implementation began immediately, and we have been able to build on the good work conducted in 2007 to generate the momentum necessary to deliver against some ambitious targets which will ensure that the Constabulary delivers the highest levels of armed policing protective services for the nuclear industry.

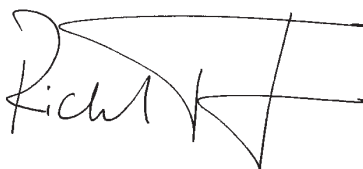
We have continued to focus on the need for greater efficiency and effectiveness and to align our concept of operations, our people, culture and organisational structure and processes with our new Mission Statement. To that end we have revised our recruitment strategy, embedded the core values born out of the Constabulary-wide consultation process conducted in late 2007, and begun to devolve more operational and administrative responsibility to the Basic Command Units.

We have continued to engage widely with the broader policing family, the Association of Chief Police Officers in England, Wales and Northern Ireland, the Association of Chief Police Officers in Scotland and the Office of Security and Counter Terrorism to ensure that the Constabulary

is fully integrated into the UK's strategy for countering international terrorism, commonly known as CONTEST 2. We have also explored how the Constabulary can contribute to national resilience and contingency planning through the Civil Contingencies Secretariat and the Scottish Civil Contingencies Unit.

Our service delivery has been of a consistently high standard throughout the year; our operational performance has met regulatory requirements and we have deployed the specific number of armed officers at each site for 24 hours per day and 365 days this year.

Finally, we have seen the Command Team strengthened by the appointment of John Sampson as Deputy Chief Constable, who joins the Constabulary from West Yorkshire Police with considerable command experience of counter-terrorism operations.



Richard Thompson  
Chief Constable





# Summary of Performance

## Introduction

The Civil Nuclear Police Authority (the Authority) and Civil Nuclear Constabulary (the Constabulary) were established on 1 April 2005, as directed by the Energy Act 2004. The organisation now operates under the strategic direction of the Department of Energy and Climate Change (DECC). DECC was created in October 2008, bringing together energy policy (previously with the Department of Business, Enterprise and Regulatory Reform (BERR)) with climate change mitigation policy (previously with the Department of Environment, Food and Rural Affairs).

The Constabulary is a specialist armed police service dedicated to the civil nuclear industry, with Operational Policing Units (OPUs) based at 15 civil nuclear sites in England, Scotland and Wales and almost 900 police officers and staff. The Constabulary headquarters is at Culham in Oxfordshire. The civil nuclear industry forms part of the UK's critical national infrastructure and the role of the Constabulary contributes to the overall framework of national security.

The purpose of the Constabulary is to protect licensed civil nuclear sites and to safeguard nuclear material in transit. The Constabulary works in partnership with the appropriate Home Office or Scottish police force at each

site. Policing services required at each site are agreed with nuclear operators in accordance with the Nuclear Industries Security Regulations 2003 (NISR) and ratified by the UK regulator, the Office for Civil Nuclear Security (OCNS). To comply with the NISR, armed policing services are required at most civil nuclear sites in the United Kingdom. The majority of officers in the Constabulary are Authorised Firearms Officers (AFOs).

Civil nuclear security is kept under constant review by the Command Team and OCNS. Changes to operational tactics are frequent and irregular due to a range of factors and in order to limit the predictability of the police response to any incident. The Constabulary has a solid reputation for delivering policing services to the civil nuclear industry, a reputation that it intends to maintain through its clear operational focus.

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

seriously and will affect the employment contract of the individual concerned; this is a clear deterrent.

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

The patrol strategy employed by the Constabulary is intended to give reassurance to the public in the vicinity of civil nuclear sites, and also has the consequence of deterring minor crime. In these areas this constrains and disrupts the operating environment for those with terrorist intent. Whilst on patrol, officers will often come across incidents within their local vicinity. Such incidents have included officers providing first aid at road traffic accidents, dealing with suspected drink driving offences as well as assisting local Home Office/Scottish police forces with disturbances, attempted suicides and searching for missing children.

While it is the aim of the Constabulary to gain wider recognition of its role and provide this reassurance to the public about civil nuclear security, the information contained in this report does not include operational details that could present opportunities to any person or group planning to attack a civil nuclear facility.

### Command Team

The day-to-day management on behalf of the Authority is carried out by the Command Team, which during the year consisted of: Richard Thompson, Chief Constable; James Smith, Deputy Chief Constable to 30 June 2008, John Sampson, Deputy Chief Constable as of 1 December 2008; Alan Cooper, Assistant Chief Constable and Douglas Percival, Interim Director of Corporate Services as of 30 June 2008. No member of the Command Team holds any directorships or has any other significant interests that may conflict with their management responsibilities.

### The Constabulary's Business Model

During the last year, the Constabulary has continued with its approach to the management of its business through the policing National Intelligence Model (NIM), which was

originally used purely as an intelligence tool. Within an operational and business context, the model ensures that data is fully researched, developed and analysed to provide information/intelligence that managers can use to:

- Give strategic direction;
- Make tactical resourcing decisions about policing; and
- Manage risk.

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

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

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

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

## Operations

### Capability and Capacity Review

In 2007/08, the Constabulary undertook a review into its capability and capacity to deliver its Mission Statement to mitigate the threats from international terrorism outlined within the revised Nuclear Industries Malicious Capabilities [Planning] Assumption (NIMCA) document.

The Constabulary Mission Statement states the following:

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

In October 2008, the Constabulary presented its findings and recommendations in a confidential report to the Police Authority, along with a business report and

implementation plan aimed at closing the operational and organisational gaps identified by its capability and capacity review.

In February 2009, the Police Authority agreed the funding within financial year 2009/10 to address a number of approved recommendations to uplift and enhance the capability and capacity of the Constabulary in firearms management, training and tactics, and the procurement of equipment, assets and weaponry.

### **Basic Command Units (BCUs)**

The organisation has continued to develop its BCU structure which, through the use of regular BCU Commanders' meetings hosted by the Assistant Chief Constable, has enabled better collaboration with Home Office and Scottish police forces, and has improved corporacy throughout the organisation allowing local policing plans to address local needs while supporting the overarching Strategic Plan.

The position of Chief Superintendent has now been established as the formal authoritative link between the Command Team and the operational core of the organisation, via the BCU Commanders. The Chief Superintendent deputises for the Assistant Chief Constable, providing further resilience at Command level. This is particularly important given the geographical spread of the Constabulary.

Work has taken place throughout the year to incorporate BCU structural changes, including appointing Inspectors at each of the power station sites and agreeing accommodation requirements. A new initiative was the introduction of HR and Finance advisors into BCU South. Initial findings have been very positive and the initiative will be trialled for a further period to identify the scope of requirements for such support at a BCU level. BCU South has also trialled a new performance review system during the same period. The revised process has been well received and further developments are planned, prior to full implementation across the Constabulary.

During the year, police officers from all units have been proactive in delivery of the constabulary's patrol strategy. This strategy has been focused on the revised Constabulary Mission Statement and is specifically intended to deter, detect and disrupt potential terrorist hostile reconnaissance. The patrol strategy has

been supported by revised command and control arrangements, which were introduced in all BCUs to ensure the effective co-ordination of the Constabulary response from a BCU control room. Whilst on patrol, police officers carry out checks on persons encountered in the vicinity of each operational unit and some of these persons are subject to statutory searches with intelligence reports submitted for further assessment or investigation if necessary.

Much collaborative work has taken place to develop strong links with the civil nuclear industry, Home Office/ Scottish police forces and other key stakeholders, with a view to enhancing and ensuring high standards of policing delivery. This has resulted in a number of officers being seconded to different areas, either within the Constabulary or with external partners, including local police forces and counter terrorism units. This activity continues to provide excellent development for the individuals concerned and the Constabulary as a whole.

There have been some specific achievements/events within each BCU, some of which are highlighted below:

### **BCU South**

- Building work commenced on the new police building at Harwell. This will be a modern facility fit for the requirements of modern policing and is planned for completion towards the end of 2009;
- Also at Harwell, a collaborative project has been commenced with Swindon College to produce an induction DVD for new officers;
- Sizewell Nuclear Power Stations have continued to be the focal point for demonstrations against the civil nuclear industry. During the reporting period there were two protest events;
- Recognising the importance of fitness, endurance, and teamwork, Sizewell officers have competed in a number of challenges throughout the year and in the process they have raised funds for local and national charities. The events include the Cheviot2000 Mountain Marathon, the Whole Hog Adventure Race, and the Devizes to Westminster International Canoe Race; and
- Officers at Dungeness successfully contributed to a multi-agency operation to tackle organised criminality along an area of the Kent coastline, including smuggling and drug trafficking.

## BCU North

- The French aircraft carrier Clemenceau joined other 'ghost ships' close to the Hartlepool unit, creating significant media and public attention on the area, and calling for close working relationships between the Constabulary and Cleveland Police;
- The Constabulary joined forces with Cumbria Constabulary for Operation Lace which was aimed at targeting traffic offences close to the Sellafield site as well as gathering potential intelligence and deterring terrorist hostile reconnaissance;
- Camp Watch was launched involving liaison between the Constabulary, Cumbria Constabulary and local campsite owners, aimed at identifying potential terrorist activity in the West Cumbria area;
- Some BCU North units have received VIP visits from the Prime Minister Rt. Hon. Gordon Brown; Rt. Hon. Lord Mandelson the then Secretary of State for Business, Enterprise and Regulatory Reform and the then Minister of State for Energy and Climate Change Rt. Hon. Mike O'Brien;
- A series of work experience students have been hosted by BCU North throughout the year, all gaining valuable insight into the police family and the specific Constabulary environment. Feedback from local schools has been very encouraging; and
- Of great significance is the contribution and impact made by individual police officers, often in very difficult circumstances. Chief Constable's Commendations were awarded to PCs James Owens and Rob Jones of Heysham, who were the first police officers on the scene of a fatal traffic accident close to the site. Officers at Hartlepool were also recognised for dealing with two attempted suicides involving persons encountered in the course of their patrol; their intervention potentially saved lives.

## BCU Scotland

- BCU Scotland was represented at all ACPOS Guardian Group meetings during the year providing an important contribution to the joined up national counter-terrorism strategy which links Scotland to the rest of the United Kingdom;
- Through a programme of comprehensive operational trials, officers at all OPU's in BCU Scotland made a significant contribution to the development of counter-

terrorism tactical options prior to implementation within the Constabulary;

- BCU Scotland officers participated at an important Scottish Nuclear Emergency Group counter-terrorism workshop organised by the Scottish Government to review arrangements for the response to a counter-terrorism incident at any civil nuclear licensed site;
- Dounreay officers represented BCU Scotland at meetings of the Highlands and Islands Emergency Planning Group;
- Chapelcross officers worked closely with officers from Dumfries and Galloway Constabulary and Cumbria Constabulary to coordinate arrangements for the commencement of the transportation phase of the site decommissioning and de-fuelling programme;
- A number of police officers and police staff based at Dounreay participated in the Cancer Research Caithness Relay for Life UK – an all night challenge; their excellent endeavours raised £5,000 for this good cause;
- The RNLI forwarded a letter of appreciation to the officers at Torness for their prompt actions when they noticed the lifeboat stationed at Torness had come loose from its moorings during a severe storm; and
- PC Ray Goodall, a Hunterston officer, was awarded a Certificate for his voluntary work with the Glasgow Community Champions Scheme for Youth Diversion and Elderly Support.

All BCU Commanders are very proud of the police officers and staff under their command, and they would like to take this opportunity to thank them for their continued dedication, support and commitment to the Constabulary's mission.

## Escorts

The Escort Operations Planning Team moved from the Constabulary Training Centre (CTC) in Cumbria to Constabulary Headquarters at Culham as part of the amalgamation of Operations Support and Escort Operations. A new team of planners have taken up their posts within the department and all previous members of the team have been redeployed within the Constabulary.

The motor vessel (MV) Pacific Heron was added to the Pacific Nuclear Transport Limited (PNTL) fleet arriving in Barrow in June 2008. The Marine Escort Group project managed the fitting of its protective equipment and close

range weaponry. The MV Pacific Pintail was similarly upgraded to the same standard. Both vessels had to undergo sea trials and inspections by the Ministry of Defence, during which all Marine Escort Group (MEG) trained officers were signed off as competent on the new weaponry by the Royal Navy.

A project has commenced to enhance the protective measures on the MV Atlantic Osprey in line with the new NIMCA requirements.

The Escort Operations Department has planned, resourced and overseen a European escort operation involving both Road Escort and Marine Escort Groups. The Constabulary had to prepare for this operation on a number of occasions and be flexible to late notice cancellations due to circumstances outside of its control.

Operation Hornbill was the first international operation to Asia undertaken by the Constabulary since 2002. This operation involved MEG trained officers escorting the largest ever shipment of mixed oxide fuel.

In order to maintain teams for the operations there has been a continuous training programme, involving CTC, the Royal Navy and external training providers.

In preparation for future operations, the Constabulary continues to liaise with local constabularies, the ACPO Maritime (Operations) working group, Swedish, German and French police and the Japanese coastguard.

This operational requirement continues to grow and develop, and establishes the organisation as a world leader in this field of deployment.

### **Special Branch (SB)**

The Constabulary aims to ensure that potential threats are detected, disrupted or deterred in the planning stages as this is the first layer of defence. By ensuring that operational officers are fully briefed on current intelligence, reporting suspicious activity, and are being tasked and deployed in line with intelligence, the Constabulary can significantly reduce the risks to the civil nuclear industry and meet its Mission Statement.

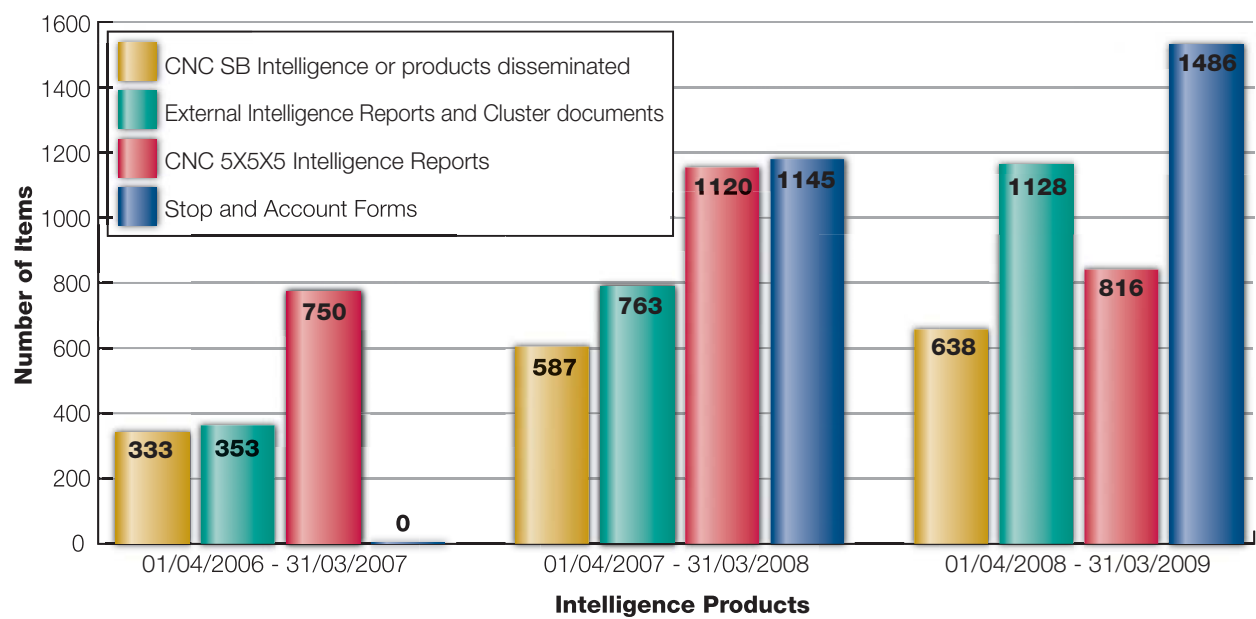
SB performs the intelligence role for the Constabulary. The intelligence products produced by SB ensure that the tactics, methodologies and aspirations of those who pose a threat to the sites are used to inform training, exercises, contingency plans, counter-terrorism plans and the operational deployment of officers. This in turn ensures that officers are fully equipped, trained and prepared to defend and protect those sites to which they are deployed and helps them to deny unauthorised access to nuclear material held at the civil nuclear sites and nuclear material in transit throughout the UK and international arena.

The department gathers, investigates, analyses and disseminates intelligence, identifying emerging threats and ensuring that Constabulary employees and key stakeholders are aware of current intelligence and potential threats to the sites. The dissemination of intelligence was focused on as a priority over the last reporting period, with changes being made to the content, style and dissemination of intelligence products. The developments have been well received throughout the Constabulary and by key stakeholders.

To enable the Constabulary to provide an effective policing service, SB does not work in isolation. Rather, it works closely with national and local law enforcement agencies to ensure that it has the best possible intelligence picture to guide policing functions. External liaison has been increased over the last year to ensure there is better connectivity with all relevant intelligence departments and







agencies. This has led to an increase in incoming reports and intelligence from external sources.

Intelligence management for SB has increased significantly over the past few years and is likely to increase with automatic number plate recognition developments, further liaison, briefings and the dissemination of intelligence.

In July 2008, the Office of Surveillance Commissioners (OSC) carried out an inspection of the Constabulary to monitor compliance with national codes of practice and adherence to the legal framework established by the Regulation of Investigatory Powers Act 2000 (RIPA). RIPA provides law enforcement agencies and other public authorities with a statutory framework for the authorisation and use of covert surveillance and police informants. The 2008 OSC inspection report once again confirmed that the Constabulary was complying with the RIPA framework, and made recommendations intended to raise still higher its standards, which in general are already high.

The Constabulary intelligence priorities continue to be based around the terrorist threat, domestic extremism, espionage and proliferation, ensuring that officers are fully briefed and able to make well informed judgements when dealing with suspicious activity.

The SB function is currently under review and will be restructured to ensure that the department continues to have its own capability and capacity to fully support the Constabulary Mission Statement and Key Strategic Priorities.

**Crime**

In line with previous trends, crime dealt with by officers at civil nuclear sites has been low in volume and has consisted largely of petty locker theft. The management of crime is under review and a process is being developed for the phasing out of crime from the remit of the Constabulary, recognising that the incidents that are currently reported on and the length of time spent investigating those crimes are not in keeping with the Constabulary Mission Statement.

**Exercise Programme**

During the reporting period, the Constabulary led two major exercises which were based on scenarios that involved a range of agencies, including the Constabulary, the relevant police force, the regional counter-terrorism unit, the site operator and, in one of the exercises, an explosive ordnance disposal unit, and a media agency.

The major exercises were held at the following units:

- Exercise Grayson III – Springfields OPU (live-play); and
- Exercise Wallis VI – Sellafield OPU (tabletop).

The organisation is looking to align future exercises with the national counter-terrorism programme as well as the implementation of a dedicated team to take on full-time responsibility for exercise programme management.

This will provide opportunities for the delivery of a robust exercise process that will offer further reassurance to the organisation and stakeholders that the Constabulary can meet the requirements of the Constabulary Mission Statement.

The Constabulary also supported a programme of live-play and the occasional tabletop exercise organised by the Site License Companies at all civil licensed nuclear sites to test procedures and responses to serious breaches of security in a multi-agency environment. These exercises are based on fictitious but credible scenarios approved by OCNS to test operational, tactical and strategic outcomes in order to certify that requirements meet the security regulations.

**Performance Measurement**

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




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

KPI targets, and achievements against them, are shown on various tables throughout this report, covering the following areas:

- Protecting nuclear material and facilities (table opposite);
- Promoting understanding (page 17);
- Circumstances affecting our staffing resource (page 21).

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

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

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

KPIs are reported to the Authority on a quarterly basis using the traffic light system. Performance against the majority of operational targets was achieved at the planned 100% target.

The enhanced patrolling strategy was fully implemented during this reporting period and although significant progress was made towards the new target the strategy failed to achieve 100%; this was predominantly due to insufficient resources. However, the previous target relating to the deployment of officers was achieved.

The KPI relating to conducting searches of vehicles and personnel has seen a few months showing minor dips in reported performance, throughout the winter period, due primarily to inclement weather conditions at some units, but this has been compensated by increasing the numbers of searches when weather conditions allow.

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

**Standing Committee on Police Establishments (SCOPE)**

SCOPE exists to provide a structured and efficient framework for the assessment of police staffing requirements and is chaired by the Chairman of the Police Authority.

OCNS is a key stakeholder to the process, advising both site licence companies and the Constabulary and ensuring that the agreed policing service appropriately meets regulatory requirements as detailed in the NISR. The process includes the agreement of the police service requirement for each location and this is agreed locally between site licence operators, the local Unit Commander and OCNS, taking into account national and international standards for protection of nuclear material and guidance set by ACPO in relation to the police use of firearms.

<b>Protecting nuclear material and facilities</b>	<b>2007/08 target</b>	<b>2007/08 outturn</b>	<b>2008/09 target</b>	<b>2008/09 outturn</b>
<b>Operational capability and stakeholder engagement</b>				
Deploy armed officers to planned duties*	100%	100%	100%	100%
Deploy armed officers to planned duties* (new patrol strategy)	–	–	100%	92.8%
Deploy police dog patrols to planned duties*	100%	98.2%	100%	94.8%
Attend alarm indications *	100%	100%	100%	99.9%
Conduct offsite duties to programme*	100%	100%	100%	100%
Confirm fence integrity*	100%	100%	100%	100%
Test security equipment functionality*	100%	100%	100%	100%
Search vehicles and personnel*	100%	100%	100%	100%
Officers attending exercises this year	100%	85%	95%	78.8%
Regular meeting with site operators and other security organisations	At least 1 meeting a month	100%	At least 1 meeting a month	100%
Police officers at Operational Policing Units qualified for Personal Safety Programme	95%	95.4%	95%	95.6%
<b>People management – training</b>				
% of courses delivered against planned courses	95%	99%	95%	96.3%
% of courses cancelled against planned courses	5%	1%	5%	3.8%
% of persons not attending planned courses	5%	0%	10%	16.8%

The Constabulary has taken preliminary steps with regard to the modernisation of its workforce and this will provide a foundation for more substantive developments during 2009/10.

A SCOPE review of staffing levels for operational policing for 2009/10 has been undertaken in consultation with stakeholders and OCNs to ensure that the minimum staffing levels stipulated within the NISR for sites policed by the Constabulary are met.

## Material Assets

### Information Technology (IT)

Since the Information Technology and Communications (IT&C) Department received a new head of department in October 2008, the department has been working on several major pieces of work, including a new outsourcing contract for IT services, new IT network project and firearms records management project in support of capability and capacity.

The new outsource contract is the result of a four-month 'competitive dialogue' process. This has been a resource-intensive process drawing on the efforts of three members of the Constabulary for a majority of their available time.

The network project is coming to the end of Phase 1 with the re-accreditation of Government Protective Marking Scheme (GPMS) 'Restricted' network, which will implement greater bandwidth and more robust links with all the sites where the Constabulary has a presence.

Phase 2 of the network project will see the migration of Constabulary IT assets and services into the new, separated network infrastructure, and preparation to enable information processing at a higher GPMS level.

The Information Management Steering Committee has now been renamed the Information Governance Panel (IGP) and is chaired by the Head of IT&C. The IGP's remit is to approve the strategic delivery plan for the IT&C Department, with a focus on compliance issues, and to enable the cross-functional membership to present their own future plans to be embedded in the department's future plans.

### Estates

As an executive NDPB, the Police Authority is required to have an independent estates strategy. A plan for the management of the total estate covers the period to 2012. The organisation does not own any buildings or accommodation either in part or outright. With units and headquarters functions located at 18 sites in England,



Scotland and Wales, the objective is to ensure that all OPUs as well as the Authority and Constabulary headquarters are fit for purpose and meet with the requirements for effective policing.

Engagement with the Nuclear Decommissioning Authority and site landlords continued to agree appropriate leases and licences for property occupied by the Constabulary. Progress was delayed because of reviews by the organisation of future requirements and also by significant changes within the structure of the civil nuclear industry.

A condition survey of the estate was undertaken and work completed to establish standards to support the efficient provision of fit-for-purpose accommodation across the organisation. A review of the Constabulary's headquarters accommodation resulted in improvements to space utilisation.

### **Procurement**

Procurement practice focuses on improving the efficiency of purchasing activity through collaboration across the wider public sector and participation in Government-sponsored initiatives. Through compliance with the public sector procurement agency of the Office of Government Commerce, the organisation ensures that contracts comply with best procurement practice and represent value for money.

The procurement team has concentrated on Key Strategic Priorities outlined in its strategic plan that covers the period to 2010. In light of these, the structure of the team was reviewed, and changes designed to improve efficiency and cope with identified increases in workload were agreed. Collaborative ventures within areas such as fleet, communications and travel were successfully continued and potential future areas identified.

During the financial year, two significant competitive tender undertakings accounted for much organisational effort. The first was focused on the commissioning of a highly specialist communications system for a large police control room on a site policed by the Constabulary. The second was part of a collaborative tender with other key players within the civil nuclear industry for the provision of IT services. The team has also reviewed its supplier base.

### **Corporate Systems**

#### **Business Management Systems**

The Constabulary completed its programme of development of policy statements, which are now all published on the

internet, as with other police forces. For each policy a succinct statement is provided of the principles that the Constabulary will apply to its activities for the particular topic that it covers. Policies are implemented through procedures, guidance and training, and within the Constabulary such documents are stored in the Lotus Notes Quality Management System databases and links are made both within Notes and through the Constabulary intranet pages.

Provision for review and further development of procedural documentation is being made through departmental objectives to review, and as necessary update, 50% of such documents during the 2009/10 financial year.

### Freedom of Information

Between 1 April 2008 and 31 March 2009, 25 Freedom of Information Act requests were submitted, representing a slight increase on the previous year.

Requests were for a variety of subjects; recruitment and staffing numbers, sickness levels, crime figures, details of individual Constabulary OPUs, contracts and tenders, Chief Constable's expenses and other Police Authority/Constabulary expenditure, organisational charts/structure information, accidental/negligent discharge, limb protectors, Jedi religion, security breaches, and officers with criminal convictions.

The number of questions contained within each request ranged from 1-14. The breakdown of timescales for completion is as follows:

- 1 – 10 days 8
- 11 – 15 days 8
- 16 – 20 days 9

Of the total number of requests received, 6 were judged to be fully exempt from disclosure. Neither the Police Authority nor Constabulary held the information requested in 2 of these cases, and in the remaining cases Section 24 (National Security) was applied to one, and Section 22 (Information intended for future publication) was applied to two others. The request relating to declared religion was refused under Section 12 (Costs) in that the cost of retrieving the information requested would exceed the applied limit of £450. Five requests (relating to accidental discharges, staffing levels, and firearms) had partial exemptions applied.

During this reporting period a request received by the organisation in 2007/08 was the subject of an appeal to the Information Commissioner; however the request was reviewed internally and some information provided to the applicant. As a result the appeal was withdrawn.

### Audit and Inspection

Her Majesty's Inspectorate of Constabulary (HMIC) has undertaken inspection activity within the reporting period, reviewing firearms ballistic capability; firearms training; performance management; civil contingencies; critical incidents; and public order.

Following the publication of the Protective Services Standards last year, a gap analysis against ACPO minimum standards was completed. Of the nine main areas within the standards, five were identified as directly relevant to the Constabulary. These areas were included in the most recent inspection visits from HMIC. The findings of that inspection have been factored into 2009/10 workstreams.

Promoting understanding	2007/08	2008/09
<b>Publications</b>		
Annual Policing Plan published by 31 March	31 March 2008	1 May 2009
Strategic Plan published by 31 March	31 March 2008	1 May 2009
Previous year's Chief Constable's Annual Report published	3 September 2007	14 July 2008
Previous year's Annual Report and Accounts published	24 July 2007	14 July 2008
<b>Freedom of information</b>		
Requests received	19	25
Percentage of requests responded to within 20 working days	95%	100%

The internal inspection programme has progressed significantly within all BCUs, including self assessment, reality checks and inspection activity. Areas for improvement were identified; the majority have been addressed, with the remainder being tracked to ensure completion within agreed timescales.

The above has been subject to a review by the assigned internal auditor (KPMG LLP), and they confirmed they were satisfied that sufficient internal audit work had been undertaken to allow them to draw a reasonable conclusion as to the adequacy and effectiveness of both the Authority's and Constabulary's risk management, control and governance processes. In their opinion both the Authority and Constabulary have adequate and effective risk management, control and governance processes to manage the achievement of their objectives. KPMG LLP did identify a number of opportunities for improving controls and procedures and these have been responded to positively and are being addressed.

The internal inspection programme will be developed to incorporate departmental inspections during 2009/10. These inspections will include follow up of the actions from previous audit programmes.

### **Projects**

The Constabulary continues to undertake major projects using its Project Management Methodology (PMM), based upon PRINCE2 and tailored to suit the Constabulary's requirements. This year KPMG LLP, the internal auditors, undertook a review on the PMM and commented favourably upon its suitability for Constabulary work. In addition to projects, the Constabulary has also launched a major programme of work requiring the co-ordination of several projects and linked to the achievement of its new Mission Statement. This will involve all parts of the organisation, but in particular training. The portfolio of future work continues to develop following an introduction of the "Pipeline Process" to attendees of the Strategic Conference in November. Once fully developed, this process will give the organisation a view of future work up to four years ahead and allow better prioritisation between new 'change' work and 'business as usual'.

### **Risk**

The Chief Constable, as Accounting Officer, is required under section 42 of the Management Statement

(a Treasury model for the management of a non-departmental public body) to "ensure that a system of risk management is maintained to inform decisions on financial and operational planning and to assist in achieving objectives and targets". The organisation provides this assurance by means of a robust risk management system based on the concepts in HM Treasury's *The Orange Book: Management of Risk – Principles and Concepts* and on the Office of Government Commerce's *Management of Risk: Guidance for Practitioners*.

The Constabulary's risk management system has been further developed during the year to include trend information in reports. A training 'roadshow' for managers was developed and started to be rolled out but unfortunately was not completed due to the extended sickness absence of the Risk Manager. The training programme will now be completed during 2009, with the Business Improvement Manager taking on the mantle of risk champion for the short term. Despite the delays in training the usage of the system has increased, with the register having recorded 238 risks by the end of March 2009 compared with 182 at the start of the financial year. During the year 55 risks were closed and a further 5 reduced to a level at which they are being tolerated and monitored. Constabulary risks are managed in a hierarchy of local, NIM Group and Constabulary levels and are regularly reviewed and amended to reflect changing circumstances during the year.

The Authority developed its strategic risk register during the year. This strategic register takes up risks from the Constabulary's register where the Constabulary believes it is not able to mitigate risks sufficiently because of national issues, legal restraints, conflicting priorities or lack of budget/resources. A system for formally transferring risks to/from the Authority and between the Authority and the sponsoring government department, DECC, was developed and will be implemented in 2009/10.

The organisation's principal risks have not changed since the last report:

- Failure to deploy sufficient police officers with the right equipment and training to meet the threat;
- Failure to recruit/retain sufficient or appropriate resources;
- Failure to train officers to appropriate levels or standards;
- Failure to discharge the duty of care owed to employees;



- Poor or uncertain governance standards leading to unclear lines of accountability; and
- Failure to support the provision of critical business infrastructure.

Mitigation has been applied to each of these principal risks, for example to increase the number, and extent of training of police officers resulting from implementation of the capability and capacity review, and such mitigating actions will continue into the future.

The risk management system has been audited by KPMG LLP as part of the Authority's internal audit arrangements and by HMIC. The HMIC report is awaited but KPMG LLP were satisfied that sufficient internal audit work had been undertaken to allow them to draw a reasonable conclusion as to the adequacy and effectiveness of both the Authority's and Constabulary's risk management, control and governance processes. In their opinion both the Authority and Constabulary have adequate and effective risk management, control and governance processes to manage the achievement of its objectives. A number of opportunities for improving controls and procedures were identified and these have been responded to positively and are being addressed.

### Security

The organisation aims to maintain its high standard within all aspects of protective security. The Constabulary has a responsibility for security within all of its respective fields of activity. Both the Authority and the Constabulary therefore have a duty to protect all assets to ensure that the organisation is able to:

- Meet legal, moral, official or commercial obligations;
- Protect the interests of national security and the economy;

- Maintain integrity and promote a sound commercial base by maintaining the confidence of stakeholders, government and the public; and
- Avoid financial and economic loss.

As a means to accomplish this, the Constabulary is committed to achieving future compliance with ACPO/ACPOS Information Systems Community Security Policy and ISO27001, the international standard for an Information Security Management System. As a requirement when processing protectively marked information, the Constabulary is committed to compliance with ISO27001 through, as defined by the standard, the "preservation of confidentiality, integrity and availability of information".

The 2008 Information Assurance/Security action plan developed by the Security, IT and Information Management departments will be implemented by the end of 2009/10.

During 2009 the organisation will also measure its protective security compliance against the mandatory measures within the *HMG Security Policies Framework* issued in December 2008. This new framework replaces the *Manual of Protective Security* and the *Counter Terrorism Protective Security Manual*. It sets out universal mandatory standards, as well as offering guidance on risk management and defining new compliance and assurance arrangements.

Robust personnel security measures are also paramount for an organisation whose key role is the protection of licensed civil nuclear sites and their operators, and the safeguarding of nuclear materials.

The ongoing commitment to this has been verified by the Constabulary not only in complying with the Government's national security vetting requirements but additionally by the Authority's adoption of the ACPO/ACPOS police

recruitment vetting policy. Robust vetting processes give assurance to the organisation and its stakeholders as to the integrity and reliability of new staff, and also minimise the risk of staff becoming unreliable once they have been employed.

## People Management

### Human Resources and Organisational Management

During the year, the recommendations from the best value audit and subsequent Putting People First review have resulted in a number of changes within the HR and training functions. Firstly, these functions have been brought together under the leadership of the Head of HR and Organisational Development. Three core areas have emerged, providing distinct professional advice and support within the different specialisms.

The firearms training function has been separated, with a new management structure in place, and now leads the challenges being addressed to uplift our firearms capability and to ensure that the standards required of the NPIA firearms licence are achieved.

The training function now has a wider brief and portfolio in supporting the professional development of officers and staff, and responsibility for how the organisation learns and develops at a corporate level. To support this change a new Organisational Development (OD) Manager was appointed and takes on the lead role in a number of OD initiatives, including leadership development, talent and succession management, reviewing the performance development process and induction, and overseeing retention of the Investors in People standard. In addition, the OD Manager and team continue to deliver core development and training within the Constabulary right through police recruits' courses, covering all core police training and a range of core management skills.

The HR side of the department has been undergoing a period of restructuring, which will be finalised early in the new reporting period, comprising the introduction of local HR officers for each BCU, a new HR shared service centre to manage all HR and resourcing queries, and a corporate HR team providing more resilience and support in developing the range of HR policies and practices required to deliver to our new Mission Statement.

### Human Resources Management

Further to the review undertaken last year to produce the revised suite of policies covering Constabulary HR

management practice, a new *Employee Handbook* detailing the conditions of employment for all employees was developed. Following extensive consultation with all Constabulary employee bodies, the handbook and an updated contract statement was reissued to all employees. This coincided with the introduction of a new flexible working scheme and a domiciliary clause enabling more effective management of travelling distance to the workplace.

### Core Values

In June 2008 the Chief Constable launched the Constabulary's core values which was the culmination of an extensive consultation exercise designed to identify values that the organisation believed best reflected the Constabulary's aspirations and help deliver the right culture and environment to support further improved performance in the future.

Every Constabulary department and OPU was involved in the development of these values and the Chief Constable wrote to every employee to introduce the values identified. In the letter sent to staff the Chief Constable said:

*"I am confident that these values; Respect, Integrity, a Commitment to Excellence, and Investment in People, together with the behaviours that underpin them, will be a vital element in the future development of the Constabulary and will shape our collective sense of identity."*

The Constabulary's Core Values were launched within the following context of the Constabulary's Vision and Mission Statement:

### Our Vision

To be recognised as providers of a world class service for the protection of nuclear materials and facilities.

### Our Mission

The Constabulary will defend and protect those sites to which it is deployed with a view to denying unauthorised access to nuclear material and, if necessary, recover control of any nuclear material that may have been lost to any unauthorised persons.

The Constabulary will provide for the safe and secure movement of nuclear material within the UK and internationally.

### Our Core Values

- Respect – we will show respect for each other, valuing individual differences and conduct our business fairly;



- Integrity – we will continue to build trust through being open, honest and transparent, taking responsibility for our actions and doing what we say;
- Commitment to excellence – we will do the right things, deliver on our promises and strive to provide service excellence in all we do; and
- Investment in people – we will invest in people as our most valued resource, creating opportunities to develop potential and learning from our experiences.

Whilst the values were chosen by the police officers and staff of the Constabulary, their supporting behavioural indicators were aligned with the Integrated Competency Framework created by the Skills Sector Council for Justice. The framework is offered as a tool enabling police forces to raise standards and improve the quality and consistency of performance across the service.

It is seen as important that the Constabulary lives these values and a number of work streams have been instigated during 2009 to implement practices and processes that will enable the Constabulary to measure and recognise both collective and individual performance against its Vision, Mission Statement and Core Values.

### Officer Establishment and Retention Rates

For this reporting period, the establishment rate for police officers was just under target for the financial year. The intake of police officers starting in March 2009 has been staggered to accommodate former serving Home Office/Scottish police officers, who will join the March 2009 intake later in May 2009 to suit their learning requirements. The Constabulary has spent time this year in identifying how best to attract new recruits from minority groups, and although this created a delay in recruitment activity during the year, it has enabled the Police Authority to better attract applicants from these groups. There has also been an increase in the training delivery of existing officers, which slightly reduced the capacity for running new recruits' courses. This issue has now been resolved, with additional trainers being recruited to undertake this work.

Retention of both categories has improved on last year, with the number of unplanned police officer leavers well within target and police staff on target. This outcome appears to relate to improved exit interviews and the action plan following the Staff Attitude Survey; this may also have been affected by the current economic situation.

Circumstances affecting our staffing resource	2007/08 Target	2007/08 outturn	2008/09 Target	2008/09 outturn
<b>Absence management</b>				
Average number of working hours lost per annum due to sickness, per police officer	72	94.5	85	102.9
Average number of working hours lost per annum due to sickness, per police staff member	61	62.9	56	84.4
<b>Recruitment and retention</b>				
% shortfall in strength	n/a	2%	n/a	5.9%
Police officer turnover rate	5%	6%	5%	3.9%
Police staff turnover rate	10%	19.8%	13%	12.6%
<b>Diversity</b>				
% of police officers who are female	18%	15%	17%	19%
% of police officers from minority ethnic groups	7%	0.6%	2%	0.8%
% of police staff from minority ethnic groups	3%	5%	2%	5%
Ratio of officers from minority ethnic groups resigning to all officers' resignations	less than 1.5:1	–	less than 1.5:1	–

### **Managing Sickness Rates**

The Constabulary was not able to achieve the target reduction in sickness absence for either police officers or police staff. This is despite the roll-out of a package of Absence Management Training delivered to supervisory ranks and grades throughout the organisation. For police officers and police staff, there appears to be no obvious underlying trend that might enable a cause to be established. However, for police staff there have been a number of cases of long-term sickness resulting in retirement on the grounds of ill health effective in the next financial year, plus a death in service. Due to the relatively low number of police staff employees, this has had a significant impact on the average figures per individual.

### **Employee Relations**

The Constabulary's Human Resources Department regularly meets with the Joint Consultative Committee which comprises of: Prospect who represent the interests of police staff; the Civil Nuclear Police Federation and the Superintendents Association, who both represent the interests of police officers.

### **Employee Communications**

The main sources of day-to-day communications with officers and staff within the organisation are via electronic media and regular team briefs.

The Constabulary also undertook a survey of its management in relation to elements raised during the Constabulary-wide survey which took place during late 2007. The new survey covered various behavioural aspects surrounding the Constabulary's core values.

During 2008/09, the Constabulary publicised progress made by the capability and capacity reviews through a series of newsletters, emailed messages, briefings and posters, which were all distributed/took place throughout the organisation.

### **Payroll**

Following last year's project to change the existing payroll provider, it can be reported that there was a successful and seamless transition to the new provider. As part of the provision, it was possible to introduce a number of authorisation controls to ensure that our management of payroll matters complies better with standards in this area. The payroll implementation has withstood a number of thorough audit processes and continues to deliver to the service performance indicators agreed at the outset. In addition, through intervention from the new payroll provider, it was possible to achieve a refund of statutory maternity payments from HM Revenue and Customs.

### **Equality and Diversity**

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

Following approval of the Equality and Diversity Scheme and costed action plan 2007 to 2010, the Constabulary has been working towards the targets and actions for the reporting period. Two key actions of the scheme were to implement and review a 'positive action' recruitment programme and to set up staff networking groups for people with disabilities, ethnic minorities and women. An Equality and Diversity Steering Group was set up to oversee the implementation of the scheme and it meets regularly to share progress and discuss issues affecting the scheme's content and implementation, promote equality and diversity initiatives, share best practice and liaise with outside bodies.



The Constabulary has continued to develop and use a range of recruitment strategies to address under-representation of female police officers and ethnic minority police officers. As a result of these strategies, in 2008/09 the targets for percentages both of female and of ethnic minority new recruits were achieved.

Working closely with our recruitment advertising agency, a new Constabulary recruitment internet site has been developed. This includes profiles of locations, people and departments and promotes the values of the Constabulary, using these to attract individuals to our purpose and mission.

With a presence at Wylfa, North Wales, the Constabulary has obligations under the Welsh Language Act 1993. It has adopted the principle that it will treat the English and Welsh languages on a basis of equality in the conduct of public business in Wales, although English remains the corporate business language for the Constabulary. The Constabulary's first *Welsh Language Monitoring Report* was produced in March 2009 and submitted to the Welsh Language Board, which provided positive feedback about the initiatives implemented in 2008/09 and future plans.

Some of the key initiatives delivered in 2008/09 include provision of bilingual insignia on uniforms for all officers at Wylfa and bilingual signage at the Constabulary site there, bilingual 'stop and account' forms and statements and participation in the Anglesey show to promote the Constabulary throughout the local community. In addition, Welsh Language Training (level 1) has been provided for all Wylfa officers.

During the year a number of Constabulary staff were trained as part of the First Contact scheme. This initiative saw ten staff being coached in basic counselling and mediation skills.

#### **Investors in People (IIP)**

Following a post-recognition assessment undertaken against the IIP standard, the Constabulary was happy to receive provisional approval to retain the IIP accreditation.

The assessment highlighted a large number of strengths within the Constabulary, including strong vision and leadership, good practice in regard to equality and diversity, opportunities for progression for police officers, clear channels of communication between HQ and the BCUs, and many examples of innovative practice within the BCUs.

Some areas for improvement have also been identified and an action plan has been put in place to address these issues, including further management and leadership skills training and ensuring that people's contribution to the organisation is recognised and valued. These areas will be reassessed in September 2009, and the Authority is confident that the Constabulary will be able to retain the IIP status.

#### **Health, Safety and Environment**

During the year, the previously separate policies for Health and Safety and the Environment have been combined into a unified Health, Safety and Environment policy. Work has also taken place to produce a combined three-year Health, Safety and Environmental Strategy, which commenced on 1 April 2009.

To enable comparisons with site licence operators, the Authority uses the accident/incident reporting metrics commonly used in our core environment, the nuclear industry, namely measurement of Days Away Case Rate and Total Recordable Injury Rate, using the methodology of the US Department of Labor's Occupational Safety and Health Administration.

Overall, each operating unit and the Constabulary show a reduction from the previous year, with many units having no reportable incidents during the last 12 months. The target of the combined and updated Health, Safety and Environment Strategy will be to further reduce these figures over the three years of the strategy.

The specialised policing areas relating to physical training, police dogs and public confrontation are not included within these figures but will be included and benchmarked against Home Office/Scottish police forces when these figures are published later in 2009.

Compared with the previous year, there was a 20% increase in the number of near miss reports submitted (a positive Health, Safety and Environment cultural indicator), and other than a small number of estates-related issues subject to ongoing resolution with individual sites, all of these reports have been closed.

Each OPU was audited by the Health and Safety Department during the year, with the recommendations from the audits being used to pilot a revised audit tracking system on behalf of the Constabulary Audit

and Inspections Department. Additionally, 95% of local management inspections (one per unit per quarter) were completed against a target of 90%.

Development of health, safety and environmental training has continued, with all new recruits receiving basic radiation awareness and initial 'policing safely' training. Senior managers have received the Institution of Occupational Safety and Health 'Directing Safely' training, and senior police officers have completed an advanced awareness course for radiation emergency incidents.

From 1 April 2008, the Constabulary undertook the management of radiological services for Constabulary personnel via an Approved Dosimetry Service (ADS) and Radiation Protection Adviser (RPA). The following table shows the radiation dose figures for calendar year 2008 (January to December 2008), as radiation dose is reported by calendar rather than financial year.

Operational Policing Unit	Average reading	Highest reading
Dounreay	0.01	0.24
Chapelcross	0.05	0.41
Torness	0.00	0.00
Hunterston	0.00	0.00
Sellafield	0.04	0.48
Capenhurst	0.04	0.24
Springfields	0.04	1.05
Hartlepool	0.01	0.24
Heysham	0.06	0.18
Wylfa	0.05	0.05
Harwell	0.00	0.00
Sizewell	0.00	0.00
Dungeness	0.01	0.06
Oldbury	0.00	0.00
Hinkley Point	0.00	0.00
<b>Constabulary (totals)</b>	<b>0.02</b>	<b>1.05</b>

Note: All figures are in millisievert (mSv)

The readings are all within the dose constraint objective of 1.5mSv set by the Constabulary, with the majority of Constabulary personnel receiving no work-related radiological exposures during 2008.

When the Constabulary undertook management of radiological services, a small number of personnel were designated 'classified workers', but based on the current and historical dose readings for Constabulary personnel from 1 January 2009, all Constabulary personnel are now designated 'monitored workers'.

There have been no radiological events or incidents affecting Constabulary personnel during 2008.

Additional training to Radiation Protection Supervisor level was provided for selected Constabulary personnel to enable them to perform the role of 'Responsible Person' at each site, thereby enabling a local point of contact for the Constabulary RPA, ADS and the relevant site in relation to radiological protection matters.

### Training and Development

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

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

- The regulatory framework – specifically NISR;
- Operational efficiency;
- ACPO guidelines;
- Critical success factors;
- Constabulary/departmental objectives;
- HMIC recommendations; and
- Anticipated changes in legislation and Constabulary policy.

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

### General and Probationer Training

Two probationer foundation courses were delivered during the year. One, starting in June 2008, resulted in 20 additional police officers being deployed to various OPUs. Another course began in March 2009, with officers scheduled to be deployed in the new financial year.

### Firearms Training

During the year the Firearms Training Department faced some major challenges in delivering the Annual Training Plan, with a variety of activities taking place, including:

- The Taser X26 less lethal option weapon system rolled out for all AFOs;
- Four additional firearms instructors successfully completed the A1 Assessor Programme, having been externally verified;
- A review of the Personal Safety Programme (PSP) took place and training in the use of the QuickCuff was introduced. All PSP instructors received a comprehensive refresher training package with a strong emphasis on safety and risk assessments as well as further developing their skills and techniques;
- Four newly appointed firearms instructors successfully completed their Instructors Course at an accredited National Firearms Training Centre;
- Three Armed Response Vehicle courses were piloted in preparation for the introduction of Response Courses during 2009/10;

- One Initial Firearms Course (IFC) for probationary officers was delivered, with a 100% success rate. In addition an IFC was delivered to 'rejoiners', who are officers transferring to the Constabulary from other police forces. A bespoke firearms course was also delivered to 'rejoiners' who were already qualified AFOs; and
- Four officers, who completed the 109 Instructors Course with the Royal Navy, delivered training to MEG officers in newly introduced weaponry.

The main impact on the department during the year was the capability and capacity review, which identified critical areas where the delivery and assessment of firearms training needed to be developed in order to meet the requirements of the National Police Firearms Training Curriculum. This work has commenced during the current year and in doing so provides reassurance that all firearms training is relevant to the Strategic Threat and Risk Assessment, the Constabulary Mission Statement and in accordance with the ACPO *Manual of Guidance on Police Use of Firearms*.

The occupational competency of the firearms instructors has been improved by means of formal training, which



covered a variety of areas in order to facilitate the audit trail of instructors' training and the standardisation of operating procedures throughout the Constabulary. Specific elements of the instructor training included:

- Refreshing personal AFO tactical skills;
- Participating in confrontational scenarios;
- Refreshing firearms instructor skills;
- Agreeing standards of delivery and assessment standards for tactical training; and
- Health and safety risk assessments, safe systems of working, manual lifting and accident reporting.

The Constabulary is working towards achieving the NPIA Firearms Licence. During 2008/09, the Constabulary was granted a provisional licence and will continue to progress towards achieving the full licence during the next two years.

#### **Constabulary Promotions Examinations**

During 2008/09, a structured review took place with regard to the development and delivery of the promotion examinations for the ranks of Sergeant and Inspector. A small project team was established with additional consultation from NPIA, and this resulted in the production of examinations that were relevant and specific to Constabulary related legislation, processes and procedures. The rules and principles of the examination were in accordance with NPIA standards, ensuring that the Constabulary is working in line with those set nationally. The outcome of this change has produced a significant increase in the success rate of candidates at both ranks.

#### **Trauma First Aid**

A Tactical Care Officer (TCO) Trainer of Trainers course took place at the CTC during 2008/09. A total of 11 First Aid trainers successfully completed the course (which was delivered by two trainers from Kent Police) and are now qualified in Instruction and Assessment to the level of NPIA Module 5 for the role of TCO. The 11 trainers are deployed throughout the three BCUs.

The course was intensive and very challenging in terms of the new technical medical skills that were achieved, as well as the undertaking of the formative and summative assessments carried out by an external Resuscitation Officer.

#### **Professional Standards**

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

All comments and complaints are recorded and analysed, and all complaints about the Constabulary are investigated independently. Such investigations are reported to the Police Authority and are subject to supervision and review by the Independent Police Complaints Commission (IPCC). The Police Complaints Commissioner for Scotland (PCCS) has responsibility for oversight of non-criminal complaints in Scotland and has the power to review complaints cases.

An agreement between the Authority and the IPCC for oversight of complaints against police staff was signed off during the reporting period. The agreed protocol between the Authority and the PCCS was also formally signed.

The volume of complaints and cases of misconduct remained similar to those for previous years. The process for handling complaints has remained effective, achieving an average of 1 working day to record complaints, against a target delivery of 10 working days. Local resolution of complaints has been achieved in an average of 12 working days, against a target delivery of 28 working days.

A target of 10 working days is set to record an allegation of misconduct; this has been achieved, with an average of 3.6 working days to record such allegations.

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

The charts (opposite) show complaints and misconduct cases recorded over the past three years. The number of complaints recorded has remained consistently low throughout the period. The number of misconduct cases recorded has also remained low.

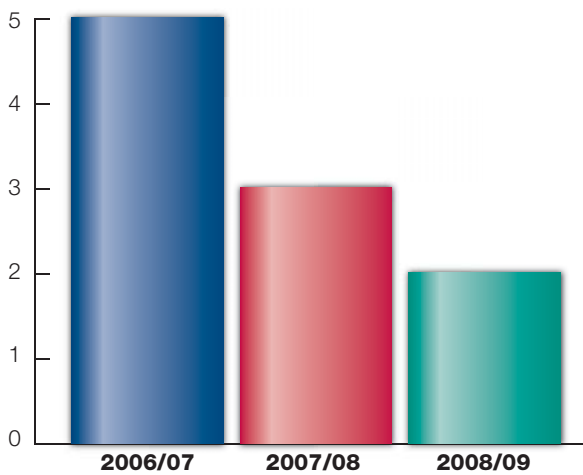
On 1 December 2008, the Constabulary adopted the Police (Conduct) Regulations 2008, which included new Standards of Professional Behaviour, replacing the Code of Conduct. Public confidence in the police depends on Police Officers demonstrating the highest level of personal and professional standards of behaviour. The Standards of Professional Behaviour reflect the expectations that the Constabulary and the public have of how Police Officers

should behave. They enable everybody to know what type of conduct by a Police Officer is acceptable and what is unacceptable. The standards also reflect relevant principles enshrined in the European Convention on Human Rights and the Council of Europe Code of Police Ethics. They apply to Police Officers of all ranks from Chief Constable to Police Constable.

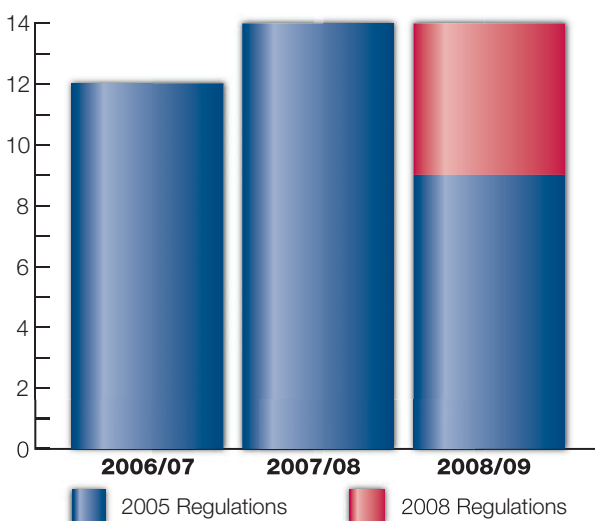
An extensive programme of training and education has taken place over the reporting period to ensure that all officers understand their responsibilities under the Police (Conduct) Regulations 2008. The training has been delivered by NPIA approved training providers.

A review of all Professional Standards policies and procedures has been undertaken, resulting in a wide range of guidance being delivered to assist members of the Constabulary in the performance of their duties.

**Complaints**



**Misconduct cases**





# Management Commentary

## Principal Activities

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

## Operating Environment

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

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



## Objectives and Strategies

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

- KSP 1 – Protect nuclear material and facilities on designated nuclear licensed sites and in transit throughout the UK and international arena, meeting the requirements of the nuclear security regulator (OCNS);
- KSP 2 – Ensure that the Constabulary is managed in a way which gets the best out of all its resources, especially staff, and demonstrates value for money, whilst maintaining the confidence of the public; and
- KSP 3 – Maintain and improve understanding between the Constabulary, its nuclear customers, the public and stakeholders at local, national and international levels through its community engagement strategy.

Performance against KSPs is provided in the Summary of Performance on pages 8 to 27.

## Review of Activities

A review of the development of the Authority and Constabulary during the year, of events since the year end and of future plans is given in the Chairman's Statement on page 3, the Chief Constable's Foreword on page 7 and in the Summary of Performance on pages 8 to 27.

## Financial Performance

The Police Authority is expected to recover its full operating costs each year. Income of £52,341,000 for the year ended 31 March 2009 (2007/08: £48,304,000) represents a re-charge of running costs to Site Licence Companies (SLCs) of £52,031,000 (2007/08: £48,130,000) and miscellaneous income of £310,000 (2007/08: £174,000). Miscellaneous income was generated by charging for training provided to Russian and Ukrainian nuclear power station security staff, recharging secondment costs, providing policing services to non-SLCs and communications support for the unescorted transport of nuclear materials throughout the UK.

Expenditure for the year ended 31 March 2009 was £52,339,000 (2007/08: £48,304,000). The increase in expenditure was due largely to increased staff costs of £3,125,000 to £41,239,000 (2007/08: £38,114,000). The increase was the result of the annual pay award to Police Officers and Police Staff and due to recruitment of

increased numbers of officers deployed to civil nuclear sites and staff employed at corporate departments.

Within expenditure was an exceptional charge of £240,000 (2007/08: £10,000) for losses on the sale of domestic properties owned by members of staff who are relocated by the Police Authority. This provision covers specific losses where the Police Authority is obliged, under the terms of its relocation policy, to meet any shortfall in the sale proceeds received by staff and a selling price guaranteed by the Police Authority for their properties. Further information is provided in notes 12 and 20 to the financial statements.

Interest receivable of £77,000 (2007/08: £145,000) was earned on cash balances held by the Police Authority. This was matched by interest payable of the same amount, as the Police Authority is not permitted to retain any interest earned but required either to remit it back to DECC to be surrendered to the Consolidated Fund, or offset it against requests for capital funding from DECC. The reduction in interest receivable is due to the Police Authority holding a lower average cash balance and receiving a lower rate of interest on surplus funds in 2008/09 than 2007/08.

The Police Authority is required to recognise a cost of capital in its income and expenditure account. This is a notional charge in that it is matched by a cost of capital credit. The charge is calculated as 3.5% of the average capital employed and for 2008/09 amounted to £304,000 (2007/08: £278,000). The increased charge was due to an increase in the average capital employed during 2008/09.

## Financial Position

The carrying value of intangible fixed assets decreased by £23,000 to £339,000 at 31 March 2009 (2007/08: £362,000). Intangible asset additions of £47,000 comprised the purchase of software licences for the Police Authority's payroll system of £38,000 and the purchase of software licenses to access Scotland's criminal justice database of £9,000. Amortisation of £70,000 was charged to the income and expenditure account (2007/08: £50,000).

The carrying value of tangible fixed assets at 31 March 2009 was £2,879,000 (2007/08: £2,537,000). Fixed asset additions in 2008/09 amounted to £1,234,000 and

depreciation of £887,000 was charged to the income and expenditure account (2007/08: £869,000). Fixed asset additions comprised £410,000 for 13 replacement vehicles, £155,000 on plant and machinery for communications, firearms training equipment and other operational equipment, £10,000 for general fixtures and fittings and £63,000 of IT equipment for the replacement of video conferencing equipment and other IT assets. Additions to assets in the course of construction of £596,000 represented costs on IT projects of £347,000, £166,000 on specialist firearms equipment and £83,000 on police control room equipment.

Debtors due after one year amounted to £220,000 (2007/08: £322,000). These balances represented amounts owed by the Police Authority's pension scheme for staff who retired early and housing loans to staff. The Police Authority pays the lump sums to staff who are granted early retirement. These amounts are reimbursed to the Police Authority by the pension scheme when the staff member reaches normal retiring age.

Stock at 31 March 2009 amounted to £1,336,000 (2007/08: £742,000). The increase in stock was due to an increase in ammunition held at the balance sheet date and the purchase of an employee's property as part of a relocation arrangement. Stocks of ammunition have been increased to support planned increases in firearms training in 2008/09 and 2009/10 and the introduction of a new weapons systems and the purchase of ammunition to cover both training and operational deployment requirements. The purchased property has been included

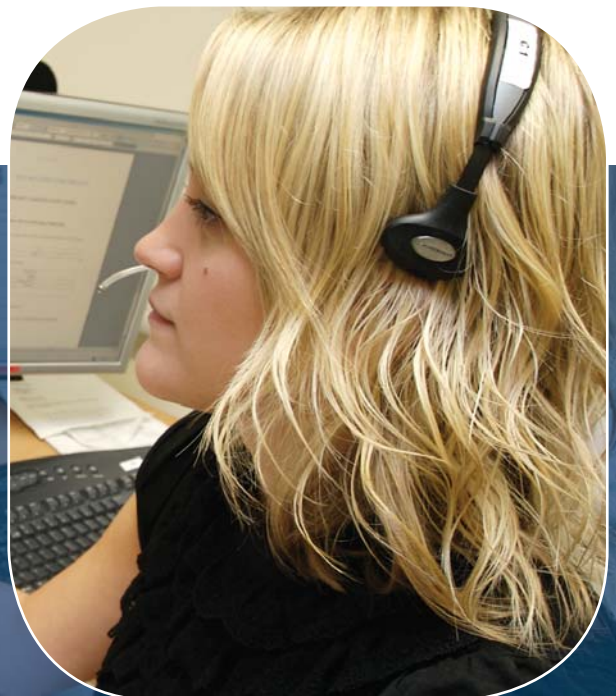
as a current asset in stock and is being marketed with a view to resale in 2009/10.

Provisions for liabilities and charges increased by 25% to £690,000 (2007/08: £554,000). This increase was the net effect of amounts provided for during the year of £312,000, payments made against existing provisions of £175,000 and a release to income and expenditure of £1,000 for unused provisions. Included within the amount provided for during the year is a provision of £240,000 that has been made to cover contractual losses on the purchase of properties from employees. £70,000 of this provision was used to meet contractual losses realised during the year.

Reserves increased by more than 13% at 31 March 2009 to £9,124,000 (2007/08: £8,046,000). This comprised the net effect of an increase in financing of £1,074,000 and an increase in the government grant reserve of £4,000.

### Cash Flows

Net cash outflow from operating activities during 2008/09 was £2,750,000 (2007/08: net cash inflow of £4,000) due to increases in stock holdings and debtors and a reduction in creditors. Interest received on the Police Authority's cash balances amounted to £77,000 (2007/08: £145,000). Payments of £47,000 (2007/08: £222,000) were made to acquire intangible fixed assets, £1,234,000 (2007/08: £842,000) on tangible fixed assets and £nil



(2007/08: £50,000) was received from the sale of tangible fixed assets. The net cash inflow from financing was £1,163,000, which comprised capital grant receipts of £166,000 (2007/08: £144,000), grant-in-aid of £921,000 (2007/08: £1,051,000) and other financing contributions of £76,000 (2007/08: £69,000). This resulted in an overall reduction in cash held in 2008/09 of £2,791,000 (2007/08: increase of £399,000).

The Police Authority maintains sufficient cash balances to ensure that funds are available to meet payments as and when they fall due. The Police Authority banks with the Royal Bank of Scotland Plc. It increased its overdraft facility to £2.4 million during the year to mitigate the risk that, due to the timing of receipts and payments, it was unable to meet its liabilities as and when they fell due. The overdraft facility was not used during the year ended 31 March 2009. Surplus funds are transferred daily to an interest earning account. This interest is paid quarterly to the Police Authority and is treated as a receipt from an Exchequer source and is credited to Financing on the Police Authority Balance Sheet. The Police Authority's Financial Memorandum allows it either to use interest receivable to finance additional expenditure, leading to a commensurate reduction in capital grant, or surrender it to the Consolidated Fund via DECC.

The Police Authority recovers the full cost from SLCs. SLCs pay two months in arrears and the Police Authority pays its creditors up to one month in arrears. There is a funding gap between payments to creditors and receipts from SLCs. The former Department of Trade and Industry

provided working capital of £6 million on start up, which was commuted to grant-in-aid. This is used to fund timing differences between receipts from SLCs and payments to creditors.

### Resource Availability

The Authority has approved a revenue expenditure budget of £57.4 million for 2009/10. This represents an increase of nearly 11% on the approved budget of £51.8 million for 2008/09. The Authority also approved a capital expenditure budget for 2009/10 of £2.1 million (2008/09: £3.0 million). The capital expenditure budget will be used to fund the following high value capital purchases: replacement vehicles, police control room equipment, phase two of the Police Authority's new IT network and a modular building for firearms training instructors.

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

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



## Significant Accounting Policies

### Financial Instruments

The financial instruments standards (FRS 25 on presentation, FRS 26 on recognition and measurement and FRS 29 on disclosure) are applicable from 1 April 2008 and have been applied to the 2008/09 financial statements. Information on the financial risk management objectives and policies of the Police Authority and its exposure to credit risk, liquidity risk and market risk is disclosed in note 19 to the financial statements.

### International Financial Reporting Standards

International Financial Reporting Standards (IFRS) are to be implemented in the central government sector from 2009/10. To assist with the successful implementation of IFRS, HM Treasury announced four Trigger Points, with key dates and activities, that reporting entities should follow in moving to IFRS. These Trigger Points also included targets for the implementation of the financial instruments' standards. Trigger Point 1 required the re-statement of balance sheet balances as at 31 March 2008 under IFRS and assessment of the impact of FRS 26. The deadline for the completion of the first trigger point was 30 September 2008. The Police Authority completed the Trigger Point 1 action, which has been reviewed by the NAO.

The Police Authority's 2008/09 financial statements have continued to apply UKGAAP. As part of Trigger Point 3, the Police Authority will prepare shadow 2008/09 IFRS-based financial statements. These will be submitted to the NAO for review by 10 September 2009. IFRS will be applied in full from 2009/10.

### Key Stakeholders

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

- Airwave Solutions Limited
- Association of Chief Police Officers
- Association of Police Authorities
- Chiltern Transport Consortium
- Department for Business, Enterprise and Regulatory Reform
- Department of Energy and Climate Change
- Employee and employer organisations
- Her Majesty's Inspectorate of Constabulary
- Local communities
- Logica Plc

- Nuclear Decommissioning Authority
- Office for Civil Nuclear Security
- Office for Security and Counter Terrorism
- Site Licence Companies

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

### Policies

The Police Authority's policies on community engagement and environmental matters and the extent to which they have been successfully implemented are included in the Summary of Performance on pages 8 to 27.

### Employees

The average number of employees and details of employment costs are set out in note 5 to the financial statements. The Police Authority's policies on employees and the extent to which policies have been successfully implemented are included in the Summary of Performance on pages 8 to 27. Sickness absence data and actions to develop the provision of information to, and consultations with, employees are provided in the Summary of Performance on pages 8 to 27.

### Key Performance Indicators (KPIs)

Performance against the Police Authority's 2008/09 KPIs is included in the Summary of Performance on pages 8 to 27.

### Personal Data Related Incidents

There were no personal data related incidents formally reported to the Information Commissioners Office during 2008/09. There were two incidents recorded by the Police Authority in 2008/09 and these did not require to be reported to the Information Commissioners Office. Both incidents were reviewed and managed in accordance with the Constabulary's policy and procedures.

### Accounts Direction

An Accounts Direction has been provided by the Secretary of State for Energy and Climate Change, with



the approval of HM Treasury, and in accordance with Schedule 10 of the Energy Act 2004.

### Financial Risk Management

Information on the financial risk management objectives and policies of the Police Authority and its exposure to credit risk, liquidity risk and market risk is disclosed in note 19 to the financial statements.

### Post Balance Sheet Events

Post balance sheet events are disclosed in note 22 to the financial statements.

### Payment of Suppliers

The Police Authority complies with the British Standard for Achieving Good Payment Performance in Commercial Transactions (BS 7890), and with the Late Payment of Commercial Debts (Interest) Act 1998 as amended. The Police Authority's policy is to pay its suppliers within contracted payment terms or, without specifically agreed terms, within 30 days of receiving a valid invoice. In 2008/09, the Police Authority paid 91% of its invoices on time (2007/08: 92%).

The Police Authority, in line with other public sector organisations, has sought to comply with the Prime Minister's commitment to speed up the payment process and pay suppliers within 10 working days from receipt of a valid invoice. The Police Authority introduced its faster payment policy on all supplier invoices from 1 November 2008. For the 4 months to 31 March 2009, the Police Authority paid 53% of its invoices within 10 working days.

### Pension Arrangements

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

### Auditors

The financial statements have been audited by the Comptroller and Auditor General. The cost of the statutory audit was £44,000 (2007/08: £42,000). The external auditors undertook a review of the IFRS restated opening balance sheet at 1 April 2008 at a cost of £6,000 (2007/08: £nil). The external auditors received no remuneration during the year for the provision of non-audit services.

### Disclosure of Information to Auditors

In accordance with s234ZA of the Companies Act 1985:

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

Richard Thompson  
Chief Constable and Accounting Officer

25 June 2009



# Remuneration Report

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

## **Procedures for Setting Remuneration**

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

### **Membership of the Senior Appointments Committee:**

Melvyn Smith J.P. (Chairman)

Dame Elizabeth Neville

Dr Janet Wilson

## **Statement of Remuneration Policy**

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

### **Fees**

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

### **Salaries and Allowances**

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

### **Benefits in Kind**

The Executive Director and Command Team are entitled to benefits in kind that comprise a fully maintained lease car and private healthcare for themselves and their spouses or partners and dependent children. A cash allowance may be taken in lieu of these benefits.

### **Pensions**

The Executive Director and the Command 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. Police Authority independent members are not members of the CPS or any other Authority-related scheme while operator members make their own pension arrangements through their employers.

## Service Contracts

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

Name	Date of continuous service	Unexpired term at 31 March 2009	Notice period
<b>Police Authority</b>			
Melvyn Smith J.P. Chairman	23 March 2005	–	Contract expired
Matt Sykes <sup>1</sup> British Energy Generation Ltd	1 April 2007	1 year	Not stated
Colin Bayliss <sup>1</sup> UKAEA	28 September 2007	1 year	Not stated
Janet Wilson <sup>1</sup> Nuclear Decommissioning Authority	1 April 2008	1 year	Not stated
Peter Bradley <sup>1</sup> URENCO UK Ltd	1 April 2008	1 year	Not stated
John McNeill Independent Member	23 March 2005	1 year	3 months
Elizabeth Neville Police Advisor to the Police Authority	23 March 2005	3 years	3 months
Fraser Sampson <sup>2</sup> Executive Director	13 July 2006	–	Contract expired
Tony Regan Executive Director	8 September 2008	3 years, 5 months	6 months
<b>Command Team</b>			
Richard Thompson <sup>3</sup> Chief Constable	11 June 2007	3 years, 2 months	6 months
James Smith <sup>4</sup> Deputy Chief Constable	1 January 2006	–	Contract expired
John Sampson Deputy Chief Constable	1 December 2008	4 years, 11 months	6 months
Alan Cooper Assistant Chief Constable	7 January 2008	3 years, 9 months	6 months
Douglas Percival Interim Director of Corporate Services	30 June 2008	4 months	1 month

<sup>1</sup> Matt Sykes, Colin Bayliss, Janet Wilson and Peter Bradley were reappointed for 12 months from 1 April 2009.

<sup>2</sup> Fraser Sampson resigned on 4 July 2008.

<sup>3</sup> Richard Thompson's contract was extended from 3 years to 5 years during the financial year.

<sup>4</sup> James Smith retired on 30 June 2008.

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

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

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

The following information is subject to audit.

## Remuneration

Remuneration payable to Police Authority members, the Executive Director and Command Team in 2008/09 was as follows:

Name	2008/09 Fees £000	2008/09 Salary and allowances £000	2008/09 Benefits in kind <sup>1</sup> £000	2008/09 Total £000	2007/08 Total £000
<b>Police Authority</b>					
Melvyn Smith J.P. (to 31 March 2009) Chairman	25-30	–	–	25-30	25-30
Matt Sykes British Energy Generation Ltd	–	–	–	–	–
Colin Bayliss UKAEA	–	–	–	–	–
Janet Wilson (from 1 April 2008) Nuclear Decommissioning Authority	–	–	–	–	–
Peter Bradley (from 1 April 2008) URENCO UK Ltd	–	–	–	–	–
John McNeill Independent Member	15-20	–	–	15-20	15-20
Elizabeth Neville Police Advisor to the Police Authority	15-20	–	–	15-20	15-20
Fraser Sampson (to 4 July 2008) Executive Director	–	20-25	0.3	20-25	100-105
Tony Regan (from 8 September 2008) <sup>2</sup> Executive Director	80-85	–	–	80-85	–
<b>Command Team</b>					
Richard Thompson Chief Constable	–	130-135	9.6	140-145	105-110
James Smith (to 30 June 2008) <sup>3</sup> Deputy Chief Constable	–	125-130	6.5	135-140	110-115
John Sampson (from 1 December 2008) <sup>4</sup> Deputy Chief Constable	30-35	15-20	0.7	45-50	–
Alan Cooper Assistant Chief Constable	–	95-100	7.8	100-105	20-25
Douglas Percival (from 30 June 2008) <sup>5</sup> Interim Director of Corporate Services	–	85-90	–	85-90	–

<sup>1</sup> Benefits in kind for Richard Thompson, James Smith and Alan Cooper comprised a fully maintained lease car and private healthcare insurance and for Fraser Sampson private healthcare insurance. A cash allowance was paid to Fraser Sampson, John Sampson and Douglas Percival in lieu of a lease car.

<sup>2</sup> Tony Regan is on secondment from the Home Office. No salary, fee or bonus was paid directly to him. Fees represent the amount paid to the Home Office for his services. Mr Regan remained with his Home Office pension scheme.

<sup>3</sup> James Smith retired before his service contract expired. Mr Smith received a compensation payment of £100,000, which is included in Salary and Allowances, use of a lease car to 31 October 2008 and private healthcare insurance to 31 March 2009.

<sup>4</sup> John Sampson was seconded from West Yorkshire Police Authority between 1 December 2008 and 14 February 2009. No salary, fee or bonus was paid directly to him during this period. Fees represent the amount paid to West Yorkshire Police Authority for his services. Mr Sampson remained with his Home Office pension scheme during his period of secondment. From 16 February 2009 Mr Sampson has been employed directly by CNPA where he receives a salary and allowances and is entitled to benefits in kind.

<sup>5</sup> Douglas Percival was not a member of the Combined Pension Scheme and received a cash allowance for contribution to a personal pension scheme.



## 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 2009 and include the value of added years paid for by members of the CPS. Members of the pension scheme have the option to pay Additional Voluntary Contributions; neither the contribution nor the resulting benefits are included in the table below.



Name	Total accrued pension at age 60 at 31 March 2009 and related lump sum £000	Real increase in pension and related lump sum at age 60 £000	Cash equivalent transfer value at 31 March 2009 £000	Cash equivalent transfer value at 31 March 2008 <sup>1</sup> £000	Real increase in cash equivalent transfer value £000
<b>Police Authority</b>					
Fraser Sampson	0-5 plus 5-10 lump sum	0-2.5 plus 0-2.5 lump sum	43	38	5
<b>Command Team</b>					
Richard Thompson	25-30 plus 85-90 lump sum	2.5-5 plus 7.5-10 lump sum	529	483	46
James Smith	0-5 plus 5-10 lump sum	0-2.5 plus 0-2.5 lump sum	76	68	8
John Sampson	0-5 plus 0-5 lump sum	0-2.5 plus 0-2.5 lump sum	3	-	3
Alan Cooper	0-5 plus 0-5 lump sum	0-2.5 plus 2.5-5 lump sum	24	4	20

<sup>1</sup> The cash equivalent transfer values have been restated following the application of new actuarial tables in October 2008.

## Cash Equivalent Transfer Value

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

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

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

include additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

## Real Increase in CETV

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

Richard Thompson  
Chief Constable and Accounting Officer

25 June 2009

# 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 to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Civil Nuclear Police Authority and of its income and expenditure, recognised gains and losses and cash flows for the financial year.**

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

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

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





# Statement on Internal Control

## Scope of Responsibility

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

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

The Management Statement and Financial Memorandum (originally agreed between the Police Authority and the then Department of Trade and Industry) is sponsored by the Department of Energy and Climate Change (DECC) who define the Authority's accountability and reporting arrangements to the Minister. Through it, the DECC Accounting Officer designates the Chief Constable of the Civil Nuclear Constabulary as the Police Authority's Accounting Officer.

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

department and notifies Authority members and myself of developments as appropriate. In addition, Police Authority meetings are regularly attended by representatives of DECC and OCNS who observe.

## The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of departmental policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Police Authority for the year ended 31 March 2009 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

## Capacity to Handle Risk

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

### 1. Leadership

- As Chief Constable, I am committed to ensuring that a system of risk management is maintained to inform decisions on business, financial and operational planning and to assist in shaping objectives and targets. This commitment is shared by Authority members;
- The Authority's Audit and Risk Management Committee scrutinises the management of key risks within the Constabulary and has developed its own strategic risk register.

- The National Intelligence Model (NIM) Groups are chaired by members of the Command Team; and
- Constabulary senior management review performance against objectives and collate and report key performance indicators to the Police Authority.

## 2. Training and Guidance

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

## The Risk and Control Framework

The Authority adopted a risk management framework in September 2005 which was revised during 2008. The framework provides a foundation for developing a risk management culture covering both operational and strategic business risks. Operational risk identification and mitigation strategies have been developed through this approach.

The Authority's Audit and Risk Management Committee reviews strategic business risks on a quarterly basis and reports them to the Police Authority. Major risks on the risk register are also reviewed by the NIM Groups on a monthly basis. The input of stakeholders in the

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

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

The Constabulary continues to undertake major projects using its Project Management Methodology (PMM); based upon PRINCE2 and tailored to suit the Constabulary's requirements. The PMM has regard to risk, with risks being reported to the NIM Group.

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



The framework for internal control comprises:

### 1. Corporate Governance Framework

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

### 2. Planning Framework

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

The Annual Report includes Key Performance Indicators (KPIs) and departmental plans. The Constabulary uses a traffic light system to aid its management of departmental plans and KPIs using the indicators of performance described on page 14. The traffic light system is used to highlight progress and raise issues with departmental plans reported to the NIM Groups on a monthly basis and KPIs reported to the Police Authority on a quarterly basis.

### 3. Financial Management Framework

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

- Management Statement and Financial Memorandum;
- Revenue and capital expenditure budgets;
- Quarterly forecasts of expenditure;
- Monthly management accounts;
- Internal audit;
- Finance manual; and
- Schedule of delegated authority.

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

### 4. Performance Management Framework

The Constabulary monitors its performance by holding individuals to account for specific responsibilities,

which may be for a particular organisational unit, group or a specific personal accountability. The review mechanisms include:

- Performance data gathering and analysis;
- Performance review meetings for Operational Policing Units and corporate departments;
- Departmental meetings reviewing performance;
- Individual performance appraisal/development reviews;
- Review meetings between departmental heads and the Command Team;
- Review meetings between BCU Commanders and the Command Team; and
- Command Team board meetings.

### 5. Insurance

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

### 6. Security and Information Management

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

The Constabulary has nominated the Deputy Chief Constable as the organisation's Senior Information Risk Owner. This role will be further developed during 2009/10.

Security incidents are managed through a formal review process either through a dedicated group or the Professional Standards Department.

The IT and Communications Department has completed a programme of encryption of hardware and USB devices during 2008/09.

## Review of Effectiveness

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

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

### 1. The Police Authority

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

### 2. The Audit and Risk Management Committee

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

### 3. Risk Management

I, in my capacity as Chief Constable, hold responsibility for the risks albeit that day-to-day management is delegated. The tracking and review of risks is undertaken by the risk owner with updates reviewed by the Programme Manager.

The Constabulary's risk management system has been further developed during the year to include trend information in reports. A training 'roadshow' for managers was developed and training has commenced and will continue to be provided during 2009.

Responsibility for developing and monitoring the risk management framework, including the maintenance of the risk register and the subsequent tracking of actions to treat the risks identified, is delegated to the Constabulary's Programme Manager.

KPMG LLP has provided an internal audit service which has complied with Government Internal Audit Standards (GIAS) throughout the year. KPMG LLP have reviewed both the Police Authority and Constabulary's systems in accordance with the 2008/09 Internal Audit Plan and have based their opinion upon the work undertaken for the 12 months ending 31 March 2009. KPMG LLP have confirmed that they were satisfied that sufficient internal audit work had been undertaken to allow them to draw a reasonable conclusion as to the adequacy and effectiveness of both the Authority's and Constabulary's risk management, control and governance processes. In their opinion both the Authority and Constabulary have adequate and effective risk management, control and governance processes to manage the achievement of its objectives. KPMG LLP did identify a number of opportunities for improving controls and procedures for future improvement and these have been responded to positively and are being addressed.

I am satisfied that all significant risks are being managed and reported appropriately.

The Programme Manager is also involved with the meetings of the Government's own Risk Improvements Managers Network. This links into the Permanent Secretaries Management Group Sub-Committee on Risk.

### 4. Internal Audit

The Police Authority re-appointed accountants, KPMG LLP, in 2008/09 to carry out internal audits in line with GIAS. The internal audit plans are informed by the Authority's risk profile, and by the work of other review mechanisms. These plans are reviewed for effectiveness and synergy with other audit activity. The Audit and Risk Management Committee approves the Internal Audit programme. Where Internal Audit identifies any control issues, the relevant head of department is responsible for drawing up a

management action plan in response to the issues identified. KPMG LLP rated the risk management system as satisfactory against public sector guidelines and best practice and noted the progress that had been made with the recommendations from the previous year.

Opportunities for improvement were identified during these reviews and action plans are being drawn up to take these forward. Progress towards addressing all issues raised by Internal Audit is monitored internally and regular progress reports will be provided to the Audit and Risk Management Committee.

#### 5. Internal Inspection

The new internal inspection process introduced during 2007/08 has been implemented using the methodology followed by HMIC to inspect police services. The internal inspection programme has progressed significantly within all BCUs including Self Assessment, Reality Checks and Inspection Activity. Areas for improvement were identified; the majority have been addressed with the remainder being tracked to ensure completion within agreed timescales.

The process has been subject to a review by KPMG LLP and an overall satisfactory rating was achieved. Recommendations for future improvement work have been made and are being progressed.

The Internal Inspection programme will be developed to incorporate departmental inspections during 2009/10. These inspections will include follow up of the actions from the previous quality audit programme.

#### 6. Professional Standards Department

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

The department has not reported any significant security breaches, however learning and development for both the individual and the organisation had been provided for some minor incidents that were reported during the reporting period.



#### 7. Command Team

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

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

HMIC have undertaken inspection activity within the reporting period reviewing; Firearms Ballistic Capability; Firearms Training; Performance Management; Civil Contingencies; Critical Incidents and Public Order. Work has also continued on the areas for improvement resulting from the inspections that took place in 2006/07.

Progress in completing actions, which result from the above reviews, are logged on the Constabulary Tracker database and regular reviews of actions are performed to ensure timely completion.

#### 9. Security and Information Management

There have been no significant security breaches during the reporting period. Minor incidents which occur in the year have been appropriately reviewed and managed in accordance with Constabulary policy/procedure.

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

Richard Thompson  
Chief Constable and Accounting Officer

25 June 2009

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

**I certify that I have audited the financial statements of the Civil Nuclear Police Authority for the year ended 31 March 2009 under the Energy Act 2004. These comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.**

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

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

My responsibility is to audit the financial statements and the part of the Remuneration Report to be audited in accordance

with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

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

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

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

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my report if I become aware of any apparent misstatements



or material inconsistencies with the financial statements. This information comprises the Chairman's Statement, Chief Constable's Foreword, Summary of Performance and the unaudited part of the Remuneration Report. My responsibilities do not extend to any other information.

### **Basis of audit opinions**

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

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

### **Opinions**

In my opinion:

- the financial statements give a true and fair view, in accordance with the Energy Act 2004 and directions made thereunder by the Secretary of State for Energy and Climate Change, of the state of the Civil Nuclear Police Authority's affairs as at 31 March 2009 and of its surplus and cash flows for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Energy Act 2004 and Secretary of State for Energy and Climate Change directions made thereunder; and
- the information, which comprises the Civil Nuclear Police Authority and Management Commentary, included within the Annual Report, is consistent with the financial statements.

### **Opinion on Regularity**

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

### **Report**

I have no observations to make on these financial statements.

#### **Amyas C E Morse**

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

30 June 2009

# Income & Expenditure Account

For the year ended 31 March 2009

	Notes	2008/09 £000	2007/08 £000
<b>Income</b>	<b>2</b>	<b>52,341</b>	<b>48,304</b>
<b>Expenditure</b>	<b>3</b>	<b>(52,339)</b>	<b>(48,304)</b>
<b>Operating surplus</b>	<b>4</b>	<b>2</b>	<b>-</b>
(Loss)/profit on disposal of fixed assets		(2)	4
<b>Surplus on ordinary activities before interest</b>		<b>-</b>	<b>4</b>
Interest receivable		77	145
Interest payable		(77)	(145)
Notional cost of capital	1.9	(304)	(278)
<b>Deficit on ordinary activities</b>		<b>(304)</b>	<b>(274)</b>
Reversal of notional cost of capital	1.9	304	278
<b>Retained surplus for the year</b>		<b>-</b>	<b>4</b>

All operations are continuing.

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

The notes on pages 49 to 61 form part of these financial statements.

# Balance Sheet

As at 31 March 2009

	Notes	2008/09 £000	2007/08 £000
<b>Fixed assets</b>			
Intangible assets	7	339	362
Tangible assets	8	2,879	2,537
		<b>3,218</b>	<b>2,899</b>
<b>Debtors: amounts falling due after more than one year</b>			
	9	<b>220</b>	<b>322</b>
<b>Current assets</b>			
Stock	10	1,336	742
Debtors	9	6,547	5,443
Cash at bank and in hand		2,290	5,081
		<b>10,173</b>	<b>11,266</b>
<b>Creditors: amounts falling due within one year</b>			
	11	<b>(3,797)</b>	<b>(5,887)</b>
<b>Net current assets</b>			
		6,376	5,379
<b>Total assets less current liabilities</b>			
		<b>9,814</b>	<b>8,600</b>
Provisions for liabilities and charges			
	12	(690)	(554)
		<b>9,124</b>	<b>8,046</b>
<b>Reserves</b>			
Financing	13	8,648	7,574
Government grant reserve	13	476	472
		<b>9,124</b>	<b>8,046</b>

The notes on pages 49 to 61 form part of these financial statements.



Richard Thompson  
Chief Constable and Accounting Officer

25 June 2009

# Cash Flow Statement

For the year ended 31 March 2009

	Notes	2008/09 £000	2007/08 £000
<b>Net cash (outflow)/inflow from operating activities</b>	14	<b>(2,750)</b>	<b>4</b>
<b>Returns on investment and servicing of finance</b>			
Interest received		77	145
<b>Net cash inflow from investment and servicing of finance</b>		<b>77</b>	<b>145</b>
<b>Capital expenditure</b>			
Payments to acquire intangible fixed assets		(47)	(222)
Payments to acquire tangible fixed assets		(1,234)	(842)
Receipts from sales of tangible fixed assets		–	50
<b>Net cash outflow from capital expenditure</b>		<b>(1,281)</b>	<b>(1,014)</b>
<b>Financing</b>			
Capital grant receipts	13	166	144
Grant-in-aid receipts	13	921	1,051
Other financing contributions	13	76	69
<b>Net cash inflow from financing</b>		<b>1,163</b>	<b>1,264</b>
<b>(Decrease)/increase in cash in the period</b>	<b>15</b>	<b>(2,791)</b>	<b>399</b>

The notes on pages 49 to 61 form part of these financial statements.

# Notes to the Accounts

## 1. Statement of Accounting Policies

These financial statements have been prepared in accordance with the Accounts Direction issued by the Secretary of State for Energy and Climate Change in accordance with Schedule 10 of the Energy Act 2004 and the 2008/09 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in FReM follow UK Generally Accepted Accounting Practice for companies (UK GAAP) to the extent that it is meaningful and appropriate to the public sector.

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

### 1.1 Basis of Accounting

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

### 1.2 Intangible Assets

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

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

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

### 1.3 Tangible Fixed Assets

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

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

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

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

### 1.4 Income Recognition

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

### 1.5 Taxation

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

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

## 1.6 Pensions

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

## 1.7 Provisions and Contingent Liabilities

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

Provisions are measured at the best estimate of the expenditure required to settle the obligation at the balance sheet date, and are discounted to present value where the effect is material.

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

## 1.8 Grant-in-Aid and Capital Grants

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

Capital grants for the purchase of fixed assets are credited to the government grant reserve and released to the income and expenditure account over the expected useful economic lives of the assets in amounts equal to the depreciation charge.

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

## 1.9 Notional Cost of Capital

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

## 1.10 Operating Leases

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

## 1.11 Foreign Currencies

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

## 1.12 Stock

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

## 1.13 Financial Instruments

### Cash and cash equivalents

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

### Trade and other debtors

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

### Trade and other creditors

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

## 2. Income

The Police Authority is expected to recover its full operating costs each year. Income of £52,341,000 for the year ended 31 March 2009 (2007/08: £48,304,000) represents a re-charge of running costs to nuclear operating companies of £52,031,000 (2007/08: £48,130,000) and miscellaneous income of £310,000 (2007/08: £174,000). Income arose wholly in the United Kingdom and all activities are regarded as continuing.

### 3. Expenditure

	Notes	2008/09 £000	2007/08 £000
<b>Staff costs</b>	5	<b>41,239</b>	<b>38,114</b>
<b>External charges</b>			
Subsistence		721	845
Car hire		276	255
Mileage allowance		202	247
Other travel and subsistence costs		233	266
Rent		678	713
Telecommunications		741	701
IT support charges		680	686
Training costs		376	533
Professional services		526	472
Course fees		506	341
Insurance		274	223
Repairs and maintenance		551	382
Relocation		459	512
Recruitment		351	184
Other external charges		1,349	1,204
<b>Total external charges</b>		<b>7,923</b>	<b>7,564</b>
<b>Operating materials</b>			
Motor fuel		236	183
Weapons		90	236
IT Equipment		167	193
Stores withdrawals		913	710
Other operating materials		585	237
<b>Total operating materials</b>		<b>1,991</b>	<b>1,559</b>
<b>Other operating charges</b>		<b>77</b>	<b>204</b>
<b>Non-cash items</b>			
Amortisation of intangible assets	7	70	50
Depreciation	8	887	869
Capital grants	14	(159)	(239)
Provisions provided for in year	12	312	206
Provisions released to income and expenditure account	12	(1)	(23)
<b>Total non-cash items</b>		<b>1,109</b>	<b>863</b>
		<b>52,339</b>	<b>48,304</b>

The format of Note 3 has changed in 2008/09 and recruitment charges, which include advertising for staff, have been identified separately from other external charges to improve understanding. Range fees have been re-classified and transferred from other operating materials to other external charges.

Rent includes £224,000 (2007/08: £247,000) for payments made to UKAEA for lease of the Constabulary's headquarters at Culham, £352,000 (2007/08: £360,000) for payments for rental of the Constabulary Training Centre at Summergrove, Cumbria and £64,000 (2007/08: £65,000) for lease of the Police Authority's headquarters at Hinton House.

Other external charges includes £78,000 (2007/08: £165,000) for payments under service level agreements, £92,000 (2007/08: £130,000) for site support charges, £88,000 (2007/08: £104,000) for legal fees, £179,000 (2007/08: £111,000) for OCNS charges and £65,000 (2007/08: £55,000) for range fees.

Other operating materials includes £91,000 (2007/08: £62,000) for stationery, £112,000 (2007/08: £174,000) for the purchase of non-capital equipment £117,000 (2007/08: £116,000) for firearms spares and supplies, £51,000 (2007/08: £49,000) for dog related expenditure, £47,000 (2007/08: £22,000) for electricity charges and £31,000 (2007/08: £nil) for stock items written off due to obsolescence.

#### 4. Operating Surplus is After Charging:

	Notes	2008/09 £000	2007/08 £000
Operating lease rentals	17		
Hire of plant and machinery		54	33
Other operating leases		288	330
Provision for contractual losses	12	240	10
Auditors' remuneration			
Audit fees		44	42
Payments to auditors for other audit services		6	–
Payments to other auditors for internal audit services		67	35

An exceptional charge has been included in expenditure of £240,000 (2007/08: £10,000) for the provision of contractual losses on the sale of domestic properties owned by members of staff who are relocated by the Police Authority. This provision covers specific losses where the Police Authority is obliged, under the terms of its relocation policy, to meet any shortfall in the sale proceeds received by staff and a selling price guaranteed by the Police Authority for their properties. Due to a decline in property values over the last 18 months, the proceeds realised or expected to be realised on sale have been lower than the guaranteed selling prices.

#### 5. Staff Costs

	Permanently employed staff	Temporary and agency staff	Total
	2008/09 £000	2008/09 £000	2008/09 £000
Wages and salaries	32,595	761	33,356
Social security costs	2,714	80	2,794
Other pension costs	4,301	76	4,377
Agency staff	–	712	712
<b>Sub-total</b>	<b>39,610</b>	<b>1,629</b>	<b>41,239</b>
Less costs recovered in respect of outward secondments	(53)	–	(53)
<b>Total staff costs</b>	<b>39,557</b>	<b>1,629</b>	<b>41,186</b>

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

Staff costs of £108,000 (2007/08: £54,000) have been capitalised and included within assets in the course of construction.



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

	Permanently employed staff	Temporary and agency staff	Total
	2008/09	2008/09	2008/09
Police staff	85	35	120
Police officers	771	3	774
<b>Total average staff numbers</b>	<b>856</b>	<b>38</b>	<b>894</b>
	Permanently employed staff	Temporary and agency staff	Total
	2007/08	2007/08	2007/08
Police staff	79	28	107
Police officers	750	4	754
<b>Total average staff numbers</b>	<b>829</b>	<b>32</b>	<b>861</b>

## 6. Pension Costs

All employees of the Police Authority are eligible to be members of the Combined Pension Scheme (CPS) of the United Kingdom Atomic Energy Authority (UKAEA) for the year ended 31 March 2009. 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 DECC. Contributions made to the scheme are used to meet the payment of scheme benefits. Any surplus of contributions over payments is surrendered to HM Government via the Consolidated Fund. Any deficit is met by Parliamentary Vote with payment from the Consolidated Fund. The Government does not maintain a separate fund to provide for the scheme's future liabilities and future benefits will be paid out of the Consolidated Fund to the extent that, at the time of payment, benefits exceed contributions and Parliament votes the necessary funds.

With effect from 1 April 2006, the methodology to assess the employer contributions to the CPS changed. From that date, employer contributions are set using the Superannuation Contributions Adjusted for Past Experience (SCAPE) methodology established by HM Treasury having regard to the advice of the scheme actuary (the Government Actuary). Under the SCAPE methodology, the employer contribution from the Police Authority effective from 1 April 2006 was established at 16.2% of pensionable earnings. This rate is expected to continue throughout the 2009/10 scheme year.

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

## 7. Intangible Assets

	Software licences
	£000
<b>Cost or valuation</b>	
At 1 April 2008	424
Additions	47
<b>At 31 March 2009</b>	<b>471</b>
<b>Amortisation</b>	
At 1 April 2008	62
Charge for the year	70
<b>At 31 March 2009</b>	<b>132</b>
<b>Net book value</b>	
<b>At 31 March 2009</b>	<b>339</b>
At 1 April 2008	362

## 8. Tangible Fixed Assets

	Vehicles	Plant and machinery	Fixtures and fittings	IT equipment	Assets in the course of construction	Total
	£000	£000	£000	£000	£000	£000
<b>Cost or valuation</b>						
At 1 April 2008	2,490	644	245	788	238	<b>4,405</b>
Additions	410	155	10	63	596	<b>1,234</b>
Disposals	(168)	–	–	(50)	–	<b>(218)</b>
<b>At 31 March 2009</b>	<b>2,732</b>	<b>799</b>	<b>255</b>	<b>801</b>	<b>834</b>	<b>5,421</b>
<b>Accumulated depreciation</b>						
At 1 April 2008	1,205	200	76	387	–	<b>1,868</b>
Charge for the year	573	115	41	158	–	<b>887</b>
Disposals	(163)	–	–	(50)	–	<b>(213)</b>
<b>At 31 March 2009</b>	<b>1,615</b>	<b>315</b>	<b>117</b>	<b>495</b>	<b>–</b>	<b>2,542</b>
<b>Net book value</b>						
<b>At 31 March 2009</b>	<b>1,117</b>	<b>484</b>	<b>138</b>	<b>306</b>	<b>834</b>	<b>2,879</b>
At 1 April 2008	1,285	444	169	401	238	<b>2,537</b>

Assets in the course of construction represent assets that are incomplete or not yet in productive use by the Police Authority. At 31 March 2009 this related to £441,000 incurred on a new IT network, £310,000 on specialist firearms equipment and £83,000 on police control room equipment.

## 9. Debtors

### 9(a) Analysis by type

	2008/09	2007/08
	£000	£000
<b>Amounts falling due within one year:</b>		
Trade debtors	6,293	5,234
Early departure debtors due from pension scheme	48	–
Prepayments and accrued income	107	152
Other debtors	99	57
	<b>6,547</b>	<b>5,443</b>
<b>Amounts falling due after one year:</b>		
Early departure debtors due from pension scheme	178	256
Other debtors	42	66
	<b>220</b>	<b>322</b>

**9(b) Intra-government balances**

	2008/09 £000	2007/08 £000
<b>Amounts falling due within one year:</b>		
Balances with other central government bodies	1,062	1,097
Balances with public corporations and trading funds	1,597	3,952
Balances with Scottish local government	–	9
Intra-government balances	2,659	5,058
Balances with bodies external to government	3,888	385
<b>Total debtors at 31 March</b>	<b>6,547</b>	<b>5,443</b>
<b>Amounts falling due after one year:</b>		
Balances with other central government bodies	178	256
Intra-government balances	178	256
Balances with bodies external to government	42	66
<b>Total debtors at 31 March</b>	<b>220</b>	<b>322</b>

**10. Stock**

	2008/09 £000	2007/08 £000
Clothing	263	315
Ammunition	702	305
Domestic property	135	–
Other stock items	236	122
	<b>1,336</b>	<b>742</b>

During the reporting period the Police Authority purchased a domestic property from an employee for £145,000 as part of a relocation arrangement. The carrying value of the property has been reduced by £10,000 to its estimated net realisable value at the balance sheet date of £135,000. The Police Authority is marketing the property with a view to resale in 2009/10 and has classified it as a current asset within stock.

**11. Creditors****11(a) Analysis by type**

	2008/09 £000	2007/08 £000
Trade creditors	17	440
Other taxation and social security	925	875
Accruals and deferred income	2,282	3,749
Other creditors	573	823
	<b>3,797</b>	<b>5,887</b>

Other creditors includes £490,000 (2007/08: £464,000) for payments due to the Combined Pension Scheme for employee and employer contributions due in 2009/10 and £47,000 (2007/08: £357,000) relating to payments received to fund the purchase of specialist firearms and equipment.

## 11(b) Intra-government balances

	2008/09 £000	2007/08 £000
<b>Amounts falling due within one year:</b>		
Balances with other central government bodies	1,897	1,730
Balances with English local government	118	122
Balances with Welsh local government	8	89
Balances with Scottish local government	–	35
Balances with public corporations and trading funds	358	742
Intra-government balances	2,381	2,718
Balances with bodies external to government	1,416	3,169
<b>Total creditors at 31 March</b>	<b>3,797</b>	<b>5,887</b>

## 12. Provisions for Liabilities and Charges

	Insurance claims £000	Dilapidations £000	Early departure costs £000	Contractual losses £000	Total £000
At 1 April 2008	34	167	343	10	554
Provided in the year	41	6	25	240	312
Utilised in the year	(13)	–	(85)	(77)	(175)
Released to income and expenditure account in year	(1)	–	–	–	(1)
<b>At 31 March 2009</b>	<b>61</b>	<b>173</b>	<b>283</b>	<b>173</b>	<b>690</b>
<b>Expected timings of cash flows</b>					
Within one year	31	–	72	173	276
Between two and five years	25	–	211	–	237
After five years	5	173	–	–	178
	<b>61</b>	<b>173</b>	<b>283</b>	<b>173</b>	<b>690</b>

### Insurance claims

A provision has been included for five new insurance claims to a maximum of the insurance excess. Of the five claims open at 1 April 2008 the provision is unchanged for three and the remaining two have been utilised or released during the reporting period.

### Dilapidations

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

### Early departure costs

This provision has been made to cover pension payments to former members of staff who have retired early. These payments continue until the date at which the staff member would have reached normal retirement age. 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 at the higher of the annual rise in the Retail Prices Index (RPI) to the previous September and 2.5%. Forecast RPI for has been taken from the Pre-budget Report published in November by HM Treasury.

**Contractual losses**

This provision covers contractual losses on the sale of domestic properties owned by members of staff who are relocated by the Police Authority. The Police Authority is obliged, under the terms of its relocation policy, to meet any shortfall in the sale proceeds received by staff and a selling price guaranteed by the Police Authority for their properties. Due to a decline in property values over the last 18 months, the proceeds realised or expected to be realised on sale have been lower than the guaranteed selling prices. The contractual loss has been estimated as the difference between the guaranteed selling price and the current market value of the property at the balance sheet date. The properties are being marketed for sale and it is anticipated that they will be sold in 2009/10, either to a third party, or purchased by the Police Authority. Payment of the difference between the sale proceeds and guaranteed selling price will occur either on completion of the sale to a third party, or on purchase by the Police Authority.

**13. Reserves**

	Financing £000	Government grant reserve £000
At 1 April 2008	7,574	472
Released to income and expenditure account	–	(159)
Released on disposal of fixed assets	–	(3)
Capital grant received	–	166
Grant-in-aid received	921	–
Other financing contributions	153	–
<b>At 31 March 2009</b>	<b>8,648</b>	<b>476</b>

Other financing contributions comprised £77,000 (2007/08: £145,000) of interest earned on the Police Authority's bank accounts, £76,000 (2007/08: £69,000) from charges made to operating companies to finance fixed asset purchases and receipts of £nil (2007/08: £30,000) from the disposal of grant-funded assets. Other financing contributions are payable to DECC and, by agreement with DECC, included within financing.

**14. Reconciliation of Operating Surplus to Net Cash Flow from Operating Activities**

	2008/09 £000	2007/08 £000
Operating surplus	2	–
Amortisation of intangible fixed assets	70	50
Depreciation of tangible fixed assets	887	869
Capital grant released	(159)	(239)
Increase in provisions for liabilities and charges	136	86
Increase in stocks	(594)	(394)
(Increase)/decrease in debtors	(1,002)	65
(Decrease) in creditors	(2,090)	(433)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(2,750)</b>	<b>4</b>

Operating surplus is after an exceptional charge of £240,000 for provision of contractual losses on the sale of domestic properties owned by members of staff who are relocated by the Police Authority (see note 4). Cash outflows from the payment of these contractual losses amounted to £69,000 in 2008/09. The balancing payments of £171,000 are expected to be made in 2009/10.

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

£000

<b>Decrease in cash in the period</b>	<b>(2,791)</b>
Net funds at 1 April 2008	5,081
Net funds at 31 March 2009	2,290

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

## 16. Capital Commitments

Capital commitments authorised and contracted for but not provided at 31 March 2009 were £566,000 (2007/08: £56,000). This comprised of £258,000 for the acquisition of a new IT network, £293,000 for police control room equipment and £15,000 for the refurbishment of leasehold facilities.

## 17. Operating Lease Commitments

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

	<b>Land and buildings 2008/09 £000</b>	<b>Other operating leases 2008/09 £000</b>	<b>Land and buildings 2007/08 £000</b>	<b>Other operating leases 2007/08 £000</b>
Expiry within one year	-	9	-	15
Expiry between two and five years	282	22	291	28
Expiry after five years	-	-	-	-
	<b>282</b>	<b>31</b>	<b>291</b>	<b>43</b>

## 18. Other Financial Commitments

The Police Authority has entered into contracts for access to the Airwave communication network. The payments to which the Authority is committed during 2009/10, analysed by the period during which the commitment expires, are as follows:

	<b>2008/09 £000</b>
Expiry within one year	63
Expiry between two and five years	45
Expiry after five years	350
	<b>458</b>

## 19. Financial Instruments

The Police Authority has exposure to the following risks from its use of financial instruments.

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

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

### Credit risk

Credit risk is the risk of financial loss to the Police Authority if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises from the Police Authority'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 balance sheet date was:

<b>Loans and other receivables</b>	<b>2008/09</b>	<b>2007/08</b>
	£000	£000
Total debtors (excluding prepayments)	6,660	5,623
Cash at bank and in hand	2,290	5,081
	<b>8,950</b>	<b>10,704</b>

Credit risk for debtors at the reporting date was wholly in relation to the United Kingdom. The Police Authority's exposure is concentrated among a small number of customers. No collateral or other credit enhancements is held as security over the recoverability of these balances. The Police Authority expects its debtor balances to be recovered in full due to 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.

An analysis of total debtors (excluding prepayments) including those which are past due but not impaired is set out below:

	<b>2008/09</b>	<b>2007/08</b>
	£000	£000
Not past due	5,023	4,913
Past due less than 1 month	774	710
Between 1 and 2 months	863	–
	<b>6,660</b>	<b>5,623</b>

No debtor balances were considered impaired at the balance sheet date. There are no debtors that would otherwise be past due or impaired whose terms have been renegotiated.

**Liquidity risk**

Liquidity risk is the risk that the Police Authority will not be able to meet its financial obligations as they fall due. The following are the contractual maturities of financial liabilities at the balance sheet date:

<b>At 31 March 2009</b>	<b>Within 1 month</b>	<b>Between 1 and 3 months</b>	<b>Between 3 and 12 months</b>	<b>Total contractual maturity</b>
	£000	£000	£000	£000
Trade creditors	17	–	–	17
Accrued expenses	–	2,037	–	2,037
Other creditors	573	–	–	573
	<b>590</b>	<b>2,037</b>	<b>–</b>	<b>2,627</b>

<b>At 31 March 2008</b>	<b>Within 1 month</b>	<b>Between 1 and 3 months</b>	<b>Between 3 and 12 months</b>	<b>Total contractual maturity</b>
	£000	£000	£000	£000
Trade creditors	440	–	–	440
Accrued expenses	–	3,344	–	3,344
Other creditors	823	–	–	823
	<b>1,263</b>	<b>3,344</b>	<b>–</b>	<b>4,607</b>

The former Department of Trade and Industry provided working capital of £6 million when the Police Authority was established. This is used to fund timing differences between receipts from customers and payments to creditors. In addition, the Police Authority has an overdraft facility of £2.4 million by the Royal Bank of Scotland, 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 Police Authority's income or the value of its holdings of financial instruments. Market risk comprises currency risk, interest rate risk and other price risk. The Police Authority's exposure to these components of market risk is described below:

#### Currency risk

The foreign currency risk to the Police Authority is minimal as very little trading is done except in sterling and all sales invoices are raised in sterling. All material monetary assets and liabilities are held in sterling, so the Police Authority 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 Police Authority had no significant interest rate risk.

#### Other price risk

The Police Authority had no significant other price risk.

### Carrying amount and fair value of financial assets and liabilities

An analysis of the carrying value and fair values at 31 March, by category and by class, of financial assets and liabilities is set out below:

At 31 March 2009	Loans and receivables £000	Other financial liabilities £000	Total carrying amount £000	Total fair value £000
<b>Financial assets</b>				
Trade debtors	6,293	–	6,293	6,293
Early departure debtors	226	–	226	226
Other debtors	141	–	141	141
Cash at bank and in hand	2,290	–	2,290	2,290
<b>Financial liabilities</b>				
Trade creditors	–	(17)	(17)	(17)
Accrued expenses	–	(2,037)	(2,037)	(2,037)
Other creditors	–	(573)	(573)	(573)
	<b>8,950</b>	<b>(2,627)</b>	<b>6,323</b>	<b>6,323</b>
<hr/>				
At 31 March 2008	Loans and receivables £000	Other financial liabilities £000	Total carrying amount £000	Total fair value £000
<b>Financial assets</b>				
Trade debtors	5,234	–	5,234	5,234
Early departure debtors	256	–	256	256
Accrued income	10	–	10	10
Other debtors	123	–	123	123
Cash at bank and in hand	5,081	–	5,081	5,081
<b>Financial liabilities</b>				
Trade creditors	–	(440)	(440)	(440)
Accrued expenses	–	(3,344)	(3,344)	(3,344)
Other creditors	–	(823)	(823)	(823)
	<b>10,704</b>	<b>(4,607)</b>	<b>6,097</b>	<b>6,097</b>

### Estimation of fair values

#### Trade debtors, accrued income and other debtors/creditors and accrued expenses

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

#### Early departure debtors

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.



## 20. Losses and Special Payments

The Police Authority is obliged, under the terms of its relocation policy, to meet any shortfall in the sale proceeds received by staff for their properties and a selling price guaranteed by the Police Authority. Due to a decline in property values over the last 18 months, the proceeds realised or expected to be realised on sale have been lower than the guaranteed selling prices. During the year £240,000 has been provided for to cover contractual losses on 7 properties (2007/08: £10,000). There are no reportable special payments for the year ended 31 March 2009 (2007/08: £nil).

## 21. Related Parties

The Police Authority is an executive non-departmental public body of DECC. DECC is regarded as a related party. During the year the Police Authority has had various material transactions with DECC and with its previous parent department, the former Department for Business, Enterprise and Regulatory Reform (BERR) and with other entities for which DECC and BERR are regarded as the parent department, namely British Nuclear Fuels Plc, the United Kingdom Atomic Energy Authority and British Energy Plc prior to its acquisition by the EDF Group.

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

## 22. Post Balance Sheet Events

There are no reportable post balance sheet events. The accounts were authorised for issue by the Accounting Officer on 30 June 2009 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 for Energy and Climate Change, with the approval of HM Treasury, and in accordance with Schedule 10 of the Energy Act 2004.

# Glossary

ACPO	Association of Chief Police Officers in England, Wales and Northern Ireland	MOUs	Memoranda of Understanding
ACPOS	Association of Chief Police Officers in Scotland	mSv	millisievert
ADS	Approved Dosimetry Service	MV	Motor Vessel
AFOs	Authorised Firearms Officers	NDA	Nuclear Decommissioning Authority
AVC	Additional Voluntary Contribution Scheme	NAO	National Audit Office
BCU	Basic Command Unit	NDPB	Non-Departmental Public Body
BNFL	British Nuclear Fuels Limited	NIM	National Intelligence Model
CETV	Cash Equivalent Transfer Value	NIMCA	Nuclear Industries Malicious Capabilities [Planning] Assumption
CNC	Civil Nuclear Constabulary	NISR	Nuclear Industries Security Regulations 2003
CNPA	Civil Nuclear Police Authority	NPIA	National Policing Improvement Agency
CPS	Combined Pension Scheme	NRV	Net Realisable Value
CTC	Constabulary Training Centre	OCNS	Office for Civil Nuclear Security
DECC	Department of Energy and Climate Change	OD	Organisational Development
FReM	HM Government Financial Reporting Manual	OPU	Operational Policing Unit
FRS	Financial Reporting Standards	OSC	Office of Surveillance Commissioners
GIAS	Government Internal Audit Standards	PCCS	Police Complaints Commissioner for Scotland
GPMS	Government Protective Marking System	PMM	Project Management Methodology
HMIC	Her Majesty's Inspectorate of Constabulary	PNTL	Pacific Nuclear Transport Limited
HM	Her Majesty's	PSP	Personal Safety Programme
HMG	Her Majesty's Government	RIPA	Regulation of Investigatory Powers Act 2000
HQ	Headquarters	RPA	Radiation Protection Advisor
HR	Human Resources	SAP	Systems Applications and Products
IFC	Initial Firearms Course	SB	Special Branch
IFRS	International Financial Reporting Standards	SCAPE	Superannuation Contributions Adjusted for Past Experience
IGP	Information Governance Panel	SCOPE	Standing Committee on Police Establishments
IIP	Investors In People	SLC	Site Licence Company
IPCC	Independent Police Complaints Commission	SSAP	Statement of Standard Accounting Practice (UK)
ISO	International Standard Organisation	TCO	Tactical Care Officer
IT&C	Information Technology and Communications	UKAEA	United Kingdom Atomic Energy Authority
KPI	Key Performance Indicator	UKGAAP	UK Generally Accepted Accounting Practice
KSP	Key Strategic Priorities	USB	Universal Serial Bus
MEG	Marine Escort Group	VAT	Value Added Tax

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ISBN 978-0-10-295907-9



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