



Annual Report and Accounts

for the year ended 31 March 2006



Central Police Training and Development Authority

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Presented to Parliament by the Secretary of State for the Home Department in pursuance of Section 95(3) of the Criminal Justice and Police Act 2001 and by the Comptroller and Auditor General in pursuance of paragraph 26(4)(b) of Schedule 3 to the Criminal Justice and Police Act 2001.

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Annual Report 2005-06

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Foreword

As Centrex reaches the conclusion of another challenging year, we can reflect on our successes as we move towards some major changes in the policing landscape.

Throughout the last year Centrex has continued to design and deliver a wide range of products, services and operational support to police forces and organisations from around the country and all over the world. Maintaining focus on continuous improvement has ensured significant progress in all areas of our business. Our support to operational policing has been vital with high quality national learning programmes underpinned by the development of national doctrine. The Leadership Academy has revolutionised its offering and is well respected, both by the Service and internationally. The national programmes provided by Specialist Crime Training – including Scientific Support and ICT training – are well received by the Service. Our accreditation and QA capability is increasingly critical in ensuring the attainment of proper professional standards expected by the public, who are served by the Police.

This success has taken place against a changing backdrop, as we prepare Centrex for its move into the National Policing Improvement Agency (NPIA). It is a great credit to Centrex staff that they have continued to provide an improving standard of service in these times of change. Our staff are the organisation's most important asset and we were delighted to retain our Investors in People accolade which demonstrates Centrex's commitment to its workforce. Together we look forward to working with the NPIA towards its creation in April 2007, and ensuring that we continue to support the policing community in the years to come.



Sir Clive Booth



Sir Norman Bettison

Handwritten signature of Sir Clive Booth in black ink.

Sir Clive Booth
Chairman
29 June 2006

Handwritten signature of Sir Norman Bettison in black ink.

Sir Norman Bettison
Chief Executive
29 June 2006





Summary of Achievements against the Secretary of State's Objectives

Actively engage with the police service and key stakeholders to identify current and future priorities and proactively develop programmes of work that drive continuous improvement.

Achieved

We have agreed the following seven policing priorities:

- Citizen focused and neighbourhood policing
- Reducing overall crime
- Improving investigative performance
- Combating serious crime and the terrorist threat and addressing critical incidents
- Professional practice standards
- Leadership
- Race and diversity

We have established a programme board to manage and prioritise the alignment of commissions and product developments to these priorities. An audit of current products against these priorities and five NPIA functions has been completed and demonstrates that our products and services offer significant support to these priorities.

We have now completed the pilot leadership programmes aligned to support the national Neighbourhood Policing programme and are about to commence the 2006/7 deliveries. Neighbourhood Policing input is now included in recruit assessment centres and all major training programmes.

A Head of Leadership Doctrine has been appointed to lead on the Police Learning Quality Framework (PLQF) and has been working directly with the national Workforce Modernisation Team. The newly approved ACPO Workforce Modernisation Business Area will take ownership of the PLQF and the associated doctrine 'Leading for those we serve', a document which is fully supported by the APA. New 'hydra-lite' technology has enabled remote delivery of Critical Incident Command 1 & 2 product in-force, a number of courses have been delivered and feedback has been positive. Agreement has been reached with Skills for Justice to integrate the PLQF with the Integrated Competency Framework.

All ACPO National Learning Requirements (NLR) projects are on target and are reported regularly to the Programme Boards. Crime Reduction programmes are under revision and will become Crime Prevention Programmes.

Proactively develop and deliver leadership programmes to all levels of the wider policing community to underpin a professionally led police service.

Achieved

Historically leadership has been seen as reserved only for the highest ranking officers. In a drive to improve service delivery, both internally and to the communities we serve, the Core Leadership Development Programme (CLDP), provided by the new Leadership Academy, aims to develop leadership skills across all levels of the policing community.

42 Home Office forces are now signed up to CLDP, with the 43rd due to follow shortly. This will mean that 100% of police forces in England and Wales, together with the Police Service of Northern Ireland and the British Transport Police, are signed up to deliver CLDP. There are over 300 people enrolled for Chartered Management Institute qualifications and over 13,600 recorded engagements of the Workbook modules and 5,000 eWorkbooks. Core Leadership features in all licensed forces' training plans for the coming year.

The Senior Leadership Foundation module is being reviewed and an evaluation has commenced on the Basic Command Unit Management Team Development consultancy area. All such work is underpinned by the Quality Assurance matrix. The Strategic Command Course (SCC) aims to help police officers and staff prepare for appointment to the most demanding executive roles in the police service. Three SCC open days were run in March and dates have been confirmed for the coming year. Feedback from the SCC is presented to the Professional Reference Group. The Chief Officer Development Programme (CODP) supports the ongoing personal development of chief police officers who have completed the SCC and senior police staff. Two events on 'Avoiding Change Overload' and 'Customer Focus' have been held by CODP this year with four events confirmed for 2006-07.



The International Commanders' Programme, offering international students preparation for promotion to the strategic ranks and a unique opportunity to explore British policing, has been delivered as planned. Centrex was also selected by the Foreign and Commonwealth Office (FCO) to deliver the Chevening Fellowship Course on 'Tackling International Organised Crime' to eleven students from all over the world. This prestigious programme offers the FCO the opportunity to forge good relations with international professionals who have a strategic interest in the UK.

Our international business has delivered more than 15 programmes across the world. These support key objectives of leadership development, specialist tactical and crime investigation training, supporting counter terrorism initiatives and police and justice reform projects and include assisting the UK government in supporting the United Nations peacekeeping training. These objectives link in with the FCO international priorities for the UK and the Department for International Development (DFID) improvement targets relating to Millennium Development goals.

The text and e-learning based Police Race and Diversity Learning and Development Programme was developed as an integral element to the Home Office 'Strategy for Improving Performance in Race and Diversity'

Support the delivery of confident communities by adopting community focused strands as a core element in all police training, which support and actively promote diversity, and recognise that different groups may require a different level of service.

Achieved

We have been working closely with the ACPO National Neighbourhood Policing Team to develop existing, and produce new, bespoke training products and services to meet the demands of those currently trialling this critical area of reform.

Our Race and Diversity unit exists to ensure that diversity issues are a core element, integrated into all aspects of our delivery and operations. We work closely with key stakeholders and the community to identify and develop best practice in diversity.

Centrex's Police Race and Diversity Learning and Development Programme was developed as an integral element of the Home Office 'Strategy for Improving Performance in Race and Diversity.' Race and Diversity Trainers' Programmes have been run, with high occupancy and good customer satisfaction rates.

We are developing The Centre of Excellence in Diversity, a website which aims to be a beacon demonstrating commitment to achieving the National Policing Plan objective 'providing a citizen focus' by using a virtual site to connect the police and communities. The site will be piloted throughout 2006, leading to a launch in April 2007. It will provide Forces with access to latest thinking and developments in diversity issues.

In collaboration with Foundation Training, we have designed and delivered IPLDP Cascade Programmes to enable FT trainers to support the implementation of IPLDP in the forces. The Enablement Handbook has also been developed with Home Office colleagues, ready for circulation.

Work in partnership with customers to identify requirements and develop flexible solutions to agreed quality standards and accreditation in order to improve performance within the police service.

Achieved

The last year has seen an increased focus on customer requirements with the development of a Regional Liaison Team to improve links and feedback into and out of forces.

Chartered Management Institute (CMI) accreditation is now available for all CLDP levels and both SLDP levels. Three universities are mapping the CMI qualifications against Leadership Courses. Institute of Director qualifications are now supported outside the Strategic Command Course. A design team has been formed with work ongoing for the Neighbourhood Policing Blended Learning Programme. Tailored events are being delivered to the ACPO Neighbourhood Policing Team, with discussions ongoing with Gwent Constabulary regarding potential consultancy work on culture change.

We have provided executive services to the IPLPD Central Authority including engagement with all 43 Forces to support the implementation of IPLDP, development of curriculum materials, quality assurance and evaluation, registration, tracking and monitoring, and accreditation and qualification procedures.

Our quality assurance team has worked with delivery units to align national learning programmes against the QA framework. This is the precursor to seeking accreditation of the programmes. A self assessment will be undertaken by units in April 2006 and augmented with the support of the team until September 2006. Templates for self assessment have been drafted and were distributed to units in February, with a target start date of mid-March.

We have provided substantial IPLDP Executive Services for the Central Authority, engaging with all 43 Forces to support the implementation of IPLDP. Services include development of curriculum materials, quality assurance and evaluation, registration, tracking and monitoring, and accreditation and qualification procedures.

Support frontline delivery and improvement in Forces through the efficient use of resources, including the transition of Centrex within the National Policing Improvement Agency.

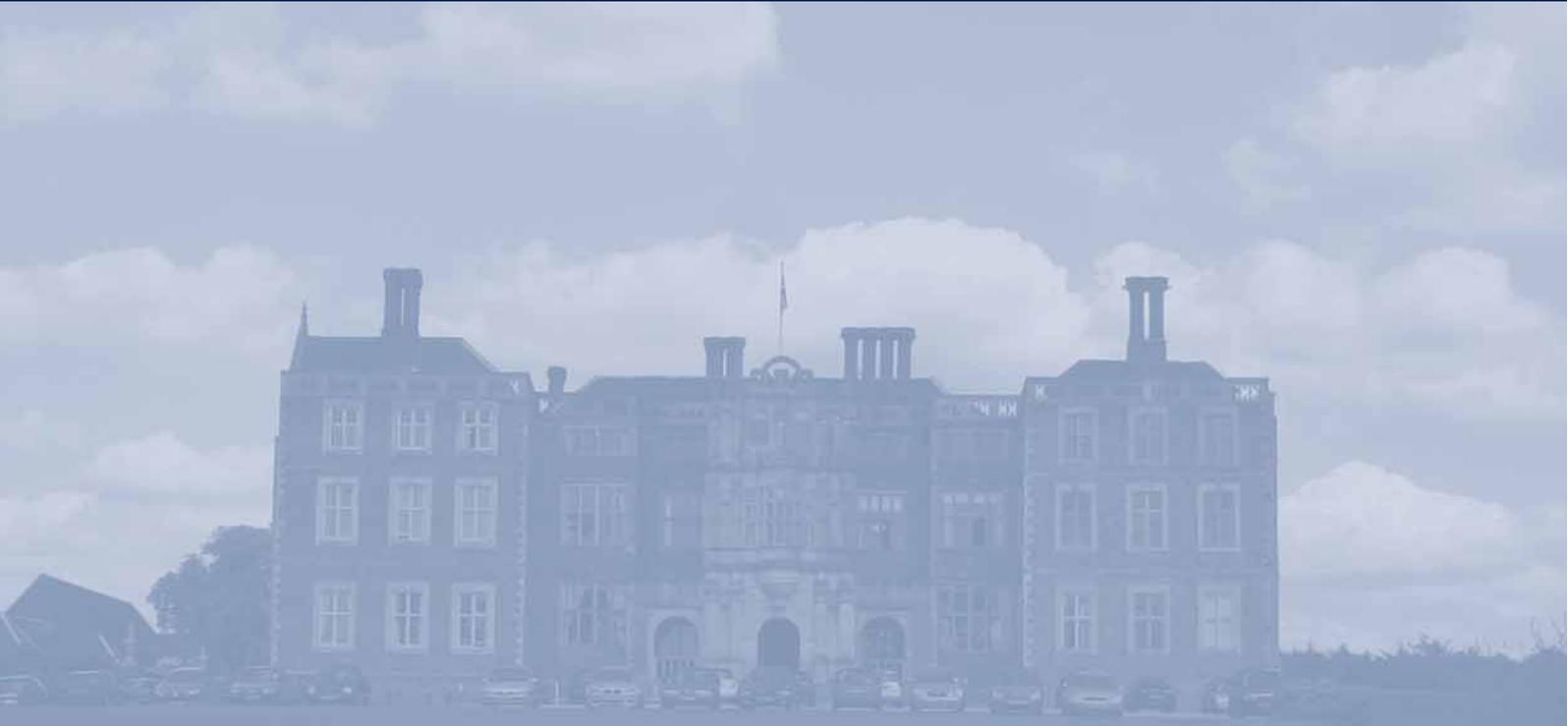
Achieved

Our continued focus on improving efficiency has delivered in excess of the 3% Gershon recommended target savings over the last two years. We will continue to monitor savings and efficiency activities until a process is embedded into NPIA. The process for gathering gains will be rolled out in April to all Directorates as part of monthly/quarterly reporting process.

A high level draft estates five year capital forecast has been produced but progression is dependent on NPIA estates strategy, once known. Estates is currently examining capacity and demand with a view to the effective and efficient use of the estates as multi purpose venues, following the closure of the three foundation training sites in May 2006.

Implementation will depend on the NPIA business model; whilst Centrex strives to ensure effective and efficient management of resources, we are reliant on the future shape of the NPIA. We have been working with the NPIA programme team on the future model of the organisation. The smooth transition of functions and skilled staff is dependent on the final migration plan.





Board Biographies



Sir Clive Booth Chairman

Sir Clive Booth was educated at Trinity College, Cambridge, and has a doctorate from the University of California. He was

a senior civil servant in the Department of Education and Science between 1965 and 1981, becoming Principal Private Secretary to the Secretary of State in 1975.

Sir Clive became Deputy Director of Plymouth Polytechnic and later Vice Chancellor of Oxford Brookes University and First Vice Chancellor in 1992.

From 1992-1995 he was the Vice Chairman of the UK Committee of Vice Chancellors and Principals.

He is currently Chair of the Big Lottery Fund. He was previously Chair of the Teacher Training Agency, Chair of the Review Body for Nurses and Professions Allied to Medicine, Chair of Oxfordshire Lifelong Learning Partnership, and Deputy Chair of the South East England Development Agency. He is an editorial board member of the *Oxford Review of Education*.



Patricia Woods Vice-Chairman

Pat Woods has 34 years experience of the Metropolitan Police Service. A Chartered Fellow of the Chartered

Institute of Personnel and Development (CIPD), Pat has had a lengthy career in mainstream human resources latterly as Director of Personnel with the MPS. Recruitment, training and development and employee reward were amongst her key responsibilities. She was a member of the MPS Management Board from 1997 to 2001 and contributed to its organisational strategic change programmes.

Having left full time employment, Pat currently holds a number of public appointments. She is a lay member of the Employment Tribunals and of the Central Arbitration Committee. She sits as the Independent Member on Trust selection panels run by the NHS Appointments Commission.

Pat plays an active role in the CIPD, most recently as Chair of the Central London Branch.



Graham Baskerville

Graham Baskerville served as an RAF Officer before entering technical education, where he worked as a College Principal between 1980 and 2000.

A former national negotiator, Graham chaired the employers' side and was the first Chairman of the Association of Colleges covering all Further Education Colleges in England and Wales.

Graham is a science graduate, holds a Masters in Education and Management and is a Former Director of the Royal Society of Arts and National Examination Board for Supervisory Studies.



Mary Benwell

Mary Benwell works as an independent consultant in the training and development area, specialising in change management.

She has 40 years' experience, much of it at a senior level, in education, training and development in both public and private organisations. From 1999 to 2002 she was Director for Learning at Ufi Limited (learndirect), and was part of a small team which set up the country's first public e-learning provider.

Between 1992 and 1999 she was director of the business school at Oxford Brookes University, responsible for a number of in-company activities and overseas partnerships in this leading business school.

Mary's previous roles have included professorship at Cranfield University, heading the management development work in an industry training board and working as a founder member of staff at the Open University.



Dr Bob Chilton

Dr Bob Chilton is a board member of the National Consumer Council, a Non-executive Director of the Office of the Information Commission and a Non-

Executive Director of the Waste & Resources Action Programme.

He was Director of Local Government Studies at the Audit Commission (1989-2001). During this period he was seconded as transitional Chief Executive of the Greater London Authority (1999-2001) and Chief Executive of the Local Government Commission (1995-1996), completing the structural review of English local government.

At the Audit Commission, his team were responsible for the Commission's value for money studies of police practice and for guiding external auditors in local assessments of forces' value for money.



Jeremy Crump

Jeremy Crump heads the Human Resource Unit, Crime Reduction and Community Safety Group at the Home Office. In this role he assumes

responsibility for pay and workforce strategy in the police service.

He represents the Home Secretary on the Police Negotiating Board, the Police Advisory Board and the Police Staff Council for England and Wales. He is also on the board of Skills for Justice.

Jeremy is a member of the senior management team of the Police Policy Directorate, contributing to the development of the Police Reform Programme.

Jeremy joined the Home Office from Cisco Systems where he was the Senior Business Development Manager. Prior to this he had 14 years service in various Civil Service posts.

He gained a BA in History from Trinity College, Cambridge before going on to achieve a BSc in Mathematics and Computer Science and recently completed an MA on Strategic Human Resource Management and Change.



Professor David Croisdale-Appleby

Professor David Croisdale-Appleby is chairman of the Buckinghamshire Hospitals NHS Trust and a Member of the

Council of the University of Durham. He is an Independent Board Member of many organisations including Food for Britain, Legal Services Commission for London, NHS Multi-Centre Research Ethics Committee and the DTI Employment Tribunal Service.

David was formerly Chief Executive of De Villiers & Schonfeldt (1975-78); Allen, Brady & Marsh (1978-81); SSC&B:Lintas Worldwide (1981-84); Creative Synergy (1984-99) and Director of the University for Industry (1999-2001).

David is an academic polymath with postgraduate degrees and research interests in fields as diverse as Operational Research, Psychology, 18th Century Literature, Art History and Renaissance culture.



Dr Marie Dickie

Since 1996 Dr Marie Dickie has been Chair of the Association of Police Authorities (APA) Personnel and Human Resources policy group. A member of the

original steering group that established the Association, Marie now represents the APA on the PABEW and PTDB.

Marie is also Chair of the Northamptonshire Police Authority and Cabinet Member of Northamptonshire County Council, where she has lead responsibility for children and families.

Marie is a retired visiting Lecturer at the University College Northampton and the University of Leicester.



Chris Fox

Christopher Fox QPM BSc DIS was educated at Robert Gordons College, Aberdeen and West Bridgford Grammar School, Nottingham. He attended

Loughborough University, obtaining a degree in electrical engineering and physics, and a Diploma in Industrial Studies.

Chris joined Nottinghamshire Police in 1972 as a graduate entrant, serving in various roles such as City Divisional Command, Special Operations and Community Affairs. He attended the Special Course and Senior Command Course at the Police Staff College. In 1991, he joined Warwickshire Constabulary as Assistant Chief Constable (Operations and Crime), becoming Deputy Chief Constable in that Force in 1994. After acting as Chief Constable in Warwickshire, he was appointed Chief Constable of Northamptonshire Police in 1996.

In 1995, Chris attended the Top Management Programme run by the Cabinet Office. From 2003 until 2006 he was the first full-time President of the Association of Chief Police Officers (ACPO). He has represented the Service on matters as diverse as finance, the national communications system, police reform and general policing.



DAC Steve Roberts QPM

Steve Roberts joined the Metropolitan Police Service in 1978 after graduating in Law from Trinity College, Cambridge. As a constable he worked in Haringey, both

in uniform and as a member of the local Crime Squad. His later career spanned work as a Scotland Yard detective working on public order and counter-terrorism, together with uniformed postings in Camden, Islington and Southwark. As a Chief Superintendent he was responsible for the policing of Stoke Newington and later, the borough of Havering.

In 2000 Steve was posted to Scotland Yard with responsibilities for Youth, Community and Partnership. He led for the MPS on the development of new partnership approaches to preventing young people becoming involved in crime. In this role he launched the MPS Youth Crime Prevention Strategy, which, over the first year, resulted in a 10% reduction in youth victimisation and a fall of 15% in the number of youths accused of crime.

On promotion to DAC in 2003 Steve was posted to the Directorate of Professional Standards where he led the DPS evidence to the Morris Inquiry.

He was awarded the QPM for distinguished services to policing in the 2005 New Year Honours.

In April 2005 he became MPS Director of Training and Development and Deputy to the Director of Human Resources.



Peter Holland CBE

Peter Holland started his career as a local journalist on the Harpenden Free Press, working for the Herts Advertiser and the Evening Standard before joining Reuters in 1968.

During his time with Reuters he served as managing director of Reuters Europe Limited and Reuters Overseas Limited. He went on to be chairman of Visnews Limited, Reuters Latin America Limited and Reuters Africa Limited. He now runs his own international business consultancy.

Peter has been an independent member of Hertfordshire Police Authority since 1995 and served as its Vice-Chairman for two years before being elected Chairman in May 1997. He was later appointed to the Authorities for the National Criminal Intelligence Service and the National Crime Squad for England and Wales. He is also a member of the board of the Police Information Technology Organisation. In 2001 he joined an Information Technology Review Group to study how best to accelerate the introduction of IT into policing.

In November 2000, Peter was made Deputy Lieutenant of Hertfordshire and last year was appointed Deputy Chairman of the Association of Police Authorities. He was awarded a CBE in 2005 for services to policing.



Gita Sootarsing

Gita Sootarsing MCIPD MinstD is a member of the Panel of Employment Tribunals for England and Wales serving in the London North Region and was

formerly a Commissioner for the Commission for Racial Equality.

Gita previously served as an Independent Member of the Police Authority for Essex for six years and was Vice Chair in 1999/2000. She also served for three years on the DFE's Race Relations Employment Advisory Group (1994-1997).

A regular conference speaker and chair, both in the UK and abroad, her work with women has been featured on television.

Prior to joining Ionann's board she ran her own business and was awarded the first Windrush Award in the Small Business High Flyer Category (1999). Her broad-based career was previously with the Bank of England and included a two-year secondment to the Industrial Society.



Janet Summers

Janet Summers was a Personnel and Training & Development Manager for some 30 years, mainly within local government, where she gained significant

experience in the fields of managing change and people development, as well as grievance and disciplinary matters.

After leaving full-time employment she gained a Masters degree in Criminal Justice Policy & Practice. In 1996 she became a Member of the Parole Board, and for over six years both chaired ordinary Panels and sat on Lifer Panels.

Janet has been a Magistrate for some 21 years and was Chairman of the Bench for three years until December 2002. She currently sits as a chairman on both the adult and youth benches.

She has been a member of the West Midlands Police Authority for ten years, during which time she has held the position of both Vice-Chairman and Chairman of the Authority. She is currently Chairman of the Personnel Committee.

Janet is a member of the Association of Police Authorities and sits on the Personnel & Human Resources Committee as well as the Training Liaison Committee. She represents the APA on the Police Staff Council.



Christine Twigg

Christine Twigg joined Cleveland Constabulary in May 1979 and attended the 21st Special Course in 1983. Her early career has been varied, but based

largely on uniform operational policing in the South Cleveland area, particularly in Middlesbrough where she served in nearly all of the ranks, up to and including Chief Superintendent.

Christine also spent some time in the research and development department, as Staff Officer to the Chief Constable. She was later seconded to the Home Office as Staff Officer to Her Majesty's Inspector of Constabulary.

She was appointed as Assistant Chief Constable, Operations, for Cumbria Constabulary in 1998 and as Deputy Chief Constable in 2001. She is responsible for finance and resources, personnel and development, legal services, and professional standards. She has a particular interest in diversity issues and is the constabulary diversity champion.

She is portfolio holder for the ACPO personal management rewards and recognition portfolio. She is also an assessor for the Police National Assessment Centre. She has a first class honours degree in social policy from Newcastle University.

Senior Management Team Biographies



Sir Norman Bettison Chief Executive

Sir Norman Bettison has 33 years' experience of policing, having served in three forces. He was a member of South

Yorkshire Police between 1972 and 1993, Assistant Chief Constable in West Yorkshire from 1993 to 1998, and most recently Chief Constable of Merseyside Police for seven years.

Sir Norman has previously been Vice-Chairman of the ACPO Terrorism and Allied Matters Committee, Metropolitan Forces representative at ACPO Cabinet and Portfolio Holder for ACPO for development and training, as well as Co-Director for the Police National Assessment Centre.

Sir Norman was appointed by the Home Secretary to the Advisory Council on the Misuse of Drugs in 2000 and continues this representation. He is also a member of the Steering Committee of the King George VI and Queen Elizabeth Foundation of St. Catherine's, which arranges national policing seminars on current issues.



Jane Harwood Director, Corporate Development

Jane Harwood's primary focus is ensuring Centrex delivers its business to the

highest standards. She has responsibility for Finance and Infrastructure Development, Strategic Planning and Performance, Business Support, Customer Relations, Marketing and Communications, Programme and Project Delivery and Workforce Development. She is also helping to manage the integration of Centrex into the NPJA.

Jane joined Centrex in February 2004 from Surrey Constabulary, where she worked for seven years as Director of Corporate Development. Prior to that, she spent nine years in management and internal consultancy roles with the Metropolitan Police. She is involved in a number of national bodies including the National Neighbourhood Policing Project, Association of Chief Police Officers Performance Management Business Group and the National Policing Improvement Agency Programme.



Jenny Deere Director, Leadership Academy for Policing

Jenny Deere joined Centrex in April 2003 as Director of the National Police

Leadership Centre and has since taken over responsibility for the International Faculty Bramshill. In October 2005 the Leadership Centre and the International Faculty were merged to form the Leadership Academy.

Jenny worked for nine years with the Metropolitan Police Service. She also spent seven years as Deputy Director of LBTC Training for Care, a not-for-profit organisation providing training for public sector employees.



Andy Humphreys Interim Director of Specialist Training

Andy Humphreys has nearly 30 years experience with the police service and

has worked in Sussex and North Yorkshire as well as with HMIC. He has a background in investigation including SIO and Special Branch. Additionally, he has been a BCU Commander and led a Corporate Development department. He won a Bramshill Fellowship in 1993/94 to study for his MA in Management Systems at Hull.

In October 2000 he joined National Police Training at Bramshill as Assistant Director Crime and Operations. In 2003 Andy was a lead player in creating the National Centre for Policing Excellence where he currently has the Specialist Training portfolio. Andy was the national PIP Programme and Executive lead and holds the ACPO Crime Business Area training portfolio.





Ian Humphreys Interim Director of Professional Practice

Ian Humphreys served for 33 years as a police officer in the Kent Police. For most of this time he served in various capacities as a detective officer. He was the BCU Commander at Gravesend from 1990-92. From 1992-2000 he was a senior detective officer where he led a number of major crime investigations. From 1995-2000 he was the Detective Chief Superintendent Head of CID for the force.

From June 2000 to September 2003 he served as an ACC seconded to the Home Office and as Head of the National Technical Assistance Centre, responsible for setting up a new unit serving all the law enforcement and intelligence agencies and providing tactical intercepts and decryption capability.

During his time as a serving police officer he was responsible for developing many ACPO crime policies and in particular is credited as being the author of the first ACPO Homicide Investigation Manual.

In October 2003 he was appointed Head of Doctrine Development for the National Centre for Policing Excellence (NCPE) and has been responsible for leading the development of professional practice for ACPO and other key stakeholders. In August 2005 he was appointed Interim Director for Professional Practice.



Helen Schofield Director of Learning and Development

Helen commenced her career in the London Probation Service, which included a 3 year secondment to the National Association of Probation Officers. Helen was then appointed as the Assistant General Secretary to NAPO. In 1998 Helen became the CEO for the Community Justice National Training Organisation, and joined Centrex in December 2002 as Director of Practice Development, then moving on to become Director of Learning and Development.

Helen has a long standing commitment to raising Learning and Development skills and qualifications across the Justice Sector and is currently involved in increasing the awareness of Race and Diversity within the training environment of the Police Service.

Currently leading and developing National Learning Programmes which include Crime Prevention, Police Trainer Roles, Safeguarding Children and Investigating Child Abuse, Helen also leads on the strategic management for the National Centre for Applied Learning Technologies and in establishing the Executive Services for the Initial Police Learning and Development Programmes.



David Richards Interim Director of Foundation Training

David Richards has managed two portfolios within Centrex, Interim

Director of Foundation Training and Head of Customer Relations. He has been responsible for the training of police recruits within England and Wales (outside London) within the Probationer Training Programme as well as the management of a team of Regional Liaison Managers and he is now responsible for Customer Relationship Management. Having retired from the Metropolitan Police in 2003 where he served for 30 years mainly as a detective officer, he had performed service in uniform and CID in all ranks up to Detective Chief Superintendent. He was a member of the Metropolitan Police Advanced Public Order Policing Cadre with experience of policing riot and major sporting events.

He also has experience as a Senior Investigating Officer in murder and rape offences as well as kidnap, armed robbery and drugs related organised crime. He has managed undercover operations and was co-designer of the 'RIPE' system of Informant Management.

David's last operational posting was as Head of CID in Tottenham in North London after which he took over as Head of Crime Training for Metropolitan Police at Hendon prior to his secondment to the National Crime Faculty in April 2000.

In December 2001 he amalgamated the National Crime and National Operations Faculties into one and led the team towards the formation of the National Centre for Policing Excellence.

Board members' disclosures

The Board members' and Senior managements' disclosures of other interests are publicly available and may be obtained in writing from the Board Secretary.



Management Commentary

History

The Central Police Training and Development Authority (hereinafter referred to by its operating name Centrex) was established on 1 April 2002 as a body corporate by authority of the Criminal Justice and Police Act 2001. From that date, Centrex assumed the business and responsibilities for police training from National Police Training (NPT), which had been a Home Office unit.

Centrex has the status of an Executive Non-Departmental Public Body (NDPB) established by statute.

Since the creation of Centrex, it has achieved a number of milestones, including:

- meeting the rapid growth in probationer training requirements consequent on the expansion of the police service as a result of the government objective to grow the police service;
- driving forward the transfer of probationer police training from Centrex to the forces by the introduction of the Initial Police Learning and Development Programme (IPLDP);
- resolving inherited issues such as inappropriate financial systems and controls, a lack of an estate strategy, training material and learning maps that were not fit for purpose;
- establishing a permanent independent Centrex Race and Diversity Lay Advisory Panel, in which to consult with community and external stakeholders on strategic race and diversity matters;
- becoming the host institution for CEPOL;
- refreshing the Police Leadership training courses and introducing the Core Leadership Development Programme (CLDP);
- implementing the MLE learning tool in partnership with the Metropolitan Police;
- through the NCPE, development and production of a number of doctrine which have been embraced by the police service;
- implementing substantial developments to the Centrex estate to make it fit for purpose for the future needs of police training;
- championing Race and Diversity in the Police Service by ensuring that it is mainstreamed in our Centrex products and services.

In July 2004 the intention to establish a National Policing Improvement Agency (NPIA) was made clear with the publication of the Home Office's five year strategic plan. Key stakeholders provided their response as part of a consultation process, and the White Paper "Building Communities, Beating Crime – A better police service for the 21st Century" was published on 9 November 2004. This set out more of the detail about the agency. The agency is due to be created on 1 April 2007, and the Police and Justice Bill, which establishes the NPIA and abolishes Centrex and PITO, was introduced in the House of Commons in January 2006.

Centrex is actively working to support the creation of the NPIA.

The Crime Operational Support unit receives an average of 150 new enquiries for assistance each month. The Regional Advisors and their support teams manage in excess of 20 new major crime cases per month.

Principal Activities

Centrex was established to carry out the functions as set out in Part 4 of the Act through Directorates specialising in **Policing Excellence, Leadership** both nationally and abroad, **Foundation Training, Learning and Development** and **Central Services** at a number of sites across England and Wales in pursuit of those activities.

NCPE

The National Centre for Policing Excellence is divided into two main business areas, **Specialist Training** and **Professional Practice**.

Specialist Training provides a wide range of specialist training courses such as covert surveillance, forensics and technology. Specialist Training consists of five units:

- NTC – National Training Centre for Scientific Support to Crime Investigation at Harperley Hall. The NTC trains police officers and staff in crime scene examination, police photography and finger printing;

- PICTTS – Police Information Communication Technology Training Services at Leicester supports the design and implementation of national Information Communication Technology (ICT) systems. Delivering both training and a consultancy service, they support over 80 different customer organisations. Courses are delivered anywhere in the country. Current consultancy projects include ViSOR, Crimelink, Airwave and NSPIS Case Preparation and Custody;
- Covert – trains police officers and staff in covert and technical surveillance;
- Investigation and Intelligence – trains police officers and staff in Intelligence, Hi Tech crime and Investigative skills;
- Training delivery is supported by a production team which creates and designs NCPE training courses, and provides course administration and quality assurance.

Professional Practice includes the key functions of doctrine and operational support to forces. Professional Practice is divided into five areas:

- Doctrine Development – Doctrine is used to identify, develop and promote best practice throughout the police service. This could be in the form of statute, regulations or codes of practice under the Police Reform Act; or guidance on operational policing matters in the form of manuals or practice advice;
- Operations – encompasses four main categories: Operations Centre, Uniformed Operational Support, Crime Operational Support and Serious Crime Analysis Section;
- Implementation – responsible for the implementation of doctrine, this team supports forces with the implementation of practice advice and guidance;
- Research and product authors – contribute to the research and production of all doctrine products;
- Business Support – provide HR, finance, project support, fleet and stores, procurement and administration support to both Specialist Training and Professional Practice.

The launch of Opsline in January 2006 provides a single point of contact for colleagues across law enforcement wishing to access the range of operational support, doctrine and specialist training products and services.

Leadership

The Leadership Academy for Policing at Bramshill designs, develops and delivers a comprehensive suite of high quality open leadership programmes alongside bespoke products and services to meet the needs of policing locally, nationally and increasingly internationally.

Historically such leadership training was delivered only to the highest police ranks, those police officers who have attained many years' service and experience and are working towards membership of ACPO (the Association of Chief Police Officers). However, growing recognition that leadership is essential to improve performance delivery and that the skills associated with leadership need to be instilled from a much earlier point in the career of police officers and police staff recently led us to undertake a comprehensive review of the way in which leadership training is delivered to the police.

Today, our comprehensive portfolio delivers a much wider reach of leadership opportunities with learning that meets individuals' expectations and operational requirements and responds to demands to reflect the service's need for modern, flexible, interactive, role-related and integrated development programmes.

The international arm of the Leadership Academy for Policing at Bramshill supports the development of effective, democratic policing throughout the world by facilitating and delivering the highest quality learning and development and advice in the fields of operational policing and police leadership.

A world leader in the provision of training for non-UK police officers, its flexible style enables it to provide bespoke packages to meet training needs. Increasingly, it designs dedicated training events for delivery within both the UK and host countries.



It supports the development of effective, democratic policing throughout the world by facilitating and delivering the highest quality learning, development and advice in the fields of operational policing and police leadership.

During the past 50 years police officers from all corners of the globe have travelled to Bramshill, Hampshire to develop their leadership, managerial and operational skills. Today's overseas command programme equips them for the highest ranks within their own service whilst other courses are geared to introducing them to British policing at its best. More than 1,000 high-ranking officers from over 80 countries have attended opportunities at Bramshill.

Good practice flows both ways. Bramshill's exposure to the latest policing initiatives, as expressed by its international student body, helps refresh those courses aimed at UK officers. Increasingly, training and consultancy services are being delivered abroad; a flexible capability that is helping the Leadership Academy for Policing at Bramshill to strengthen its position at the heart of professional policing worldwide.

Through this area of the business, Centrex is a member of the European Union Police Co-operation Working Group and the UK point of contact on International Policing matters for police officers worldwide. CEPOL has its European headquarters at Bramshill.

Since its launch in 2005 the Leadership Academy has offered opportunities for both local and international development. Its success is evidenced by key programmes being awarded accreditation from the Chartered Management Institute and the Institute of Directors.

Learning and Development

Learning and Development aims to enhance operational policing effectiveness through the provision and maintenance of legally validated national training materials, provision of quality assurance and evaluation frameworks, design and delivery of trainer development, and the management of assessment and examinations as part of police recruitment and promotion. We are committed to innovative blended learning approaches, including e-learning, to provide learners with maximum flexibility in terms of location, time, pace and style of learning – an approach that is intended to professionalise the police service through increased access to lifelong learning for all police personnel.

The Learning and Development Directorate works closely with ACPO, the Home Office, HMIC, Skills for Justice, and Force Training Managers in setting and implementing standards for recruitment and training and providing high quality innovative learning programmes, products and services to meet these standards.

The Directorate comprises of:

Exams and Assessment

Responsible for SEARCH (Police Officer Recruitment Assessment) and PCSO Recruitment Assessment, Police Promotion Trials Support, HPDS Recruitment Assessment, OSPRE Sergeants and Inspectors Promotion Examinations, National Investigators Examinations, Performance Management 360° assessment, NVQ Assessment Centres, Consultancy and Training.

Executive Services for the Central Authority

Centrex provides the Executive Services function on behalf of the IPLDP Central Authority and manages curriculum design and development, quality assurance and evaluation, assessment and qualifications and participant registration.

The National Centre for Applied Learning Technologies

Responsible for the Managed Learning Environment (MLE), IPLDP Blended Learning Curriculum, the Police Race and Diversity e-learning Programme, e-learning/Blended Learning Unit and e-learning Portfolio (NCRS, Stop and Account, Airwave, Surveillance, Fire Scene Investigation, Crime Prevention, Neighbourhood Policing), the National Immersive Learning Programme – Managing Critical Incidents, National Blended Learning Programmes and Learning Research Team.

The Design and Development Unit

Responsible for the ACPO Learning Requirement Development and Implementation Team (Bichard, Child Protection, Domestic Violence, Custody, Witness Protection), the Police Race and Diversity Learning and Development Programme, the Crime Prevention Learning and Development Programme Training Programme, the Wider Policing Family Learning and Development Programme, Programme Management and Maintenance Unit.

Trainer Development

Responsible for the Learning and Skills Framework, the Police Trainer Roles Learning and Development Programme, the Race and Diversity Training Programme, Health and Fitness and Personal Safety Trainer Development.

The National Police Library

Responsible for Online Catalogue, Research Services, Library.

Quality Assurance and Evaluation

Responsible for Centrex QA Framework, Centrex Evaluation Strategy, Quality Approval Scheme, Practice Development and Change Management.

Environmental Scanning and Legal Validation

Responsible for Centrex Digest, Legal and Diversity validation of all Centrex products and services, Horizon Scanning.

Currently the directorate is also managing a number of critical change projects which support the Workforce Modernisation Agenda, including integrating the Wider Policing Family with IPLDP, submission for approval as an Awarding Body, accreditation of national learning programmes, training for workplace assessors, establishing effective models of blended learning, MLE/HR systems integration for all forces, integration

of doctrine and guidance for continuous professional development.

Foundation Training

Foundation Training actively supports and promotes an ethical approach to policing, customer focus and commitment to diversity.

The current Probationer Training Programme (PTP) is changing and the last of the Centrex hosted courses ended on 26 May 2006. The Initial Police Learning and Development Programme (IPLDP) is being developed by the Home Office, with the help of ACPO, Centrex and other key stakeholders. The principles of IPLDP, which have been agreed nationally, are that the main responsibility for the training of new officers will rest with forces. Officers will be trained more closely within the communities they will ultimately serve, with less emphasis on long periods of residential training.

Centrex entirely supports the philosophy of IPLDP and is working to support forces through transition to full implementation.

Foundation Training delivered initial police training to 3,945 police recruits in 2005/06, over 220,331 training days without any disruption to students, whilst simultaneously managing the extensive site closure programme.

Corporate Development

The Corporate Development directorate provides the underlying infrastructure necessary for effective business including Customer Relations, Finance, Estates, Technology, Procurement, Marketing and Communications, Programme and Project Management, Strategic Planning and Workforce Development.





Governance

Underlying the Act, Centrex operates under a number of Directions issued by the Home Office and Treasury. Strategic aims and objectives are set by the Secretary of State and performance is monitored and reported monthly. There is an overarching Management Statement and Financial Memorandum, setting out the delegations from the Home Office to Centrex. Onward delegation from the Board is set out in Standing Orders.

Standing Orders set out the structure of Committees within Centrex and clarify the authority and responsibilities of those working for it. Within Standing Orders, Standing Financial Instructions set out the financial responsibilities, policies and procedures to be adopted by Centrex. They are designed to ensure that Centrex's financial transactions are carried out lawfully and in line with Government policy in order to achieve probity, accuracy, economy, efficiency and effectiveness. All of these documents are available to Centrex staff. In addition, there is a Delegated Authority Scheme, which sets out the rules under which the respective layers of management can act in the name of Centrex in purchasing goods and services, etc.

The Centrex Board is responsible for setting out the overall strategy for achieving its functions, as set out in the Act. The Chief Executive and his Senior Management Team are responsible for the day to day operations of Centrex in achieving that strategy.

Relationships

The main relationships Centrex has are with the Home Office, ACPO, APA and the Police Service. The nature of these relationships is set out throughout this review.

Centrex has put in place a team of Regional Liaison Managers (RLM), with the aim of building one-to-one relationships with key users, budget holders and decision-makers in forces (for example Force Training Managers and Scientific Support Managers).

The RLM gather feedback from our customers and agree actions with the appropriate Centrex business areas. As a result of feedback received from Greater Manchester Police, the Leadership Academy ran workshops to support Core Leadership Development Programme trainers in forces. They will also be delivering nine modules of the Core Leadership Development Programme from the GMP training centre in 2006.

The Professionalising Investigation Programme (PIP) is a major national training and development programme introduced to drive through new standards of investigation at all levels within the police force. Initiated by the Home Office and Association of Chief Police Officers (ACPO), PIP ensures investigations are more professional, ethical and effective by enhancing the crime investigation skills and abilities of all those involved in the investigative process.

Future Activities

The NPIA will take on the responsibility for police training and development activities currently performed by Centrex. Centrex is actively working to support the creation of that agency, so that it is relevant to the police service of the 21st Century. In May 2006, the last Foundation Training course ended and at that point Centrex ceased to provide foundation training. The Centrex training sites at Ashford, Bruche and Cwmbran will be closed, and the use of the Ryton site is being refocused. Forces are now responsible for training their own probationers through the Initial Police Learning and Development Programme (IPLDP). Centrex is working to support forces in the provision of that training.

Up to the point of the coming into being of the NPIA, Centrex will be operating "business as usual" (save for foundation training). The bill creating the NPIA makes it clear that Centrex will be abolished and its activities subsumed within the NPIA.



Research and Development

Through a process of research and development, Centrex is continuously improving the products and services offered to customers. Of particular note in 2005-06:

- The NCPE established a permanent HQ in Wyboston;
- The launch of Operations Centres (Opsline) providing advice in covert, uniformed policing operations and murders and serious crimes, and a single point of contact for information and advice in respect of NCPE products and services;
- The National Neighbourhood Policing team was constructed within NCPE;
- NCPE undertook a National Strategic Assessment for one year funded by ACPO. The assessment is to provide a picture of crime and crime-related issues that affect and define the way the UK is policed. It is based on local assessments of crime together with research in areas such as legislation and government policy and the identification of future issues that might require reassessment of the direction, capability and capacity of law enforcement;
- A three year programme of work started relating to the implementation of the recommendations of the Bichard report to develop the Management of Police Information (MOPI);
- Codes of Practice have been developed for Home Office ministers in respect of the Management of Police Information and the Serious Crime Analysis System compliance;
- The national launch of PIP (Professionalising the Investigative Process) – an ACPO National Learning Programme;
- 17 guidance and practice advice publications for ACPO have been published including guidance for the Management of Police Information and Safer Handling and Detention of Prisoners;
- NCPE continued to support forces in relation to national high profile policing operations including the security of the G8 summit (EU Presidency), the investigation into the murder of PC Sharon Beshenivsky and the unprovoked attack on Abigail Witchalls;
- The Leadership Academy for Policing was officially launched on 1 October 2005 from a structural merger of the National Police Leadership Centre and the International Faculty Bramshill;
- Key areas of new capability include the provision of Leadership Development to command teams and other leadership teams in the workplace; coaching and cross sector action learning; complementing our international bespoke services;
- Also of note is the development of accreditation routes against national academic and professional standards, the acceptance by ACPO, APA and Skills for Justice of the Police Leadership Qualities Framework, and the development of the Positive Action Leadership Programme;
- Foundation Training will have trained some 4000 probationers through Stage 2 of the two year programme of probationers training;
- The ACPO National Learning Requirement Programme Board was introduced. The Board coordinates the development of blended learning products and services to meet the ACPO NLR, including the completion of the Police Race and Diversity Learning and Development Programme;
- Knowledge Transfer Seminars were introduced, in which professional practice in key policing areas is shared with designers, developers and deliverers of training across the organisation and with customers. Examples include the Bichard Action Plan, Neighbourhood Policing and Child Protection;
- Development and pilot of the PCSO Recruit Assessment Scheme to be implemented by all forces to a competency based assessment including respect for race and diversity;
- Workshops for Force Training Managers and practitioners, including updates on products and trials for new releases. These included WPFLDP, Police Training Roles, Single Minimum qualification for the IPLDP, evaluation training, and launch of the Models for Learning;
- Roll-out of the domains project for the Managed Learning Environment, providing each force with a powerful learning and development tool. Delivery of e-learning packages including Airwave, Pursuits Management, Hi-Tech Crime First Responder, Crime Prevention – Security, National Surveillance, Conflict Management, Powers of Arrest. Delivery of the National Immersion Learning Programme, including Critical Incident Control, BCU Command, Senior Investigation Officers, Strategic Management of Critical Incidents, Public Order, Firearms and Prison Liaison;
- Rapid responses to a number of issues raised by customers. These include Cascade Assessor Training, Guide to Electoral Offences, Regional Evaluation Workshops and Design Workshops, 'The Complete Works' (HO document on DDA);
- Worked with the Home Office and CRE to meet all requirements arising from the CRE Review of the Secret Policeman;

- Completion of the Police Race and Diversity National Learning programme;
- Engagement of all 43 forces with the functions of the Executive Services of the Central Authority for IPLDP, including the IPLDP Quality Assurance framework. Completion of the Curriculum for the IPLDP, registration and Monitoring Scheme for all IPLDP candidates, Phase One of the IPLDP Blended Curriculum Resources;
- Launch of the Police Trainer Roles Learning and Development Programme, a modular programme designed to meet all police training and development roles.

The Serious Crime Analysis Section (SCAS) works to identify the potential emergence of serial killers and serial rapists at the earliest stage of their offending. The SCAS Code of Practice, passed by Parliament on 9 January 2006, has further developed the relationship between SCAS and the forces.

Future developments and external factors are:

- Developing the relationship with SOCA for whom NSLEC is a key training provider;
- Responding to more doctrine commissions from the Police Service;
- Further training developments for the ACPO National Learning Programmes;
- Integration of Centrex into NPIA;
- Force amalgamation which is expected to have an impact on training delivery;
- Restrictions on force funding will also have an impact on training delivery;
- Development of more e-learning and virtual classroom based training;
- National Standard Incident Recording;
- Working with Special Branch to determine requirements around practice guidance, learning and development and implementation;

- The new PCSO recruitment process will be rolled out to all forces in England and Wales;
- Developing ACPO national learning programmes for Asylum and Immigration/Human Trafficking, Counter Terrorism, CCTV, Mental Health and Social Exclusion;
- Pilot and delivery of the Crime Prevention Learning and Development programme;
- Gaining awarding body status for Centrex.

Risks and Uncertainties

The principal risks and uncertainties affecting Centrex include the transition from Foundation Training to IPLDP; the transition to the NPIA; force restructuring; systems, resourcing and ownership of Intellectual Property Rights within NCALT; implementation of Race and Diversity processes; failure to maximise use of revenue; failure to identify new business areas to provide alternative sources of funding; failure or delay in implementing ABC for budgeting, planning and fee charging purposes; clarity of Corporate Strategy; Infrastructure and Customer Focus. Some of these are interrelated. Centrex is tackling these issues in the following ways.

Delivery of Foundation Training ceased from May 2006. Forces are now providing training locally based on the IPLDP model. Centrex provides the Executive Services function on behalf of the IPLDP Central Authority. A programme has been established to manage a wide range of activities and workstreams linked to this.

The NPIA is due to be established from 1 April 2007. Centrex's activities will be included and Centrex is taking steps to mitigate any destabilising and demoralising effects created by the uncertainty and ambiguity of this major change programme, and to ensure that any dislocation and disruption caused by the transition is minimised. Centrex staff are involved in the workstreams supporting the NPIA project plan and an internal implementation team has been created to provide a central point of reference to avoid duplication and maximise communication within Centrex.



Regional Liaison Managers have been appointed to identify and gather customer intelligence, to ensure that customer requirements are identified and met.

A NCALT Evolution Programme Board has been set up to manage the development of new agreements and the future role of NCALT.

A Corporate Race and Diversity action plan has been developed.

Forecasting and budgeting processes are being improved to ensure that our estimates are reliable and that we can handle the implications of generally reducing funding levels.

An estates strategy plan is being developed in conjunction with the NPIA implementation team.

A strategic review is being carried out to clarify the role of Centrex and its place in helping to develop policing.

Going Concern and Discontinued Operations

The accounts for Centrex are prepared on a going concern basis as there is an assumption that, even during times of organisation change, the business of a government entity will continue albeit in another body. The creation of the NPIA will result in the dissolution of Centrex and it is known that Centrex's activities will be delivered by the NPIA. The activities, responsibilities and liabilities of Centrex now and until dissolution and those of NPIA following its formation are underwritten by the Home Office.

The accounts are shown including Foundation Training which ceased in May 2006. The costs and income directly attributable to Foundation Training are shown in Note 6 to the Accounts.

The balance sheet at 31 March 2006 shows net current liabilities of £7.980 million. Grant-in-aid for 2006-07, taking into account the amounts required to meet Centrex's liabilities falling due in that year, has already been included in the sponsoring department's Estimates for that year, which have been approved by Parliament, and there is no reason to believe that the department's future sponsorship and future

parliamentary approval will not be forthcoming. It has accordingly been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

Results for the Year

Centrex is financed primarily by grant-in-aid from the Home Office Supply Estimates (Request for Resources 1, subhead X). The Secretary of State for the Home Department is answerable to Parliament for Centrex and is responsible for making financial provisions to meet its needs. Other income is raised through charges for courses, consultancy and accommodation.

The Managed Learning Environment (MLE) provides UK police services with their own domain allowing them to share content, manage learners and report on training statistics. It now has around 100,000 registered users from 33 organisations.

Budgets were set by the Home Office for resources and capital expenditure, which were spent as follows:

	Budget	Spend	Under/(Over) spend
	£'000	£'000	£'000
Resources	80,920	80,680	240
FT Closure provision	-	4,500	(4,500)
Loss on Land & Buildings revaluation	-	22,598	(22,598)
Resources Total	80,920	107,778	(26,858)
Capital	21,480	18,314	3,166
Total	102,400	126,092	(23,692)

The grant-in-aid actually received totalled £97.7m of which £18.3m was used to fund capital purchases and the balance of £79.4m is reported as Income under HM Treasury rules for NDPB accounting. The £109.2m grant-in-aid shown as income on the enclosed income and expenditure account includes £6.8m transferred from Government Grant Reserve to fund depreciation, losses and write-offs, and £23.0m to fund unrealised losses caused monthly by the sites revaluation. The reported income is thus more than the resource budget and more than the other net expenditure such that a surplus of

£3.1m is reported after allowing for a provision of £4.5m for redundancies following the closure of Foundation Training, which will be funded in future years from the proceeds of the sale of the sites at Ashford, Bruche and Cwmbran, and for a loss following the revaluation of Land and Buildings of £22.6m.

Resources expenditure of £107.8m shown in the table above is derived from the total expenditure on the income and expenditure account of £125.5m plus notional cost of capital of £1.7m and net of £19.4m of fees and other income.

Fixed Assets

Centrex operates at seven freehold and ten rented and serviced sites across England and Wales. As a result of the ending of Foundation Training, three freehold sites (at Ashford, Bruche and Cwmbran) will be closed and disposed of. The remaining freehold sites (at Bramshill, Harrogate, Harperley Hall, and Ryton) are being developed to meet the needs of the NPIA.

Centrex is responsible for a number of assets which are defined as heritage assets, the main such asset being the 17th Century Mansion House and grounds at the Bramshill site. The Bramshill site was purchased by the Home Office from Lord Broucket in 1953 and was transferred to Centrex when created out of the National Police Training unit of the Home Office. The Mansion house is used as offices, meeting rooms and as the home of the National Police Library. The Mansion and other heritage assets continue to be heritage assets.

During the year, the major building refurbishment programme continued and the upgrade of the computers, systems and networks also continued. Assets under construction at the year end had decreased by £7.659m. A revaluation of all our freehold Land and Buildings assets was carried out, and the resulting valuations have been reflected in these accounts. The significant revaluation write off has been caused by the fact that the majority of the work carried out on the estate has not been reflected in an increase in value on the market. However the estate has been recognised as a much improved facility which is better fitted to its police training needs.

Compliance with Public Sector Payment Policy

Centrex's policy, in line with government requirements, is to pay all invoices within 30 days of receipt unless a longer payment period has been agreed or the amount billed is in dispute. During 2005-06 there have been on average some 3,200 invoice, expense and procurement card transactions per month. The Authority has improved the payment record to 86 per cent (83 per cent in 2004-05) paid within the 30 days. Centrex has incurred late payment penalties totalling £5,580.

Contractual Arrangements

In a typical year, expenditure on Capital Works, goods and services is £40 million. There are significant facilities management, office and accommodation lease arrangements and planned preventative maintenance contracts in place.

We spend some £15 million on capital works which is largely spent with local or regional builders and some £2 million on IT equipment.

We spend some £2 million per annum on the Corporate Credit and Purchasing Card of which the largest spend is on Computer Consumables, Stationery, Flights, Hotel Accommodation and Computer Hardware.

Much of the Capital Works' spend is through contracts placed through the Home Office's Building and Estates Management Unit (BEMU) and is managed by Turner and Townsend, a firm of Building and Project Managers.

There are a number of contracts to provide services to police forces, government departments (notably DFID and Foreign and Commonwealth Office), and other bodies.

Employee Policies

Centrex employs both civilian staff and a significant number of seconded police officers. It has a range of policies and procedures to support managers and staff. These documents are updated as necessary, and publicised and made accessible on our intranet.

Policies which were changed or created in the last year include:

- Pay & Grading – a new pay structure for civilian staff;
- Performance appraisal – a new process supported by an IT system to cover both civilian staff and police officers with the same process;
- Employee Development – access to e-learning packages such as CLDP leading to external accreditation;
- Information & Consultation – a new process to consult with employees and representatives at all levels.

Investing in People

In May 2003 Centrex was awarded the National Standard for Investors in People (IiP). The standard helps organisations to improve performance and realise objectives through the management and development of their people. To perform well people need the right knowledge, skills and motivation to work efficiently. The IiP standard provides a framework to ensure that we achieve this. The award is given subject to ongoing review, and Centrex was successfully reassessed in May 2006.

An external assessor supported by an internal review team interviewed a cross section of the Centrex staff, seeking information about Centrex processes. As a result of that, a report was given to the Senior Management Team, who will develop an action plan to ensure that Centrex continues to meet the requirements for the Investors in People award, so as to ensure our staff are at the forefront of all that we do.

Equal Opportunities

We are committed to the promotion of equality of opportunity for all and to ensuring that no person receives less favourable treatment on the grounds of age, disability, gender, race, religion or belief, sexual orientation, work-life balance or any similar requirement that cannot be shown to be justified. To meet the challenges of the future, Centrex needs people with diverse backgrounds, viewpoints and experiences. Centrex is committed to valuing the diversity of others and to treating everyone with dignity and respect.

Centrex is collecting and monitoring diversity data in order to identify any processes which may need adjustment in order to meet its diversity objectives.

Provision of Information to Employees

Centrex comes within the scope of the Freedom of Information Act and there is a team in place to ensure ongoing compliance. The Centrex Freedom of Information Publication Scheme, approved by the Information Commissioner, is in place and Centrex is fully compliant with the requirements of the Freedom of Information Act.

The organisation has introduced a number of processes to further enhance employee communication. These include monthly face to face cascade briefings, newsletters and a Chief Executive's bulletin. In addition, a framework of Information and Consultation groups now meets quarterly at directorate and organisation level.

Health and Safety

Centrex is fully committed to the development of a positive health and safety culture throughout the organisation. The legal standards set out in the Health and Safety at Work etc. Act 1974, and other relevant legislation, are regarded as minimum standards to be applied throughout the organisation.

We are keen to see progressive improvements in both our systems for managing health and safety and in our health and safety performance. The reporting and thorough investigation of all accidents, together with the proactive identification of hazards and the adequate assessment and control of risks to which Centrex members of staff may be exposed, will help us to achieve these objectives.

We attach equal importance to the achievement of health and safety objectives as to any other aspect of the business of caring for staff. Indeed, by providing a pleasant working environment, which is free from risks to health and safety, we can improve our overall business performance. Ultimate responsibility for the health and safety of staff is vested in the Chief Executive. In order to co-ordinate health and safety matters across the organisation, the day to day tasks are delegated to the Director of Corporate Development, as the senior management team health and safety focal point. All managers may call upon the competent professional advice of the Corporate Health and Safety Manager who assists the Chief Executive in meeting the health and safety obligations and has the authority to act on behalf of Centrex in matters relating to health and safety.

However, the operational responsibility for health and safety lies with managers throughout Centrex.

A policy document sets out an outline of the organisation and arrangements for health and safety, which is brought to the attention of every member of staff. The full details of the responsibilities and procedures for managing health and safety are set out in a series of leaflets which are updated as part of the Government's 'Revitalising Health and Safety' initiative.

Health and safety policy is continually reviewed and amended as necessary. All staff are encouraged to participate in the continuous improvement of health and safety policy.

Charitable Donations

There have been no material charitable donations during the year.

Charitable Activities

During the year a number of voluntary activities have taken place, and have raised a substantial amount of money for charity.

Trusts

Centrex is responsible for the Police Training Authority Trust, which was created in March 2004 out of four previously existing trusts, with the object of promoting the development of policing in England and Wales.

Environment

We have embarked on the process of obtaining ISO 14001 accreditation, and a project board has been created to oversee the progress towards receiving this environmental standard.

Initial work streams will be charged with identifying ways of conserving water and energy such as gas and electricity, and campaigns will be launched to encourage conservation in the use of these resources. A green transport policy has been introduced at the Harrogate site, and will be adapted across all the sites wherever possible.

We have ensured that recycling methods are incorporated into our facilities management and planned preventative maintenance contracts, and we are licensed waste producers thus ensuring that we comply with current legislation.

We procure furniture from suppliers who ensure that wood and related products are provided from sustainable sources, and new construction projects comply with all current legislation including the Disability Discrimination Act (DDA) and the Building Research Establishment Environmental Assessment Method (BREEM).

A new gamekeeper has recently been appointed and he will take over responsibility for the Deer Herd (one of only three herds of white deer in the UK), as well as wildlife management at Bramshill.

At Bramshill our grounds maintenance contractors (Gavin Jones) were successful in receiving a BALI (British Association of Landscape Industries) award for their work on the grounds and gardens.

Post Balance Sheet Events

Sir Norman Bettison, Chief Executive and Accounting Officer has announced his resignation from Centrex with effect from 4 July 2006. He is succeeded as Chief Executive and Accounting Officer by Carol Bernard CBE with effect from 5 July 2006.



Accounts Direction

This report and associated reports and financial statements, represent the annual report and statement of accounts for the Central Police Training and Development Authority for the period 1 April 2005 to 31 March 2006. It has been prepared in accordance with the accounts direction given by the Secretary of State for the Home Department, with the consent of HM Treasury in accordance with section 26 of Schedule 3 to the Criminal Justice and Police Act 2001 (the Act). Accounts for the Police Training Authority Trust have been incorporated as Centrex manages it on a unified basis.

Auditor's Details

The Authority has its own in-house internal auditors who continuously review best practices (the direct cost of this function in 2005-06 was £350,000 (£351,000 in 2004-05)). Arrangements for external audits are provided under schedule 3, section 26 of the Act, which requires the Comptroller and Auditor General (National Audit Office) to examine, certify and report on the statement of accounts, and to lay copies of it together with his report before each House of Parliament.

The fees for these services for 2005-06 are estimated at £55,000 (£60,000 in 2004-05). The value of non audit work in 2005-06 is £nil.

Provision of Information to Auditors

There is no relevant audit information of which the auditors are unaware. I have taken all necessary steps to make myself aware of any relevant audit information and to establish that the auditors are aware of that information.

Chief Executive Summary of the Management Commentary

It can be seen from this commentary that the formation of Centrex has taken police training forward into a new phase. Major changes have been made in all areas, in response to the needs of the police service, which have modernised the business and will be continued as Centrex joins the NPIA's future.



Sir Norman Bettison

Chief Executive and Accounting Officer
Central Police Training and Development Authority
29 June 2006

It can be seen from this commentary that the formation of Centrex has taken police training forward into a new phase. Major changes have been made in all areas, in response to the needs of the police service, which have modernised the business and will be continued as Centrex joins the NPIA's future.



Central Police Training and Development Authority – Remuneration Report

1. Remuneration Policy

The policy and remuneration of the Directors and other senior staff of Centrex is overseen by the Human Resources (HR) and Remuneration Sub Committee of the Centrex Board.

The Committee comprises of Sir Clive Booth, Mrs Pat Woods, Professor Mary Benwell and Ms Gita Sootarsing, supported by the Chief Executive, Director of Corporate Development, Head of Workforce Development and the Board Secretary (acting as Secretary to the Committee).

In reaching its recommendations, the Committee is to have regard to the following considerations:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- Government policies for improving the public services including the requirement on departments to meet the output targets for the delivery of departmental services;

- the funds available to departments as set out in the Government's departmental expenditure limits;
- the Government's inflation target.

2. Service Contracts

Civil service appointments are made in accordance with the Civil Service Commissioners' Recruitment Code, which requires appointment to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

Unless otherwise stated below, the officials covered by this report hold appointments, which are open-ended until they reach the normal retiring age of 65. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

3. Board Members and Senior Management Team

a) Centrex's board members are appointed under the Act. During the year ended 31 March 2006 the board members, and their remuneration, were (audited):

	Date Appointed	Date Terminates	Fee £'000
Independent Members			
Professor Sir Clive Booth (Chairman)	01 April 2002	31 March 2007	31
Mrs Patricia Woods (Vice Chair)	01 April 2002	31 March 2007	5
Dr Mary Benwell	01 April 2002	31 March 2007	5
Dr Robert Chilton	01 April 2002	31 March 2007	5
Professor David Croisdale-Appleby	29 November 2002	31 March 2007	5
Ms Gita Sootarsing	01 April 2002	31 March 2007	5
Mr Graham Baskerville	01 April 2005	31 March 2007	5
ACPO			
Mr Chris Fox*	07 March 2003	31 March 2006	No remuneration
Mr Steve Roberts	01 April 2005	31 March 2007	No remuneration
Mrs Christine Twigg	01 April 2005	31 March 2007	No remuneration
APA			
Mrs Janet Summers	01 May 2005	31 March 2007	5
Dr Marie Dickie	01 April 2002	31 March 2007	5
Mr Peter Holland	01 July 2003	31 March 2007	No remuneration
Home Office			
Mr Jeremy Crump	17 December 2004		No remuneration

* Chris Fox retired from ACPO, and the Centrex Board with effect from 31 March 2006. He is replaced by Mr Ken Jones from 1 April 2006.

b) Salaries, emoluments and pension entitlements of the Senior Management Team (audited).

Name with date Appointed	Salary £'000	Benefits in kind £	Real increase in pension £'000	Real increase in lump sum £'000	Total accrued pension at age 60 at 31/3/06 £'000	Total lump sum at age 60 at 31/3/06 £'000	CETV at 01/4/05 Note 3,b (iii) £'000	CETV at 31/3/06 £'000	Real increase in CETV £'000	Pension Scheme (PCSPS or as shown)
Sir Norman Bettison Chief Executive	180-185	10,190	0-2.5	n/a	0-5	n/a	7	37	26	Premium
Jenny Deere Director of Leadership Academy for Policing	90-95	n/a	0-2.5	2.5-5.0	25-30	80-85	506	557	16	Classic
Jane Harwood Director of Corporate Development (from 1 August 2005, previously Director of Performance)	100-105	n/a	0-2.5	n/a	0-5	n/a	22	47	21	Premium
Sir David Phillips Director of NCPE (to 31 July 2005)	45-50	2,962	0-2.5	n/a	0-5	n/a	69	83	14	Premium
Helen Schofield Director of Learning and Development	90-95	n/a	0-2.5	2.5-5.0	0-5	10-15	55	82	23	Premium
David Richards Interim Director of Foundation Training (from 30 April 2005)	70-75	n/a	0-2.5	n/a	0-5	n/a	n/a	32	29	Premium
Andy Humphreys Interim Director of Specialist Training (from 1 August 2005)	70-75	n/a	5.0-7.5	n/a	55-60	n/a	732	925	193	Greater Manchester Police
Ian Humphreys Interim Director of Professional Practice (from 1 August 2005)	55-60	n/a	0-2.5	n/a	0-5	n/a	39	67	24	Premium
Valerie Vaughan-Dick*** Director of Resources (to 30 September 2005)	105-110	n/a	7.5-10.0	27.5-30.0	0-5	5-10	51	215	165	Classic

***Valerie Vaughan-Dick received an early severance package under the terms of the Civil Service Compensation Scheme.



3b) (cont)**Salary**

Salary includes gross salary, performance pay or bonuses, overtime, reserved rights to London weighting or London allowances, recruitment and retention allowances, private office allowance and any other allowance to the extent that it is subject to UK taxation.

Benefits in Kind

The monetary value of benefits in kind covers any benefits provided by Centrex and treated by the Inland Revenue as a taxable emolument. The Chief Executive has the occasional use of a motor vehicle and chauffeur. He is also provided with accommodation. Other senior staff generally receive just the standard benefits applied to all Centrex staff. If there is a need to provide additional benefits appropriate to the role then this is pre-agreed with the HR & Remuneration Committee. In the year being reported on such additional benefits included the use of motor vehicle and ACPO membership fees.

Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 October 2002, civil servants may be in one of three statutory based 'final salary' defined benefit schemes (classic, premium, and classic plus). The schemes are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, and classic plus are increased annually in line with changes in the Retail Prices Index. New entrants after 1 October 2002 may choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account). Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium and classic plus. Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum).

Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly in the same way as in classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a selection of approved products. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement). Further details about the Civil Service pension arrangements can be found at the website www.civilservice-pensions.gov.uk

(i) Police Officers

Seconded police officers are members of the pension schemes managed by their associated police forces.

(ii) Valuation

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme. Centrex is unable to identify its share of the underlying assets and liabilities. The Scheme Actuary (Hewitt Bacon Woodrow) valued the scheme as at 31 March 2003. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

(iii) Cash Equivalent Transfer Value (CETV)

A 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. A CETV 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 benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which the disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements and for which the Civil Service Vote has received a transfer payment commensurate to the additional pension liabilities being assumed. They also include any 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. CETV's are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

Please note that the factors used to calculate the CETV were revised on 1 April 2005 on the advice of the Scheme Actuary. The CETV figures for 31 March 2005 have been restated using the new factors so that it is calculated on the same basis as the CETV figures for 31 March 2006.

(iv) Real increase in CETV

This 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.



Sir Norman Bettison

Chief Executive and Accounting Officer Central Police Training and Development Authority
29 June 2006





Statement of the Authority's and the Accounting Officer's Responsibilities for the Statement of Accounts

The Authority's Responsibilities

Under section 95 of Part 4 and section 26 of Schedule 3 to the Act, the Authority is required to prepare annually its report and statement of accounts, in the form and on the basis determined by the Secretary of State for the Home Department, with the consent of Treasury. The accounts are prepared on an accruals basis and must give a true and fair view of the Authority's state of affairs at the year end and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts the Authority is required to:

- observe the Accounts Direction issued by the Secretary of State with the approval of the Treasury, 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 have been followed in accordance with the *Government Financial Reporting Manual* and disclose and explain any material departures in the financial statements;
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Authority will continue in operation.

The Accounting Officer's Responsibilities

The Accounting Officer for the Home Office has appointed the Chief Executive, as the Accounting Officer for the Authority. His relevant responsibilities as Accounting Officer, including his responsibility for the propriety and regularity of the public finances and for the keeping of proper records, are set out in the *Non-Departmental Public Bodies' Accounting Officers' Memorandum* issued by HM Treasury and published in *Government Accounting*.



Sir Norman Bettison

Chief Executive and Accounting Officer
Central Police Training and Development Authority
29 June 2006



Statement on Internal Control

1. Scope of responsibility

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

The Home Office sponsor unit is the Police Human Resources Unit.

I attend a monthly stocktake meeting with senior officials from the Home Office sponsor unit for the Authority. Major risks and key issues surrounding performance against agreed objectives are reported and reviewed at this meeting, which is the regular forum for managing the relationship between the Authority and the Home Office. Any issues are communicated to the Minister as considered appropriate.

My finance staff attend a monthly financial stocktake meeting with Home Office finance staff to discuss cash, financial reporting and forecasts. Other areas of the Authority hold regular meetings with their respective counterparts in the Home Office.

Effective communication of risk and other issues between the Authority Board and the Home Office is ensured by the inclusion on the Board of a senior representative of the sponsor unit as the Crown Servant as required in the Act.

2. 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 the Authority's 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 Central Police Training and Development Authority for the year ended 31 March 2006 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

3. Capacity to handle risk

A Risk Management Committee has been established to provide leadership and a forum for the co-ordination of risk management actions thus discharging executive responsibility for ensuring that risk is effectively managed. The Risk Management Committee discharges the requirements of the Authority's Risk Management Policy and provides an update on progress against action identified in relation to risks which is circulated to the Audit Committee via the Risk Improvement manager.

A risk awareness computer-based training module was rolled out to all staff in July 2004. This training has been endorsed by me and completion is regularly monitored. Risk awareness has also been included in the induction pack for all new staff.

The Risk Improvement Manager provides guidance and support to all business units on the implementation of risk management, disseminates information on risk issues and promulgates best practice within the organisation.

A Risk Management action plan is being implemented to further communicate risk requirements, including an enhanced dedicated Risk Management intranet site, and ensure that risk management is further embedded in the organisation.

4. The risk and control framework

Corporate Risks are identified, assessed and owned by myself and my Senior Management Team (SMT). The Risk Management Committee provides an update on progress against action identified in relation to risks in the Corporate Risk register which is circulated to the Audit Committee via the Risk Improvement Manager.

Annual Business Plans are subject to risk appraisal so that the potential impact on the overall annual review level of risk to Centrex can be identified and assessed as part of the approval process. The SMT review Business Plans and associated risks to

objectives identified and decide whether or not the level of risk is acceptable to the organisation and, if it is not, that the proposed management of the risk is adequate. In addition, the Risk Management Committee reviews risks arising during the year and decides whether action taken is acceptable and in line with risk appetite.

Risks are identified at Directorate and Business Unit level as part of the annual process for developing business plans. Risks are also identified for all key business projects. Risks are reviewed to identify any new risks or changes in risk levels at least every six months. Risk Panels, comprising senior managers, have been established within each Directorate. Risk Panels meet at least quarterly.

Directorate/Business Unit Risk Panels report to the SMT on the levels of significant risk and the adequacy of controls via six-monthly Assurance statements and via the Risk Management Committee. There are also periodic reports on Risk Management & Controls Assurance through the Audit Committee.

The annual internal audit plan is designed to ensure that sufficient work has been done across the whole of the organisation to meet my need as Accounting Officer for assurance on risk. This includes consideration of the controls necessary to manage risks on the Authority's risk register.

5. 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 Central Police Training and Development Authority 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 Board and the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

The Audit Committee, comprised of non-executive board members and chaired by a non-executive board member, met

four times during the year to receive reports prepared by the internal auditors and the Risk Improvement Manager. The report of the Head of Internal Audit's annual summary is presented to the first meeting after 1 April each year. In his report for 2005-06, he advised that he could now provide *reasonable assurance* on the adequacy and effectiveness of the Authority's risk management and governance processes. This is because whilst his work had identified compliance and control weaknesses these were not as significant as those reported on last year due to improvements in the processes operated. All of these weaknesses have been discussed with my managers and actions are agreed which are intended to overcome the most serious weaknesses.

During the year, internal audit conducted a follow up review of the previous audit on the adequacy of operation of Authority policies, practices and procedures which underpin this statement. This review concluded that whilst improvements have been made in the underlying processes, there remain shortfalls in communication and awareness of certain key policies and procedures. Actions have been agreed with my staff which are intended to result in the production of an updated management guide and improved induction.



Sir Norman Bettison

Chief Executive and Accounting Officer
Central Police Training and Development Authority
29 June 2006



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 Central Police Training and Development Authority (the Authority) for the year ended 31 March 2006 under the Criminal Justice and Police Act 2001. These comprise the Income and Expenditure Account, the Balance Sheet, the Cashflow Statement and Statement of Total Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them.

Respective responsibilities of the Authority, Accounting Officer and Auditor

The Authority and Accounting Officer are responsible for preparing the Annual Report, the Remuneration Report and the financial statements in accordance with the Criminal Justice and Police Act 2001 and directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of the Authority's and Accounting Officer's Responsibilities.

My responsibility is to audit the financial statements 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 Criminal Justice and Police Act 2001 and directions made thereunder. 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. I also report to you if, in my opinion, the Annual Report is not consistent with the financial statements, if the 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 relevant authorities regarding remuneration and other transactions is not disclosed.

I review whether the statement on pages 37 to 38 reflects the Authority's compliance with HM Treasury's guidance on the Statement on Internal Control, and I report if it does not. I am not required to consider whether the Accounting Officer's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Authority's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report, which includes the unaudited part of the Remuneration Report and the Management Commentary, 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. My responsibilities do not extend to any other information.

Basis of audit opinion

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 judgements made by the Authority and Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the 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 Criminal Justice and Police Act 2001 and directions made thereunder by the Secretary of State, with the consent of the Treasury, of the state of the Authority's affairs as at 31 March 2006 and of its surplus for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Criminal Justice and Police Act 2001 and directions made thereunder; and
- 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.

John Bourn

Comptroller and Auditor General
National Audit Office
157-197 Buckingham Palace Road
Victoria
London SW1W 9SP
13th July 2006

The maintenance and integrity of the Central Police Training and Development Authority's website is the responsibility of the Accounting Officer. The work carried out by the auditors does not involve consideration of these matters and accordingly the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.





Income and expenditure account

	Note	2005/06		2004/05	
		£'000	£'000	£'000	£'000
Income					
– Grant-in-aid and other funding	2a)	109,193		81,521	
– Fees and other income	2b)	19,411		16,752	
– Police Training Authority Trust		2		1	
			128,606		98,274
Expenditure					
– Staff costs	3a)	(50,603)		(50,784)	
– Other running costs	4	(45,132)		(41,920)	
– Depreciation and charges for write offs and disposals	5a)	(6,775)		(5,792)	
– Unrealised loss on revaluation of Land and Buildings	5b)	(22,598)		-	
– Unrealised loss on revaluation of other fixed assets	5b)	(415)		(19)	
			(125,523)		(98,515)
Ordinary surplus/(deficit) before interest			3,083		(241)
Interest received			217		343
Notional cost of capital			(1,666)		(1,578)
Retained surplus/(deficit)			1,634		(1,476)
Interest remitted to consolidated fund			(217)		(343)
Notional cost of capital reversed			1,666		1,578
			3,083		(241)
	Note	Centrex £'000	Trust £'000	Total £'000	2004/05 £'000
Surplus/(deficit) for financial year	14c), 14d)	3,081	2	3,083	(241)
Transfer to Government Grant Reserve		(10,050)	-	(10,050)	-
Surplus/(deficit) brought forward at 1 April 2005		(16,410)	321	(16,089)	(15,848)
Surplus/(deficit) carried forward at 31 March 2006		(23,379)	323	(23,056)	(16,089)

These Statements include figures in respect of Foundation Training, which ceased in May 2006. The amounts directly attributable to Foundation Training are shown in Note 6. All other operations are classed as continuing. There were no material acquisitions.



Statement of total recognised gains and losses

	Note	Centrex £'000	2005/06 Trust £'000	Total £'000	2004/05 £'000
Retained surplus/(deficit) for the year		3,081	2	3,083	(241)
Adjustment for opening depreciation		1,073	–	1,073	–
Unrealised surplus on revaluation of investments	9	–	19	19	15
Unrealised surplus on revaluation of fixed assets by revaluation	14a)	6,853	–	6,853	–
Unrealised surplus on revaluation of fixed assets by indexation	14a)	1,895	–	1,895	1,374
Revaluation of donated assets	14b)	443	–	443	–
Grant-in-aid for capital expenditure	14a)	18,314	–	18,314	9,500
Transfers to income and expenditure account	14a)	(29,808)	–	(29,808)	(5,844)
Total recognised gains/(losses) in the period		1,851	21	1,872	4,804

Balance sheet

	Note	31 March 2006		31 March 2005	
		£'000	£'000	£'000	£'000
Fixed assets					
Intangible	7	699		169	
Tangible	8	73,688		75,448	
Investments	9	343		324	
			74,730		75,941
Current assets					
Cash/bank	10	3,363		2,440	
Debtors and prepayments	11	6,275		4,205	
			9,638		6,645
Creditors (amounts falling due within one year)	12a)		(17,618)		(21,406)
Net current liabilities			(7,980)		(14,761)
Total assets less current liabilities			66,750		61,180
Creditors falling due in more than one year	12b)		(451)		(134)
Provisions for liabilities and charges	20		(14,906)		(11,525)
Total assets less liabilities			51,393		49,521
Financed by:					
Government Grant Reserve	14a)		72,272		63,895
Donated Assets Reserve	14b)		2,115		1,672
Income and Expenditure Reserve	14c)		(23,379)		(16,410)
Trust funds	14d)		385		364
			51,393		49,521

The notes on pages 46 to 62 form part of these accounts.

Signed on behalf of Centrex



Sir Norman Bettison
Chief Executive and Accounting Officer
29 June 2006



Cash flow statement

	Note	2005/06 £'000	2004/05 £'000
Operating activities			
Net cash inflow/(outflow) from operating activities	18a)	2,853	(497)
Capital expenditure			
Cash outflow to acquire intangible fixed assets	7	(499)	(246)
Cash outflow to acquire tangible fixed assets	18c)	(19,745)	(9,257)
Net cash inflow/(outflow) before financing		(17,391)	(10,000)
Financing			
Grant-in-aid for capital expenditure	14a)	18,314	9,500
Increase/(decrease) in cash	18b)	923	(500)

The notes on pages 46 to 62 form part of these accounts.

Notes to the accounts

1. Accounting policies

a) Accounting convention

The statement of accounts has been prepared in accordance with the accounts direction issued by the Secretary of State for the Home Department with the consent of HM Treasury, in accordance with section 26, Schedule 3 of the Act.

The accounts meet:

- the accounting and disclosure requirements of the Companies Act 1985 to the extent that such requirements are appropriate to Centrex and are in line with the requirements of the accounts direction;
- standards issued by the Accounting Standards Board;
- disclosure and accounting requirements of HM Treasury;
- the requirements of the accounts direction and the financial memorandum.

Accounts for the Police Training Authority Trust have been consolidated within the accounts of Centrex.

b) Grant-in-aid

Grant-in-aid received for revenue expenditure is credited to income for the period. Grant-in-aid received for capital expenditure is credited to the Government Grant Reserve at the end of the financial year. The amount deferred is released back to the income and expenditure account in line with depreciation charged and amounts written off each year.

c) Fixed assets

Fixed assets are valued on the balance sheet at modified historic cost. They are defined as assets that are acquired, or constructed, with the intention of being used on a continuing basis, for a period of more than one year, and with an original purchase cost equal to or more than £5,000, or as an asset other than furniture and fittings, valued at less than £5,000 within a group of similar assets which are valued at more than £5,000.

Donated assets, consisting of art and antiques are included at the valuation for insurance purposes as prepared by Bonhams in May 2003 and updated in 2006 and are not depreciated.

d) Depreciation

Depreciation is provided on most fixed assets on a straight-line basis to write off the cost or valuation evenly over the asset's anticipated life. During the year the life for certain IT hardware was changed so that PC's are to be depreciated over 5 years and servers over 7 years. The anticipated useful lives of assets for the calculation of depreciation are as follows:

Land (freehold)	Not depreciated
Buildings (including dwellings)	5 to 50 years
Plant and machinery	5 years
Computer hardware/software	5 to 7 years
Other equipment	5 to 10 years
Art and antiques	Not depreciated

The exception to that is for vehicles, which are charged on a 25 per cent reducing balance basis.

e) Investments

The Police Training Authority Trust has investments in unit trusts authorised as investments for charities. The units are valued at the mid-point of the buy and sell price quoted on the last trading day of March in each year. There were no acquisitions or disposals of investments during the year.

f) Stock

There was no material stock held at the end of the financial period.

g) Fee income

Fee income is recognised in the income and expenditure account, net of trade discounts and VAT, as and when the work is completed.

Where fees have been invoiced and the training or consultancy work has not been completed by the year-end, fees are treated as deferred income. The amount deferred is calculated by reference to the proportion of work undertaken at the end of the year relative to the target timescale for the work and is released back to the income and expenditure account as the work is completed.

h) Notional charges

In accordance with the *Financial Reporting Manual (FReM)*, given by HM Treasury, a notional charge for assets and liabilities in the balance sheet (with liabilities attracting a negative charge) in the period is included in the income and expenditure accounts, along with an equivalent reversing notional income to finance the charge.

The charge for the period is calculated using the HM Treasury's discounted rate of 3.5 per cent applied to the mean value of assets and liabilities in the balance sheet (with liabilities attracting a negative charge) over the financial year.

i) Notional costs

Notional costs for services provided by the Home Office without charge have not been included in the accounts.

j) Operating leases

Payments made under operating leases on equipment are charged to the income and expenditure account on a straight-line basis.

k) Pension scheme

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS), which is a defined benefit scheme and is unfunded and, since 1 October 2002, can be contributory. Centrex recognises the expected cost of providing pensions on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. The rate of employer's contribution is determined from time to time by the Government Actuary and advised by HM Treasury. Contributions are charged to the income and expenditure account.

l) Value Added Tax

Vocational training and examination services provided by Centrex are exempt from VAT. Expenditure in these statements is inclusive of VAT, to the extent that we are not able to reclaim input VAT, in line with our exempt status.

m) Insurance

Centrex self-insure for all aspects of insurance, except for vehicle insurance and international travel insurance, which is purchased at market value and accounted for directly to the income & expenditure account. The Home Office underwrite the risk associated with the self-insured element. The benchmarking exercise started in 2003 was completed during 2004-05. It considered the likely costs and risks associated with commercial assurance, as compared with self insuring. The results of this exercise were discussed with the Home Office, who concluded that the existing self insurance arrangements should continue.

n) Research and Development

Research and development costs are written off in the year of expenditure.

2. Income

a) Grant income

	2005/06 £'000	2004/05 £'000
Grant-in-aid received	79,385	75,677
Capital grants released for depreciation	6,733	5,836
Capital grants released for asset write offs and disposals	62	–
Capital grants released for unrealised losses on revaluation	23,013	8
Total	109,193	81,521

b) Fees and other income

	2005/06 £'000	2004/05 £'000
Training charges	15,966	15,097
EU grants	62	195
Other income	3,383	1,460
Total	19,411	16,752



c) Fees and charges

Centrex's main function is to provide training to the police forces of England and Wales. For the most part that training is provided free of charge. Training and consultancy is also supplied to UK government departments, and overseas police forces and governments which is charged for on a full cost basis. The overall deficit is funded by grant-in-aid received from the Home Office.

Fees and charges for each of the training deliverables in 2005-06 is as follows. This information is provided for the purposes of reporting fees and charges information, not to comply with SSAP 25.

Service:	Full Cost £'000	Income £'000	Surplus/ (Deficit) £'000	Note
Training Charges and Consultancy, of which:				
Probationer Training	11,473	188	(11,285)	(i)
Leadership Training	4,220	661	(3,559)	(i)
Specialist Training	11,497	7,882	(3,615)	(i)
International Training	2,985	3,941	956	(ii)
Doctrine	6,182	786	(5,396)	(i)
National Policing Support	5,384	497	(4,887)	(i)
Course Design & Development	3,326	577	(2,749)	(i)
Exams & Assessments	4,719	1,704	(3,015)	(i)
Applied Learning Technologies	4,663	68	(4,595)	(i)
Total Training Charges and Consultancy	54,449	16,304	(38,145)	
Non-Direct Costs	71,074	3,107	(67,967)	
Total	125,523	19,411	(106,112)	

(i) These streams are partly funded from Grant-in-aid

(ii) International training makes a contribution towards non-direct costs

Please note that figures for 2004-05 are not available.

3. Emoluments and associated costs

a) Aggregate payroll costs, including seconded officers

	2005/06 £'000	2004/05 £'000
Staff		
Civilian salaries and wages	21,290	19,846*
Pension costs	3,676	2,462
Social security costs	1,702	1,514
Seconded-in officers salaries and wages	15,455	18,582
Contractors	3,875	6,102
Temporary	4,605	2,278
Total	50,603	50,784

* the figure for Civilian salaries and wages above includes £nil (£409,000 in 2004-05) in respect of redundancy costs

b) Average number of employees

	2005/06	2004/05
Seconded-in officers	330	419
Civilian staff	834	805
Contractors	107	146
Temporary	171	131
Total	1,442	1,501



4. Other running costs

	2005/06 £'000	2004/05 £'000
Accommodation costs (including light and heat)	8,192	9,829
Audit fee	55	60
Consultancy	3,348	3,507
Information technology	1,702	1,510
Housekeeping	7,176	7,026
Maintenance and equipment	4,869	4,327
Payroll services	47	47
Printing and stationery	1,495	1,660
Recruitment	485	585
Security	1,351	1,190
Staff training	1,224	1,525
Travel/vehicle costs	4,156	4,043
Telecommunications	2,114	1,873
Operating leases		
— Plant and equipment	29	8
— Other (including buildings)	1,522	3,894
Movement in bad debts provision	58	(62)
Movement in other provisions (see Note 20)	6,272	730
Other general expenses	1,037	168
Total	45,132	41,920

5. Depreciation and revaluation of fixed assets

a) Depreciation

	2005/06 £'000	2004/05 £'000
Intangible assets	413	150
Tangible assets	6,320	5,686
(Profit)/loss on disposal at Net Book Value	42	(44)
Total	6,775	5,792

b) Revaluation of fixed assets

		Cost £'000	Depreciation £'000	Net £'000
Intangibles - indexation	7	(59)	30	(29)
Tangibles	8	1,620	(111)	1,509
Tangibles - Revaluation	8	(29,380)	14,078	(15,302)
Total				(13,822)
Unrealised gains and losses (above historic cost) to statement of recognised gains and losses - revaluation				7,296
Unrealised gains and losses (above historic cost) to statement of recognised gains and losses - indexation				1,895
Unrealised losses (below historic cost) to income and expenditure account – indexation				(415)
Unrealised losses (below historic cost) to income and expenditure account – Land and Buildings revaluation				(22,598)
				(13,822)

6. Discontinued Operations

Foundation Training ceased on 26 May 2006. As such it is a discontinuing operation. The direct costs of Foundation Training in 2005-06, which are included in the Income and Expenditure statement above, were £14.349 million, offset by income of £3.054 million.



7. Intangible assets

Software Licenses	£'000
Cost	
At 1 April 2005	428
Additions	499
Transfers from assets under construction	473
Disposals	–
Adjustments on indexation	(59)
At 31 March 2006	1,341
Amortisation	
At 1 April 2005	259
Charge in the year	413
Disposals	–
Adjustments on revaluation / indexation	(30)
At 31 March 2006	642
Net Book Value at 31 March 2006	699
Net Book Value at 1 April 2005	169

8. Tangible assets

a) Cost and depreciation Reconciliation

	Freehold Land and Buildings £'000	Freehold Dwellings £'000	Vehicles £'000	Plant and Machinery £'000	Information Technology £000s	Fixtures and Fittings £'000	Antiques and Works of Art £'000	Assets under Construction £'000	Total £'000
Cost									
At 1 April 2005	60,195	5,832	1,969	2,116	5,205	30	1,672	13,155	90,174
Additions	11,850	–	93	79	187	–	29	5,577	17,815
Disposals	(223)	–	(198)	(30)	(309)	–	–	–	(760)
Indexation	2,035	245	19	38	(718)	1	–	–	1,620
Revaluation	(27,890)	(1,933)	–	–	–	–	443	–	(29,380)
Transfers	11,318	–	43	629	773	–	–	(13,236)	(473)
At 31 March 2006	57,285	4,144	1,926	2,832	5,138	31	2,144	5,496	78,996
Depreciation									
At 1 April 2005	8,056	1,483	1,161	1,598	2,407	21	–	–	14,726
Opening depreciation adjustment	(182)	–	–	–	(891)	–	–	–	(1,073)
Charge in the year	4,153	388	269	366	1,139	5	–	–	6,320
Disposals	(222)	–	(176)	(27)	(273)	–	–	–	(698)
Indexation	340	62	11	29	(332)	1	–	–	111
Revaluation	(12,145)	(1,933)	–	–	–	–	–	–	(14,078)
At 31 March 2006	–	–	1,265	1,966	2,050	27	–	–	5,308
Net Book Value at									
31 March 2006	57,285	4,144	661	866	3,088	4	2,144	5,496	73,688
Net Book Value at									
1 April 2005	52,139	4,349	808	518	2,798	9	1,672	13,155	75,448

b) Valuation bases

Freehold land, buildings and dwellings were valued together for balance sheet purposes as at 31 March 2006, in a report dated 12 May 2006 from Jonathan Rhodes of Donaldsons LLP.

Bramshill, Harperley Hall, Harrogate and Ryton sites were valued on an existing use basis. The report was prepared using the *Appraisal and Valuation Manual* issued by the Royal Institution of Chartered Surveyors.

Ashford, Bruche and Cwmbran sites were valued on an open market value basis, given their impending sale as a result of their discontinued use following the ending of Foundation Training. The report was prepared using the *Appraisal and Valuation Manual* issued by the Royal Institution of Chartered Surveyors.

Art and antiques at Bramshill were valued for insurance purposes in a report dated 10 April 2003 updated in 2006 by Bonhams 1793 Ltd, Auctioneers and Valuers. The valuation broadly follows the guidelines set out by the International Valuation Standards Committee, but incorporates refinements proposed by the Fine Art and Antiques Faculty of The Royal Institution of Chartered Surveyors. The estimate is the opinion of Bonhams 1793 Ltd of the price of the item concerned if purchased from retail premises. As the majority of items inspected are not of recent manufacture, and many of the items are unique, the valuation will be that of the second-hand replacement value of a similar but not necessarily identical item, in a comparable condition, purchased on retail premises.

9. Fixed asset investments

	Listed Investments £'000
At 1 April 2005 at market valuation	324
At 31 March 2006 at market valuation	343
Unrealised gains	19

All of these investments are owned by the charitable trusts referred to in Note 21.

10. Cash and bank

	31 March 2006 £'000	31 March 2005 £'000
Bank accounts	3,314	2,392
Cash in hand	7	7
Trust bank accounts	42	41
Total	3,363	2,440

11. Debtors

	31 March 2006 £'000	31 March 2005 £'000
Trade debtors	3,785	2,045
Provisions for doubtful debtors	(103)	(50)
Prepayments	732	284
Tax including VAT	(35)	–
Accrued charges	1,892	1,918
Other debtors	4	8
Total	6,275	4,205

12. Creditors

a) Creditors (less than one year)

	31 March 2006 £'000	31 March 2005 £'000
Trade creditors and accruals	15,865	19,432
Taxes and social charges	1,261	1,131
Deferred income	403	382
EU grant	–	158
Other creditors	89	303
Total	17,618	21,406

b) Creditors (greater than 1 year)

	31 March 2006 £'000	31 March 2005 £'000
Contract retentions	451	134
Total	451	134

13. Intra-government balances

	2005/06 Debtors: amounts falling due within one year £'000	2005/06 Debtors: amounts falling due after more than one year £'000	2005/06 Creditors: amounts falling due within one year £'000	2005/06 Creditors: amounts falling due after more than one year £'000
Balances with other central government bodies	2,072	–	1,845	–
Balances with police and local authorities	3,023	–	3,775	–
Balances with NHS Trusts	–	–	–	–
Balances with public corporations and trading funds	394	–	–	–
Balances with bodies external to government	786	–	11,998	451
At 31 March 2006	6,275	–	17,618	451

	2004/05 Debtors: amounts falling due within one year £'000	2004/05 Debtors: amounts falling due after more than one year £'000	2004/05 Creditors: amounts falling due within one year £'000	2004/05 Creditors: amounts falling due after more than one year £'000
Balances with other central government bodies	1,526	–	2,230	–
Balances with police and local authorities	901	–	3,528	–
Balances with NHS Trusts	–	–	–	–
Balances with public corporations and trading funds	6	–	54	–
Balances with bodies external to government	1,772	–	15,594	134
At 31 March 2005	4,205	–	21,406	134

14. Reserves

a) Government Grant Reserve

	£'000
At 1 April 2005	63,895
Transfer from Income and Expenditure Reserve	10,050
Capital grants received for additions to assets	18,314
Adjustment for opening balance depreciation	1,073
Transfer to income and expenditure account as income to cover depreciation	(6,733)
Transfer to income and expenditure account as income to cover write offs	(23,013)
Transfer to income and expenditure for NBV of disposals	(62)
Indexation of grant funded assets – indexation	1,895
Indexation of grant funded assets – revaluation	6,853
At 31 March 2006	72,272

b) Donated assets reserve

	£'000
At 1 April 2005	1,672
Revaluation	443
At 31 March 2006	2,115

c) Income and expenditure reserve

	£'000
At 1 April 2005	(16,410)
Transfer to Government Grant Reserve	(10,050)
Transfer from income and expenditure account	3,081
At 31 March 2006	(23,379)

d) Trust Funds (funds listed in Note 21)

	Income and Expenditure £'000	Revaluation of investments £'000	Trust Funds £'000
At 1 April 2005	321	43	364
Income and Expenditure Account	2	–	2
Unrealised surplus on revaluation of investments (see Note 9)	–	19	19
At 31 March 2006	323	62	385

15. Lease obligations

Centrex is committed to the following payments in future financial years in respect of operating leases expiring within:

	Buildings £'000	Others £'000	Total at 31.3.2006 £'000	Total at 31.03.2005 £'000
One year	56	3	59	470
Two to five years	1,324	-	1,324	1,379
After five years	-	-	-	-
Total	1,380	3	1,383	1,849

16. Capital commitments

	31 March 2006 £'000	31 March 2005 £'000
Approved and contracted for	10,911	6,921
Approved but not contracted for	23,025	2,561

17. Contingent liabilities

Centrex has one material contingent liability at 31 March 2006. This is in respect of a possible VAT charge arising from the application of the Capital Goods Scheme. Centrex awaits a ruling from HM Revenue and Customs on the effect of Centrex's VAT status between 2002 and 2003, and the concession in place for 2003-04, on the VAT recovered on capital expenditure. The level of liability is likely to be in excess of £1 million.

18. Cash flow statement

a) Reconciliation of operating surplus to the net cash outflow from operating activities

		2005/06		2004/05
	£'000	£'000	£'000	£'000
Operating surplus/(deficit)		3,083		(241)
Depreciation (Note 5a)		6,775		5,792
Loss on write off of fixed assets		23,013		19
Decrease/(increase) in debtors relating to operating activities		(2,070)		1,988
(Decrease)/increase in creditors relating to operating activities	(3,471)		4,084	
Add decrease/less (increase) in capital accruals	1,930		(5,813)	
		(1,541)		(1,729)
Increase in provisions		3,381		(534)
Release from Deferred Government Grant to income for write offs and losses		(23,013)		–
Release from Deferred Government Grant to income for depreciation of assets		(6,775)		(5,792)
Net cash inflow/(outflow) from operating activities		2,853		(497)

b) Reconciliation of net cash flow to movement in net funds

	2005/06	2004/05
	£'000	£'000
Net funds at 1 April 2005	2,440	2,940
Increase/(decrease) in cash in the period	923	(500)
Net funds at 31 March 2006	3,363	2,440

c) Reconciliation of cash outflow to acquire tangible assets

	2005/06	2004/05
	£'000	£'000
Tangible fixed asset additions (see Note 8)	17,815	14,262
Movements in Assets Under Construction	–	808
Add decrease/less (increase) in capital accruals (see Note 18a)	1,930	(5,813)
Cash outflow to acquire tangible assets	19,745	9,257

19. Related party transactions

Centrex is a Non Departmental Public Body financed by grant-in-aid from the Home Office.

The Home Office is regarded as a related party to Centrex. Centrex has had various material transactions with the Home Office. Grant-in-aid is shown in the income and expenditure account.

Centrex considers the police forces in England and Wales to be related parties because senior police officers and police authority members are appointed by ACPO and APA respectively to serve on the Centrex Board.

During the period ending 31 March 2006, no other members of the Board or members of the key management staff have undertaken any material transactions with Centrex.

20. Provisions for liabilities and charges

	As at 1 April 2005 £'000	Income and Expenditure Charge £'000	Paid £'000	As At 31 March 2006 £'000
a) Compensation claims	101	124	(109)	116
b) Compensatory grant	240	14	–	254
c) Bramshill mansion works	5,681	682	–	6,363
d) Bramshill conservation works	3,192	383	(804)	2,771
e) Rationalisation	1,211	5,138	(947)	5,402
f) Durham pension	1,100	(69)	(1,031)	–
	11,525	6,272	(2,891)	14,906

At 31 March 2006, the above provisions consisted of:

- Personal injury and employment claims valued using legal advice and where both the value and payment date is uncertain.
- For amounts that are expected to be claimed by seconded-in officers to cover the tax paid during the year on accommodation allowances. The amount claimed depends on the individual tax rates of the officers affected. All of this provision will be paid to the seconding force within one year.
- For repairs required to the Bramshill mansion (a Grade I listed building) as set out in a report dated June 2001 by the Conservation Practice. The costs of the required works have been estimated in 2003, but due to the nature of conservation work must be uncertain.
- For conservation work required to the grounds and outbuildings (some Grade I and some Grade II) at Bramshill as set out in a report dated June 2001 by the Conservation Practice. The costs were estimated in 2003, but due to the nature of the work they must be uncertain.
- To provide for the costs of the internal restructuring necessary to realise efficiency gains and cost reductions due to a greatly reduced budget for 2004-05, 2005-06 and 2006-07. For 2006-07, an increase to the provision of £4.5 million has been made following the announcement of the closure of Foundation Training.
- A number of staff who transferred from Durham County Council with the National Training Centre in 2002 had pension benefits which were expected to cost more to provide under PCSPS than was available from their transferring pension scheme. This provision was an estimate of the cost of funding the shortfall, which was settled in June 2005.

21. Charitable Trusts

The Charities Commissioners for England and Wales under the power of the Charities Act 1993 granted a new scheme on 9 March 2004. Under this scheme The Police Training Authority Trust has been set up to take over and govern the assets of the following charitable trusts, all of which have been managed on a unified basis by Centrex:

- Police College Trust
- Victor J Lissack Memorial Trust
- F J Lowman Memorial Trust
- Newsam Memorial Fund

22. Post balance sheet events

Sir Norman Bettison, Chief Executive and Accounting Officer has announced his resignation from Centrex with effect from 4 July 2006. He is succeeded as Chief Executive and Accounting Officer by Carol Bernard CBE with effect from 5 July 2006.

23. Financial derivatives and borrowings

Centrex has no borrowings and relies primarily on departmental grants from the Home Office for its cash requirements and is therefore not exposed to a liquidity risk. All material assets and liabilities are denominated in sterling, so it is not exposed to significant currency risk. None of its cash deposits are exposed to any significant interest rate risk.

24. Statement of losses and special payments

The income and expenditure statement includes the following losses and special payments:

	Number of Cases	Amount £'000
Losses	11	26
Special Payments	15	2,087
Total	26	2,113

Note: Special payments include payments for rationalisation and Durham pension costs shown at note 20(e) and (f).



Glossary

ACPO	Association of Chief Police Officers	NOS	National Occupational Standard
APA	Association of Police Authorities	NPIA	National Policing Improvement Agency
BCU	Basic Command Unit	OSPRE	Objective Structural Performance Related Exam
CEPOL	European Police College Network	PABEW	Police Advisory Board England and Wales
CIPD	Chartered Institute of Personnel and Development	PCSO	Police Community Support Officer
CJX	Criminal Justice Extranet Secure Software	PCSPS	Principal Civil Service Pension Scheme
CLDP	Core Leadership Development Programme	PICCTS	Police Information Communication Technology Training Systems
CMI	Chartered Management Institute	PIP	Professionalising the Investigation Process
DDA	Disability Discrimination Act	PITO	Police Information Technology Organisation
FCO	Foreign and Commonwealth Office	PLQF	Police Leadership Qualities Framework
FT	Foundation Training	PNC	Police National Computer
HPDS	High Potential Development Scheme	PTDB	Police Training Development Board
ICP	International Commanders' Programme	QA	Quality Assurance
IPLDP	Initial Police Learning and Development Programme	SCAS	Serious Crime Analysis Section
MLE	Managed Learning Environment	SCC	Strategic Command Course
MPS	Metropolitan Police Service	SIO	Senior Investigating Officer
NCPE	National Centre for Policing Excellence	SLDP	Senior Leadership Development Programme
NDPB	Non-Departmental Public Body	SOCA	Serious Organised Crime Agency
NIM	National Intelligence Model		

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