



NATIONAL POLICING IMPROVEMENT AGENCY  
ANNUAL REPORT  
2007/08



INVESTOR IN PEOPLE





# NATIONAL POLICING IMPROVEMENT AGENCY

# ANNUAL REPORT

# 2007/08

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# FOREWORD



## By the Chairman of the Board

This Annual Report looks back on a challenging but productive first year for the National Policing Improvement Agency. A tight funding settlement and a wide and complex portfolio of inherited activities posed difficulties in the early days of establishing the new Agency.

I believe the Agency, in addition to meeting the delivery targets described in this report, has established itself as outwardly facing, supporting the police service in making communities safer.

A major proportion of our budget is spent on maintaining and improving a range of essential services such as secure police radio communication (Airwave), the Police National Computer, the fingerprint database (Ident1) and the National DNA Database. There has also been good progress on a range of improvement programmes including Neighbourhood Policing and the IMPACT programme which is beginning to transform the way in which forces share information.

I would like to thank everyone who has worked for the NPIA during an extremely challenging first year. I have been continually impressed by the dedication shown by staff throughout the Agency. Their professionalism and hard work has been greatly appreciated. I would also like to thank members of the Board for their guidance, oversight and good judgement. Their differing perspectives and experience have been of great value, particularly in such a new organisation.

There is no complacency about the few performance targets that have not been achieved and I am sure that the NPIA will successfully build on the foundations that have been set down during our first year. We will continue to provide essential help and support to the police service and will, together with the Association of Chief Police Officers (ACPO), the Association of Police Authorities (APA) and the Home Office, make the best choices possible to improve policing.

**Peter Holland CBE DL**  
Chairman

# MANAGEMENT COMMENTARY



# OVERVIEW OF PERFORMANCE

By The Chief Executive Officer



The National Policing Improvement Agency is now just over 18 months old. Set up to bring together the national support to the police service in one place, the NPIA has come onto the scene at a challenging time. The last few months have seen some critical changes announced to the direction of travel for policing through the Green Paper and a number of key national reports - Louise Casey's review, the Magee report on criminality information and the final report of Sir Ronnie Flanagan, to name but three. A quick glance at the proposals in the Green Paper and at the recommendations in the three reports would tell any new observer of the police scene that the Agency is critical to the delivery of an ambitious agenda for change.

The Agency has come a long way already from its origins in the White Paper on Policing in 2005. A 2-year programme brought together CENTREX (the Central Police Training and Development Authority), PITO (the Police Information and Technology Organisation), a large part of the Policing Policy department of the Home Office and a significant collection of national programmes and projects. A key decision in the build up to the start date in April 2007 was to bring together all the national infrastructures, ranging from the databases (the most important of which are the Police National Computer, DNA Database and IDENT1 - fingerprint database) to the national human resource systems (recruiting, selection and career development). For the first time, all the national support for the service is now in one organisation and is being run alongside the programmes that are designed to develop the service.

A key aspect of the new Agency is its governance. Policing will always be both a national and a local issue. The challenge is to find the right balance between the two. In the Agency, that balance is held by a Board on which the Association of Chief Police Officers (ACPO) and the Association of Police Authorities (APA) are strongly represented. While the NPIA is a Home Office body, the Board has worked hard to ensure that the programmes and commissioning structure are linked firmly to police service sponsorship. Moreover, the NPIA's overall programmes are scrutinised by a new

tripartite strategy group, the Police Portfolio Group, chaired by the President of ACPO. PPG works to ensure that the ambitions for change nationally are sensitive to local needs and sustainable by local forces. Before the NPIA started, one of the major criticisms voiced by local Chiefs and Police Authority Chairs was that the national programmes of change were making unrealistic demands on local forces.

The NPIA has come through a very testing first year in which the merger of at least five different groups of staff, the streamlining of 500+ programmes and projects and the need to find millions of pounds worth of savings were just a few of the challenges. In the midst of these, the major national operations like the PNC have continued to perform and improve, with the PNC showing record performance last year. A number of major programmes that were inherited have been substantially progressed or finished, including the national case and custody programme and the last parts of Airwave (the national radio system). The 500+ programmes have been streamlined to 11 major programmes, including Serious and Organised Crime, Counter-terrorism, neighbourhood policing, IMPACT and Leadership, and the national services have been put on a firmer and clearer footing, with agreed programmes of improvement where needed.

The NPIA is in the midst of some new programmes that will change the face of policing hugely over the next decade. The first of these is the programme to put thousands of handheld computers in the hands of frontline officers, which the Prime Minister launched last September. The NPIA has worked hard to ensure that this roll-out is used to enhance operational patrol time, as well as to allow a step change in the way that such technology is deployed and managed by the service. On top of this, the NPIA has been mandated to consider how the whole of the police service's ICT effort could be enhanced by considering a new mix of national standards, national procurement and local delivery. Already, in the area of forensic science, the NPIA has shown that, working to the police service's commission, it can produce a national procurement framework that

avoids having to run expensive, separate competitions. This is likely to be a template for other areas of policing over the next few years.

Lastly, there is the key area of leadership. The NPIA has already worked with the Leadership Strategy Board to produce the police service's first national leadership strategy. A new High Potential Development Scheme has been developed, and selection processes have just produced the first cohort who will start in October. However, the Green Paper has signalled the key importance of this whole area by proposing the creation of the National College of Police Leadership, to be set up within the framework of the NPIA, overseen by a Board of Governors chaired by the President of ACPO. One of the key ambitions of the police service at the outset of the NPIA was to ensure that there was much greater direct police service involvement in the direction of leadership development, which is so crucial a part of the development of any profession. The College will firmly secure that professional direction, and allow the NPIA to support the police service in this area, as in all the others, to deliver for the public.

We were set an ambitious agenda, and I wish to thank all the staff at the NPIA for their hard work over the past year. I look forward to what we will achieve together in our second year.

**Chief Constable Peter Neyroud QPM**  
Chief Executive and Accounting Officer,  
National Policing Improvement Agency  
1 October 2008



## HOW WE PERFORMED

### INTRODUCTION AND KEY PERFORMANCE INDICATORS

The NPJA has undertaken a huge amount of work during its first year of operation, and we have made a significant contribution to a number of improvements in policing. Helping police forces ensure that every area in England and Wales has its own Neighbourhood Policing team has been a major milestone for the NPJA. It has been the culmination of three years work and it was delivered by the deadline promised to the public of 31 March 2008. As the Home Secretary acknowledged in April 2008, "...having a Neighbourhood Policing team for every area in the country was an enormous ask and an ambitious target... we would not be here today if it wasn't for your belief and dedication to fundamentally changing the culture of the police service and supporting forces throughout that process ...". This achievement was also recognised through commendations for the Neighbourhood Policing Programme Team for the support and assistance it has provided to the 43 forces delivering Neighbourhood Policing across England and Wales. Now a part of the NPJA, the team remains dedicated to the sustainability of Neighbourhood Policing to increase public reassurance and to prevent crime.

The Workforce Modernisation Programme is another area in which the NPJA has successfully provided strong support. Workforce Modernisation looks at new ways for the police service to use its most important asset – its people – in order to improve public confidence and satisfaction through improved performance, and to help deliver a citizen focused service. The NPJA Workforce Modernisation team has developed a toolkit and methodology for use by the forces selected as demonstrator sites. This has been fine-tuned and now 13 police forces are united behind a common view of workforce modernisation and signed-up to using the integrated approach explained in the programme's toolkit.

Another success has been the significant progress we made in implementing a system that will speed up the custody and case preparation processes. This has helped forces secure financial benefits of £27.6 million in 2007/08, above the forecast of £27.4 million – largely by speeding up the time it takes to bring offenders to justice, and thereby increasing the number of offences that move through the justice system.

The NPJA has contributed in other ways to increasing public safety, one of which is in continuing to roll-out the 'Airwave' radio system across the London Underground. This enables the three police forces in London to communicate with each other, and with their own command centres, whilst under ground. Much of the London Underground system now allows for this cross-force communication, and completion is scheduled for March 2009.

But it is not only through improvements that the NPJA has made a difference. A significant part of our work and expenditure is devoted to maintaining core police services, without which forces could not operate in the way they do today. These include the Police National Computer, the National DNA Database, the major enquiry system known as HOLMES II and the system for managing dangerous offenders (ViSOR).

In 2007/08, we had 17 external Key Performance Indicators (KPIs) and 17 internal Key Performance Indicators. We monitor and report internally during the year on progress against these indicators, maintaining our own data sources for doing so. We also provide the NPIA Board with regular progress reports, and publish end of year information in this annual report. A summary of this performance is provided in the tables on the following pages, followed by more detail of the Agency's work throughout the year.

#### **External KPIs**

We completed the work for 16 of our 17 external key performance indicators; one was discontinued as it was no longer valid. We achieved or exceeded the targets for ten of the completed KPIs.

#### **Internal KPIs**

We achieved 13 KPIs to timescales. All KPIs within Technology, Procurement, Estates, Customer Relations Management, Standards and Emergency Response were delivered as set out in our 2007/08 Business Plan. The four not achieved within timescale came under the categories of People, Diversity, Finance, and Marketing & Communications, and are explained in the 'Measuring Performance' section that follows overleaf.

#### **Measuring Performance**

All the KPIs include a milestone, achievement to date or percentage target, which are in the left-hand column of the table. If the milestone was not achieved by the target date, the reason for the delay and actual date delivered (where applicable) has been reported in the right hand column.

- Where all criteria are met, the performance indicator is simply reported as 'Achieved to deadline', otherwise, a summary is provided of the elements met within the timescale.
- Where the KPI was achieved but not by the stated date, the performance indicator is reported as 'Not achieved to deadline' and details given.
- The one KPI that was discontinued is shaded grey and marked KPI discontinued.



## External Key Performance Indicators

### Improvement Theme: Intelligence, Information and Interoperability

...the way in which the service exploits information and intelligence so that it is used efficiently and effectively across policing and the wider criminal justice system

Produce a plan agreed with the police service for implementing the Information Systems Strategy for the Police Service (ISS4PS) by March 2008.

**Achieved to Deadline**

Publish a National Strategic Assessment, produced to a new, agreed standard by October 2007.

**Achieved to Deadline**

Deliver IMPACT programme, against revised mandate, to meet Richard Inquiry recommendations 1 (national information sharing) & 4 (long term PNC protection) through meeting the following milestones: issue of contract notice by May 2007; shortlist supplier to three by October 2007; complete supplier negotiations by August 2008; and contract signature by September 2008.

The first two objective deadlines were achieved in the target timescale. Work has continued on the remainder, as is described elsewhere in this report, and is due for completion in 2008/09 business year.

### Improvement Theme: Core Police Processes

...the design, operation and efficiency of core police processes and systems, for example, contact management, detention, case management and forensics

To ensure that all police forces in England and Wales have the ability to send and receive case file information to the Crown Prosecution Service and Ministry of Justice using CJS Exchange, by 31 March 2008.

**Not achieved to deadline, but NSPIS Custody has been implemented in all but one contracted force. NSPIS Case Preparation has been implemented in all contracted forces.**

In partnership with ACPO, agree and utilise a Basic Command Unit Process Model that will identify level 1 issues within the National Policing Portfolio by March 2008.

**KPI discontinued**

This was an early concept that was explored with the support of the service but it was agreed not to pursue this task. Some forces have pursued some individual modelling.

To provide agreed support and products to ACPO for level 2 crime and Counter-Terrorism programmes against agreed timescales.

**Achieved to Deadline**

**Improvement Theme:  
Innovation in Science and Technology**

...the way in which innovations in science and technology are taken forward, tested and implemented in policing so as to deliver operational benefits

Develop an implementation plan on the agreed ACPO Forensic Science Strategy by October 2007.

**Not achieved to deadline**, however the business case was completed, including a delivery plan, and this was agreed in December 2007.

**Improvement Theme:  
People**

...the way in which the police service recruits, develops, deploys and leads its people

Review all learning, development and leadership strategies, products and services to ensure that they meet the needs of policing and represent best value in terms of quality and cost by March 2008.

Reviews of the International Commanders Programme, International Strategic Leadership Programme and Chevening have been completed to timescale.

Develop an approach to Leadership for ACPO that will enjoy the full support of the police service by November 2007.

**Achieved to Deadline**

Develop a people strategy by March 2008.

Early drafts of the People Strategy for Policing were circulated. This was the product of extensive consultation and discussion over the past few months with colleagues in forces, ACPO, Police Authorities, the Home Office and HR Directors. The strategy was approved by the National Policing Board in July 2008.

Establish and agree, phased implementation plan for the People Strategy by March 2008.

Not all stages were completed to deadline. Next steps include translating the principles into policies, work programmes and tools and developing ways to monitor the strategy's success.

Roll-out of Workforce Modernisation to 11 pilot sites by December 2008.

**Achieved to Deadline**

Review the critical recruitment and promotion processes by December 2007 and make recommendations to the National Policing Board by March 2008.

**Not achieved to deadline**, because the timetable for the review of selection and promotion has been extended to allow it to run alongside and incorporate aspects of other related strategies, the Flanagan Review, and the Green Paper.



**Improvement Theme:  
Critical National Policing Infrastructure**

...safeguard the critical national infrastructure that supports policing, to deliver enhanced operational benefits

<p>Deliver the London Underground Airwave extension to 75 stations (60%) by March 2008.</p>	<p><b>Achieved to Deadline</b></p>
<p>To deliver national information services such that: PNC system availability &gt; 99%, ViSOR system availability &gt; 99.5%, IDENT1 overall service score &gt;98, NDNAD – service provision &gt; 98%</p>	<p><b>Achieved to Deadline</b></p>
<p>Agree with forces and ACPO the improved levels of compliance with Serious Crime Analysis Section (SCAS) to be reached by March 2008.</p>	<p><b>Not achieved to deadline</b>, although it should be noted that while the target timescales were reduced from 28 to 14 days this year, the compliance target remained the same. The compliance rate has significantly improved against last year to 72% (excl. Metropolitan Police Service), and overall this is viewed as a success.</p>

**Improvement Theme:  
Responsiveness and Accountability**

...the way in which national guidance, practice and programmes enable the police service to be responsive and accountable locally and nationally

<p>Complete the planned programme delivery of neighbourhood policing to all forces in England and Wales by March 2008.</p>	<p><b>Achieved to Deadline</b></p>
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**Internal Key Performance Indicators**

**Improvement Area:  
People**

...prepare a HR strategy for the organisation to develop the core skills of the Agency and progress towards harmonisation of pay and conditions

Prepare a HR strategy for the organisation to develop the core skills of the Agency by October 2007.

**Not achieved to deadline. Early drafts of the HR strategy have been discussed at the Chief Officer Team meeting, and further work is required to ensure that it is aligned to the People Strategy for the police service and the work of the NPJA's internal Transformation programme.**

Prepare a plan and timetable for harmonising pay and conditions by December 2007.

**Achieved to Deadline**

Develop appropriate controls including post numbering by May 2007.

**Achieved to Deadline**

**Improvement Area:  
Diversity**

...develop the approach to equality and diversity within the Agency and across its delivery strands

Develop and publish an NPJA Equality Scheme by March 2008.

**Not achieved to deadline, although the Single Equality Scheme was signed off by the Board and Chief Officer Team in April 2008.**

**Improvement Area:  
Technology**

...implement a strategy to support the Agency's work that unifies the existing infrastructure and meets best practice

Implement an agreed strategy to support the Agency's work that unifies the existing infrastructure and meets best practice. Strategy to be prepared by October 2007.

**Achieved to Deadline**

Complete the implementation of Phase 1 of the SAP ERP (i.e. business software) roll-out by May 2007.

**Achieved to Deadline**



**Improvement Area:  
Finance**

...develop an agreed financial framework, including a five-year financial plan

Develop a five-year financial plan by November 2007.

**Not achieved to deadline, because the NPIA Board agreed to revise this target to a 3-year plan, which was reflected in the Business Plan 2008/11 approved by the Board in March 2008.**

Develop an agreed financial framework to govern the Agency's operation by May 2007.

**Achieved to Deadline**

Find and deliver savings against the budget 2007/08 and beyond.

**Achieved to Deadline**

Establish a system of devolved budgets across the Agency where budget managers understand their responsibilities and exercise them effectively by July 2007.

**Achieved to Deadline**

**Improvement Area:  
Procurement**

...develop an effective internal approach which delivers value for money

Develop an effective procurement strategy by October 2007 and an internal approach that delivers demonstrable value for money improvements over the 1 April 2007 position by March 2008.

**Achieved to Deadline**

**Improvement Area:  
Estates**

...produce an agreed ten-year strategy to rationalise the Agency's estates

Produce an agreed ten-year strategy to rationalise the Agency's estates by November 2007.

**Achieved to Deadline**

**Improvement Area:  
Customer Relations Management**

...develop a coherent and rational way to communicate with and support police forces and authorities

Develop a coherent and rational plan to communicate and manage relationships to support police forces and authorities by June 2007.

The Customer Relationship Management strategy was drafted by the end of June, presented to the Chief Officer Team on 4 July 2007, and fully accepted. Further work has been initiated and developed.

**Improvement Area:  
Marketing and Communications**

...develop a coherent and rational way to communicate with and support police forces and authorities

Develop and implement an effective marketing and communications strategy by July 2007.

**Not achieved to deadline, but the main issue relating to recruitment & retention is now resolved. A draft strategy was incorporated into the Corporate Relations strategy agreed by the Board in April 2008.**

**Improvement Area:  
Standards**

...develop a plan to achieve appropriate, recognised standards of performance across the Agency (e.g. ISO 9001, Investors in People)

Build a performance management framework that will help our stakeholders contribute to improving policing and enable the Agency's managers to manage the business by October 2007.

**Achieved to Deadline**

Develop an agreed plan to achieve appropriate, recognised standards of performance across the Agency by September 2007 (e.g. ISO 9001, Investors in People).

**Achieved to Deadline**

**Improvement Area:  
Emergency Response**

...establish arrangements for the Agency to provide appropriate support to the police service at times of national emergency by June 2007

Establish arrangements for the Agency to provide appropriate support to the police service at times of national emergency by July 2007.

**Achieved to Deadline**



## DELIVERY, IMPROVEMENT, SERVICE

Our Business Plan for 2007/08 was based around these three strategic areas.

By Delivery, we mean the difference we make to the police service and to public safety.

By Improvement, we mean how we promote self-improvement within policing.

By Service, we mean how the different parts of the NPIA fit together and contribute towards making us work effectively by having the right people in the right places, at the right time, and doing the right things.

Performance against the objectives in these areas was measured against the KPIs in the tables on pages 13 to 18. More information is given in this section about these objectives, and about the breadth of work undertaken by the Agency in 2007/08.

## DELIVERY

We make a difference to the police service, and ultimately public safety, in two main ways. We deliver some of the actual technology and information services on which the police service and various other customers rely. We also support and underpin improvements to what police forces do, and how they operate. The former includes the 'Airwave' radio system, the Police National Computer, and the DNA database. The latter might involve improving the processes police forces use to exchange information with each other, another would be improving the skills and knowledge of their staff members through training or research.

### **Last year, we undertook to make improvements in six areas:**

- Intelligence, information and interoperability
- Core police processes
- Innovation in science and technology
- People
- Critical national policing infrastructure
- Responsiveness and accountability

### **Intelligence, information and interoperability**

Intelligence is the term used to describe information and data that is pooled together from one or more sources, and then analysed in a variety of ways. Taken together, intelligence, information, and interoperability has been an area of increasing importance over the last decade, and was the focus of a number of recommendations in the Richard Report<sup>1</sup>.

The NPIA's precursor organisations were already heavily involved in making improvements in these areas. We have now taken over the responsibility of delivering change, helping the Criminal Justice System to improve processes that will keep people safer.

<sup>1</sup> The Richard Inquiry Report 2004, available at [www.homeoffice.gov.uk](http://www.homeoffice.gov.uk)

## INCREASING CUSTOMER SATISFACTION



**ANDY MYHILL**  
Senior Research Officer  
Citizen Focus Research Team

Last year, Andy worked on ‘Closing the Gap’, the NPIA’s groundbreaking research into the levels of white, and black & minority ethnic victims’ satisfaction with the police. Victims from black and minority ethnic backgrounds consistently report lower levels of satisfaction with the service they receive compared to satisfaction levels reported by white victims. Nationally this ‘satisfaction gap’ is around five percentage points, though this varies from force to force, and there is a statutory duty to address this gap.

We produced and disseminated the ‘Closing the Gap’ report, which summarised key findings and made a number of recommendations. These encourage practitioners to make use of local data and analysis, to examine possible causes for the satisfaction gap in their area. The research will also benefit the public as it encourages forces and individual officers, and police staff, to tailor their service and focus on the things that matter most to the victim.

Andy is now offering guidance to forces across the country about how to improve victim satisfaction. “Working for the NPIA has allowed the Citizen Focus Research team to work more closely with both senior and frontline practitioners”, Andy says. “Since the research summary was disseminated, I have had several follow-up enquiries from forces and have spoken directly with a number of people tasked with examining the satisfaction gap in their area”. He continues, “it has been so satisfying to see our research helping to shape and provide an evidence base for NPIA programmes and projects that myself and several colleagues have decided to end our secondment a year early and become permanent members of the organisation”.



We said that we would publish a timely National Strategic Assessment (NSA) to a new agreed standard on behalf of the Association of Chief Police Officers (ACPO). The ACPO 'National Strategic Assessment' is the culmination of strategic assessments made at force and local command unit levels as part of the National Intelligence Model, and we published it on time. Such strategic assessments drive business planning and resourcing decisions at each of these levels by identifying and prioritising threats and risks. The Strategic Assessments assist police leaders in targeting activity where it is most effective in reducing harm and increasing public safety. We are currently in the process of reviewing the processes and outputs of the NSA with our sponsors, ACPO, as part of implementing an improvement plan for the assessment. This will further enhance intelligence-led decision-making at the national level and contribute to improving public safety and confidence in policing.

We said that we would resource, re-profile, and then deliver the IMPACT programme, which deals with the technology and information infrastructure used by different parts of the Criminal Justice Service (CJS). We made some significant steps in key areas of this programme, for example in helping forces implement a Code of Practice<sup>2</sup>. This sets consistent rules for recording, analysing, storing, reviewing, and disposing of information and intelligence. It underpins the rest of the IMPACT Programme, because it increases the likelihood of potentially vital information being found, and develops a culture of inputting information in the same way. This will make it easier for police officers and staff to find information in different systems.

The IMPACT Nominal Index is an interim system, delivered in December 2005 to help meet Bichard requirements. It plays an important role in modernising the fight against crime, particularly those crimes aimed at children. It is a list of searchable names that can allow one force speedily to see if other forces hold information on certain people of interest. The force can then make a request for that information, and use it as part of an investigation. The IMPACT Nominal Index has been used mainly in child protection cases

and is already making a very welcome difference, sometimes proving instrumental in making better child protection decisions.

The Index has been used in support of other operational policing areas, including investigations into serious and organised crime and counter terrorism activities. Some forces have reported up to 80% savings in the time it takes to complete research on suspects and offenders. It has also significantly strengthened the Criminal Records Bureau's (CRB) disclosure vetting process, as the CRB can see the same information as other users.

In all, more than 60 organisations currently have access to the Index. By April 2008, the integration of the index was completed to such an extent that its use had become 'business as usual', and it was ready to be made part of normal NPPIA operations. During the period, the number of searches made by forces and agencies rose to almost 40,000 per month.

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<sup>2</sup> Code of Practice on the Management of Police Information (MoPI)

*“Doing investigations into child protection cases was limited previously. Now, with one check, we quickly know whether another force holds information”.*

Police Constable, Bedfordshire

*“Every month, we receive hundreds of reports relating to child sexual abuse... the INI checks have been essential in building the intelligence picture on suspects. We were delighted to take part in the pilot nearly two years ago, and continue to champion the INI here”.*

Jim Gamble, Chief Executive, Child Exploitation and Online Protection Centre

*“We needed a system that was easy to access and easy to use, and INI provides both of these elements”.*

Police Constable, Gloucestershire

The Schengen Information System (SIS) is a European data system that holds alerts on wanted and missing persons, stolen vehicles, and certain categories of property. Linking to this system, which will work through the Police National Computer, will be a major step forward for UK police forces, for it allows participating countries to exchange information on such persons or property. The UK plans to be connected in 2010, and the programme to deliver the latest version of the system (known as SIS II) was incorporated into the NPJA during 2007/08. We made significant progress towards the 2010 goal over the past year. This progress included delivery of the detailed requirements specification and delivery of the outline business case. In March 2008, the Home Office Group Investment Board gave the SIS II programme approval to proceed. Stage 3 of the programme is now under way, and this stage will include development of the full business case, and planning for development and delivery of the UK SIS II solution.

### **Core police processes**

Certain processes drive police operations in every force. These core processes include contact management, neighbourhood policing, response, investigation, custody, and criminal justice.

The criminal justice process affects not just police forces, but also the Crown Prosecution Service, the Courts Service, and others. The ‘Justice For All’ white paper published in 2002 set out a vision of a joined-up process that would allow exchange of case files and other information electronically, speeding up the process.

We said that we would integrate the development and delivery of local policing programmes, including finalising the roll-out of the inherited case and custody system, and agree a future approach. During the year, we implemented NSPIS<sup>3</sup> Custody, a crucial part of this joined-up system, in all but one contracted force.

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<sup>3</sup> NSPIS is the National Strategy for Police Information Systems; various products have been introduced in line with this strategy



Another part of the system, NSPIS Case Preparation, is now working in all the contracted forces. The Crown Prosecution Service is now ready to trial use of the full electronic case file, a major milestone in the history of criminal justice administration in the UK.

Other key processes involve the types of crime that cross police force borders, including terrorism. We said that we would provide agreed support and products to develop the national response to such cross-border crime, varying the support offered according to the requirements of the different programmes. For example, we provide direct support to investigations of the most serious crimes, such as 'Operation Hadrian'. We met all our deadlines in relation to this objective.

Other work that relates to core police processes was in support of the 'Professionalising Investigation Programme' (PIP), and also in relation to the 'Safer Detention' guidance issued in 2006<sup>4</sup>. We completed 83 peer reviews across 44 forces (including the British Transport Police), reporting on our findings to the ACPO sponsors. One benefit of our PIP benchmarking work is being able subsequently to provide targeted support to facilitate compliance, thereby leading to better investigations. In relation to safer detention, we have been able to identify and promote good practice, and so support improvements to the safety of detained persons.

## SUPPORTING SERIOUS CRIME INVESTIGATION

### Specialist Operations case study Operation Hadrian

The NPIA's Specialist Operations Team has provided support to a number of high profile cases, including Operation Hadrian. This is the investigation into the abduction and assault of a six-year-old in Northumbria in December 2005.

Initially, investigators on the case had little information. They invited the Specialist Operations Team to support them, and the Support Officer made a number of investigative suggestions, including using the services of a variety of specialists. These specialists included the NPIA's Serious Crime Analysis Section (SCAS), Specialist Advisers, and also the use of a child psychologist to get further information from the victim.

Taking on board some of these suggestions, the investigation team was able to progress its enquiries. Members of the SCAS team developed a prioritisation matrix that allowed the investigation to prioritise the list of potential offenders. One of the suspects was Peter Voisey. The specialist adviser provided guidance about forensic opportunities and new techniques, which were used in this case.

As a result of Northumbria Police's investigative work, and the advice and support offered by the NPIA's Specialist Operations Team, enough evidence was gathered to charge Peter Voisey and ultimately to secure a successful conviction in 2007.

<sup>4</sup> Guidance on the Safer Detention and Handling of Persons in Police Custody 2006' – available at [www.police.homeoffice.gov.uk](http://www.police.homeoffice.gov.uk)

## DELIVERING FORENSIC SERVICES



### CONNOR O'CONNOR Forensic Science Project Manager

As the Forensic Science Project Manager, Connor is responsible for the administration and running of the Forensic Pathology Delivery Board and its sub-committee.

The Board is chaired by the NPfA and is made up of groups that have an interest in a quality Forensic Pathology service, including police forces. The role of the Board is varied and includes maintaining the quality and reputation of the Home Office Register of Accredited Forensic Pathologists, ensuring the continuity of future forensic pathology services, encouraging and funding improvements.

Since the formation of the NPfA, the Board has achieved a number of successes, including approving three new forensic pathologists to the Home Office Register, funding 12 training places for forensic pathology, and a review of the National Forensic Pathology Framework.

Connor is responsible for assuring the future development of the services, as well as acting as the Board's initial point of contact. On behalf of the disciplinary committee, he conducts the first inquiries into any complaints.

"I have found the pathology role both challenging and rewarding. Balancing the need of so many stakeholders to ensure that forensic pathologists can produce the best service possible in a violent death investigation has been a challenge. The future of Pathology services in England and Wales is key to the success of police homicide investigations".

# PREVENTING CRIMES AGAINST CHILDREN

## IMPACT Nominal Index case study

Information was passed to a Child Abuse Investigation Team that a man, who had started a relationship with a woman he met on the internet, might have been responsible for offences against children. The woman had a young child. A check on the PNC showed one caution for an unrelated common assault. Research on the INI revealed that information was held on him by another force where he had also been cautioned at the age of 14 for a sexual offence against a 4-year-old boy and that, in 2004, he had been accused of, but not charged with, the serious sexual assault of an 11-year-old girl. Police and Social Services have now put joint measures in place to monitor the welfare of the child. Such an intervention would not have been possible without the information found using the INI.

### **Innovation in science and technology**

Scientific and technological advances have had a hugely positive impact on policing, as shown, for example, by DNA profiling. Our role in this area concerns the way in which innovations in science and technology are taken forward, tested, and implemented in policing to deliver operational benefit.

The Forensics21 programme aims to challenge, enable, and improve forensic services to make society safer and to deliver an effective police-led forensic service fit for the 21st century. The drivers for change were identified in 2006, and a strategy developed by a jointly sponsored project team drawn from the ACPO, APA and Home Office. The plan for implementing the forensics strategy was agreed in December, as opposed to the target of October. Nevertheless, the Forensics21 Programme will complete the first phase of planned work by the end of March 2010. All forces will realise benefits in terms of how efficiently processes work, saving time and money, and with improved quality in the forensics aspect of a crime investigation.

We have provided other support to the science and technology needs of the police service. For example, research specialists also support innovation by providing forces with some of the information and evidence they need to adopt and apply new technologies.

The IMPACT programme is another significant and continuing area of innovation. It has three key elements, two of which – the Nominal Index, and Management of Police Information – have already been touched upon. The third one, the Police National Database, will be an online, nationally accessible, single source of operational police information. It is the ultimate goal of the IMPACT Programme. Preparatory work has continued throughout the year, and a major milestone was achieved in 2007/08 with an Official Journal of the European Union (OJEU) tender leading to a shortlist of potential suppliers. This should allow us to enter into a contract with the successful consortia towards the end of the year and to start rolling the system out in 2009/10.

## SUPPORTING WORKFORCE MODERNISATION



### CHIEF INSPECTOR IAN ROBERTS Field Officer, National Workforce Modernisation Programme

Ian helps forces to interpret and successfully apply the programme's principles to make changes in a sustainable way. Working directly with forces, Ian has been able to ensure project teams implement Workforce Modernisation to a structured timeline, and agreed evaluation criteria. He has also helped to deliver training in business process re-modelling, essential when different tasks are separated out from each other, and provides ongoing development of guidance.

Supporting and delivering networking events for project teams has also proved an important part of his role as they promote the sharing of good practice and seeking solutions to shared issues.

Ian said, "Although the programme is undeniably strategic in nature, I genuinely enjoy providing practical assistance to project managers and other stakeholders".



## People

This area relates to the way the police service recruits, develops, deploys, leads, and retains its people. With more than 80% of the police budget invested in the 240,000 plus people in the police service, it is essential that police forces, and therefore our communities, get the best result for this investment. This translates into getting the right people with the right skills, in the right place, at the right time, and doing the right thing.

Last year, we developed an approach for the current and future police leadership called 'Leading Policing: A Strategy for the 21st Century', which was delivered on time. We also continued to deliver the National Senior Careers Advisory Services, a high quality career and development service to support existing and aspiring senior personnel.

We said that we would develop a people strategy that identifies clear objectives for the recruitment, development, motivation, and leadership of people in policing. This would include a workforce modernisation strand. We created the first draft of the 'People Strategy for Policing' following extensive consultation with colleagues in forces, ACPO, Police Authorities, the Home Office, Her Majesty's Inspectorate of Constabulary, Staff Associations and Force Human Resource Directors.

The strategy outlines key guiding principles across eight strategic areas, these being presented in the form of direction, guidance, and tools that forces can use to deliver priority objectives and to build long-term capability. The strategy should also help forces respond to public expectations of policing and community safety, and will, for the first time, bring together in one document all people-related principles, plans, and activities. However, we know a strategy on its own is not enough, and so although it is a little behind schedule, we are also developing an implementation plan.

Making the best use of individual talent results in a more efficient and effective workforce. For the police, this means the Workforce Modernisation Programme (WFM). This is based on the premise that activities in

the core police processes can be separated out from each other. A mixed team of police officers and police staff can then be created according to the expertise and experience needed to perform the job. As demand, risk, and complexity increase in policing, workforce modernisation aims to unlock everyone's potential whilst enhancing the status of the Constable, which is fundamental to public trust and confidence. In July 2007, the National Workforce Modernisation Programme profiled the 13 police forces operating as national demonstration sites. Following extensive scoping and preparation, all 13 demonstration sites will be live as planned in December 2008.

Each site is using the National WFM Programme toolkit and methodology. The toolkit links together task analysis, resource matching, efficiency projection, and risk assessment. The programme has also identified a number of associate sites in order to share learning to inform the national roll-out strategy. To supplement the WFM toolkit, the programme has developed a strategic operational resource-planning tool, which joins demand management, demand prediction and workforce planning as a cohesive process. Additionally, we have designed a cost and productivity tool called 'CoPPER', to allow managers to make better-informed decisions about how they can fill gaps in resources. CoPPER proposes not just an accurate cost model, but also indicates what productivity levels can be achieved with the different resource options. These tools will be tested and refined throughout the demonstration site programme.

The programme has offered external consultancy support to demonstration sites to assist with the process of building and quality assurance of their business cases. Bespoke consultancy to assist forces in delivering cultural change and leadership support has been scheduled and delivered as required. For example, the support we provide has helped Durham Constabulary's workforce modernisation project achieve the required clarity and resources. The force can now effectively map out and challenge new business ideas, which would not have occurred without our assistance in accessing training and business consultancy.

## HELPING PEOPLE VOLUNTEER



### TRISHA DASH-O'TOOLE Head of Section for Volunteering and Specials

Having previously worked for the Home Office, Trisha Dash-O'Toole has been seconded to the NPIA as Head of Section for Volunteering and Specials, part of the Workforce Strategy team based at New King's Beam House. The unit has inherited a number of areas of work from the Home Office Police Human Resources Unit.

Trisha's role covers all areas of the Special Constabulary and Volunteering from policy to implementation. Working closely with the Association of Chief Police Officers (ACPO) leads on the Special Constabulary, a Commander from the City of London police and a Surrey Chief Officer, Trisha has played an integral part in co-ordinating the National Strategy for the Special Constabulary.

Her section has been instrumental in the administration of the National Capacity Building Fund, which was originally managed by the Home Office and enables forces to continue their pro-active recruitment and development work. Her team also embarked on an NPIA sponsored advertising campaign for the Special Constabulary. Over the past year the number of Special Constables has exceeded its target of 14,000.

Trisha says, "Meeting the expectations of forces through a period of transition from the Home Office, and encouraging those forces to embrace the changes of the NPIA positively has been a huge challenge. However, these challenges are ongoing and will enable me to promote beneficial change in the longer term".



We said that we would review all learning, development, and leadership strategies, products, and services. This was to ensure that they meet the needs of policing, and represent the best value in terms of quality and cost. This review remains an ongoing process, partly to ensure that our strategies, products and services will meet the requirements of the recent Green Paper<sup>5</sup>, the Flanagan Review<sup>6</sup>, and the HMIC Thematic Inspection of Front Line Supervision<sup>7</sup>, amongst a number of influences. Some reviews have been completed, such as the reviews of our International Programmes, and that of the High Potential Development Scheme, which was then successfully relaunched in April 2008. We have also extended the timescale for the review of the critical recruitment and promotion processes that we said we would do. This is in order to take into account some major developments in the policing landscape, such as the Flanagan Review, the Green Paper, and the commitment in the 'People Strategy' to review the 'integrated competency framework'.

We have been intrinsically involved in the development and future implementation of the Special Constabulary National Strategy. We have also continued to fund the Special Constabulary Capacity Building Fund, and there are now more than 14,000 Special Constabulary officers.

### **Critical national policing infrastructure**

This relates to our responsibility for delivering and continuously improving a number of critical national services. These include, but are not limited to, the police radio system (Airwave) and the Police National Computer.

Airwave is a digital trunked radio service for police and other emergency services in England, Scotland and Wales provided by Airwave Solutions Limited under contract to the NPIA. This is a long-term contractual partnership, as Airwave Solutions Ltd will be responsible for providing the service until 2020.

<sup>5</sup> The Policing Green Paper 'From the neighbourhood to the national: policing our communities together', available at [www.homeoffice.co.uk](http://www.homeoffice.co.uk)

<sup>6</sup> The Review of Policing by Sir Ronnie Flanagan, Interim and Final Reports, available at [www.homeoffice.gov.uk](http://www.homeoffice.gov.uk)

<sup>7</sup> The HMIC Thematic Inspection of Front Line Supervision is available at <http://inspectorates.homeoffice.gov.uk/hmic/>

We said that we would deliver the London Underground Airwave extension. Despite considerable difficulties, the extension to 75 London Underground stations (60% of the network) was achieved within its target time. The Airwave installations in these stations have now been released for operational use, with the remainder of the network scheduled for completion in 2008/09. This key resource brings major benefits to the emergency services in dealing with major incidents on the London Underground and in improving public safety.

We said that we would meet agreed performance standards for the Police National Computer services, Ident1, and the DNA database. We have continued to deliver these key national information services, providing 24/7 support to policing day in and day out. These services make a real difference to officers investigating crime, and securing convictions. For example, 100,000 identifications were achieved with DNA evidence, over 75,000 successful identifications from crime scene marks, and more than 1.5 million identities were confirmed during arrest or detention situations. There are now over 7.6 million fingerprint sets held in the national database, and in excess of 4.3 million palm prints, all easily accessible when required.

We also maintain other key services, such as the Police National Computer system itself, the ViSOR dangerous persons database, and the National Firearms Licensing Management System, all of which were available to forces above the agreed target levels throughout almost all the year.

We said we would work with ACPO and forces to improve levels of compliance with the Serious Crime Analysis Section (SCAS) Code. This code requires forces to submit details to SCAS of certain serious crimes, including some murders, serious sexual offences, and abductions, and to do so within set time limits. This is to enable SCAS to conduct comparative case analysis, which can help in investigations. Even though the time limits for compliance halved last year, the compliance rate has increased and, excluding one force, it now stands at 72%.

## OVERCOMING THE PAN-LONDON RADIO PROBLEM



### BLAIR SOUTHERDEN Airwave in the London Underground

Blair leads a small team responsible for overseeing the implementation of Airwave in the London Underground.

Airwave is a unique and secure radio communications tool. It will be made available across the London Underground to allow the emergency services to remain in contact with one another both above ground, and whilst in underground stations.

Additional benefits of the expansion of Airwave to the London Underground include British Transport Police being able to close down its old analogue radio system, and officers on the underground only having to carry one radio. The Metropolitan Police Service and City of London Police force will also have an effective radio system working below ground for the first time.

Blair managed the commercial stage of the project, bringing together a number of contracts for this project. Since then his team have been responsible for managing service testing with the support of three London based police forces, to ensure that a robust service is available for all services when it is rolled out.

“It is always the aspiration that the project manager involved in the contractual negotiations should remain in place to oversee the implementation, but it rarely seems to happen in practice”, Blair explains. “In this instance, the rapport that we established in 2006 has been maintained through the implementation phase with the suppliers and has been key to the good progress and team-working that we have achieved.”



This increase follows the concerted effort we made, which included disseminating a chief officer's briefing pack to forces, and engaging with Her Majesty's Inspectorate of Constabulary to support forces' adherence to the Code. In addition, we have published and circulated quarterly reports that make the compliance rate transparent. Although the target for compliance was not met, nonetheless the 72% achieved by forces constitutes significant progress. Work will continue to try to drive up the compliance rate still further.

### **Responsiveness and accountability**

This relates to how guidance, practices, programmes, and other support mechanisms we provide enable the police service to be responsive and accountable, both to local communities and on a national scale.

One major success for the police service in 2007/08 is that every policing area – known as a Basic Command Unit (BCU) – now has its own dedicated, visible, knowledgeable, and responsive neighbourhood policing team. In real terms, this means that by the end of March 2008, there were over 3,600 dedicated neighbourhood policing teams, with over 16,400 Police Community Support Officers recruited. Nearly 31,000 of the police workforce – 19% of the total – is dedicated to neighbourhood policing. The increased public confidence levels recorded in the British Crime Survey are indicative of the success of this approach.

We have supported neighbourhood policing in many ways, including force visits, readiness assessments, conferences, practitioner and partner events, plus tailored specialist field officer support to individual forces. The Neighbourhood Policing Programme team also facilitated the development of all 43 force websites to achieve consistency in helping the public to access their local neighbourhood teams. Additionally, we supplemented the national Neighbourhood Policing Programme website with a postcode search facility to allow public access to local neighbourhood policing team pages. Our work has been enhanced by two national publicity campaigns, 'A Name in Every Neighbourhood' in 2007 and 'Keeping the Promise' in 2008.

In order to ensure there was understanding of what drives the successful delivery of a neighbourhood policing approach, we invested over £600,000 in evaluation and research, with six evaluation reports produced, and we were also involved in the production of the 'Delivering Safer Communities: A guide to effective partnership working' document for Crime and Disorder Reduction Partnerships and Community Safety Partnerships. Other contributions we have made include providing learning and development products to underpin and help sustain delivery. For example, we have now produced seven practitioner guides, a BCU self-assessment guide, and a high quality practitioner website with over 200 e-based case studies and toolkits.

As a separate piece of work, we led on a national review of police community support officers, and we assisted Her Majesty's Inspectorate of Constabulary (HMIC) with developing specific grading criteria. These criteria formed part of the inspection process during which HMIC assessed the extent to which all forces had incorporated neighbourhood policing as core business.

## EMBEDDING NEIGHBOURHOOD POLICING



### STEVE BASTERFIELD Field Officer, Citizen Focus and Neighbourhood Policing Team

Steve Basterfield is one of five regional field officers working as part of the NPIA Citizen Focus and Neighbourhood Policing Programme team. His region covers Cleveland, Cumbria, Durham, Greater Manchester, Humberside, Lancashire, Merseyside, North Yorkshire, Northumbria and West Yorkshire.

His role is to support and advise his regional forces in the implementation and the development of neighbourhood policing and citizen focus strategies and commit to the development of national strategies.

As a Field Officer, Steve also helps to maintain and improve effective relationships with key personnel within regional forces, particularly at chief officer and programme team levels. This helps to identify any inhibitors, benefits, and risks in embedding neighbourhood policing and citizen focus. This relationship also helps programme teams consider the implications for partner agencies and communities and develop relevant action plans.

Steve's role includes collecting, interpreting and critically evaluating information to determine options and opportunities to deliver improvements to existing working practices, including identification of training and other needs.

"I have found working as part of the Citizen Focus and Neighbourhood Policing Programme team a rewarding and challenging experience and am proud of what we have achieved. One of the most important parts of my job has been to conduct periodic assessments of neighbourhood policing and citizen focus in forces and BCUs within allocated regions, and/or nationally, when required, enabling me to provide a professional level of support to them."



## IMPROVEMENT

We aim to promote self-improvement within the police service. During 2007/08, we decided to approach this on two fronts. Firstly, we knew we needed to support the 'National Portfolio', which is the term used to describe all the different policing developments and changes that are already taking place, or are on the horizon. Secondly, we planned to foster the business processes that make such developments happen.

### **We targeted three areas that are critical to the successful promotion of self-improvement in policing...**

- Intensive review
- Portfolio and programme management
- Strong relationships with the police service

#### **Intensive review**

The National Portfolio makes demands on forces that outweigh their capacity to deliver because it has grown too large and lacks prioritisation. We undertook to conduct a review of existing activity, and this has helped us to ensure that we direct our effort to the areas where it is needed most, and where it will make the most difference. We have decommissioned work that was neither urgent nor important to the goal of improvement.

From this position, we designed an Improvement Portfolio approach to our activities. This portfolio approach means all change and improvement activity – currently 11 programmes – is grouped into the eight areas listed below. This portfolio has strong police visibility through our ACPO partners, as well as through the leadership and ownership afforded by our own police officers.

Our Improvement portfolio consists of:

- Protective Services
- Counter-Terrorism
- Citizen Focus
- Neighbourhood Policing
- Efficiency and Productivity
- Information, Intelligence, & Science
- Criminal Justice
- Leadership

A pictorial representation of our priorities, strategic approach to delivering them, and activities undertaken in support of that delivery is on pages 100 -101.

One of the ways we help improve policing is in working with practitioners to establish working practices and procedures that are consistent with the values of the police service, and with legal and community expectations. A key partner in this area is ACPO, which leads and coordinates the direction and development of the police service in England, Wales and Northern Ireland. Together we delivered significant pieces of work during the year, including 'Guidance on Managing Sexual Offenders and Violent Offenders', and an updated version of the 'Road Death Investigation Manual'. We were also involved in a strategic debrief of 'Operation Sumac', the inquiry into the Ipswich murders, which contributed towards the Protective Services portfolio mentioned above. The NPJA also secured agreement from ACPO to further develop and enhance the Protective Service Threshold Standards against which each force is assessing its own service delivery, and identifying avenues for new or additional collaboration.

## IMPROVING THE COUNTER-TERRORISM RESPONSE



### DR FRANK PIKE Professional Practice Developer

As a Professional Practice Developer, Frank is responsible for developing ACPO Codes of Practice, guidance, and practice advice for use throughout the police service.

Frank is currently leading on two counter-terrorism professional practice projects. One of the projects focuses on the police tactical response to chemical, biological, radiological or nuclear related terrorism. The other is mainly concerned with mapping out operating processes and ensuring consistency between local, regional, and national counter-terrorism capabilities.

His role involves liaising with a wide range of stakeholders, including police service counter-terrorism practitioners, the military and other government departments, and the scientific community, to help develop relevant content for the two projects.

He is also responsible for drafting the content for two pieces of ACPO/NPIA guidance, managing subsequent consultation, and ensuring that the guidance is quality approved and signed off by ACPO for publication and dissemination across the police service.

“It can sometimes be challenging keeping up to speed with the many developments in counter- terrorism policing” Frank says, “but ultimately it is interesting and important work that we are involved in. The publication of these two pieces of professional practice will hopefully benefit the police service by ensuring a consistency of approach which will ultimately lead to increased safety and an improved service to the public”.



### Portfolio and programme management

A portfolio approach requires joined-up thinking and communication across the different parts of an organisation. We had to improve our own skills in this area, and that of programme management to ensure that we were providing the best support to the improvement portfolio areas. For this reason, we invested in the training and development of individuals who needed these skills. We have also developed an internal handbook, which we launched with a series of briefings open to all staff. The handbook contains best practice both from inside and outside the NPJA in the use of a single process for delivering programmes and projects. The process is based on the PRINCE2 and Managing Successful Programme methodologies.

We have directly supported forces by responding positively to requests for assistance in setting up their own transformation programmes, advice on developing their programme and project capability, and an ongoing engagement the Agency has is to review a particular force's progress in programme and project management.

Portfolio staff have been assigned to assist in the development of various improvement programmes being run by the NPJA, examples including Forensics<sup>21</sup> and IMPACT. Further advice, guidance and consultation has been provided to Mobile Information, e-Borders, ANPR Programme, CCTV, Violence Risk Management and Protective Services Programmes. All of these will directly or indirectly improve public safety by enabling forces to make performance improvements.

### Strong relationships with the police service

We knew our contribution to making the public safer depended on the quality of our relationships, particularly those with our tripartite partners (the Association of Police Authorities, ACPO, and the Home Office), and the ACPO 'Business Area' leads. Our approach to these relationships is flexible and evolving, and we facilitate and maintain effective and mutually beneficial relationships with key stakeholders in the police service and wider policing family. Our improvement activity in relationship building has been informed by the findings of a review conducted by an external consulting group in 2007. The review focused on perceptions of the NPJA amongst police leaders, and this provided us with a foundation stone for the next steps of mapping, embedding, and where necessary, deepening stakeholder engagement. Progress along these steps has continued apace in recent months.

Formal and regular stakeholder engagement is not the only way in which we connect with our stakeholders. We have also responded positively to such requests as advice on the selection of project and programme managers, these requests arising from forces' knowledge of the expertise we have developed in our own people. This desire for strong relationships with all our policing colleagues extends throughout our organisation, and is particularly evident in such areas as the International Academy, which has a global stakeholder community.

## IMPROVING POLICING INTERNATIONALLY



### SUPT ALISON QUEEN International Policing Advisor

In her role as International Policing Advisor for Africa, Alison leads as the international regional project and client relationship manager.

She has overall responsibility for developing, co-ordinating and project managing the training needs, design, delivery, and evaluation of regional training support. As well as managing projects and stakeholders, she also represents UK policing and the NPIA abroad, travelling to areas such as Rwanda and Tanzania to meet with trainers and officers from the forces there. In addition, she works as part of an integrated business development, marketing, customer relations, training design, evaluation and quality assurance process for international work overseas.

Benefits from the International Academy's work include an increase in strategic international policing partnerships aligned to the new UK National Security Strategy, and £300,000 passed directly back to forces in supporting NPIA international projects.

Speaking about her role, Alison says, "To be able to represent the Agency, force and UK policing in this way is a real privilege. Whilst the work-life balance is difficult at times with the travel and project management pressures associated with my job, to be involved in this vocational type of work is personally and professionally very rewarding. To be able to give something back and to make a difference to UK policing and our colleagues overseas drives me on".



## SERVICE

Making sure our own business is fit for purpose is vital to ensuring we can make our unique contribution to public safety. Last year, a number of service plans were developed to show how each unit was going to contribute towards the achievement of the Agency's objectives. All the plans created were published in time for every member of staff to receive a summary of the one for their own unit. This helped everyone understand where and how they make a difference.

### **We identified a number of critical service challenges that we needed to address:**

- People
- Diversity
- Technology
- Finance
- Procurement
- Estates
- Customer Relations Management
- Standards
- Emergency Response

### **People**

We said that we would make progress towards harmonising staff pay and conditions, as the precursor organisations from which the NPIA evolved had varied contract terms for their staff. Excellent results have been achieved in this area; nearly 90% of permanent employees transferred onto the new structure by the end of the year. Our Human Resource Strategy is still under development, as we want to align it more closely with the 'People Strategy' that has been devised for the wider police service. We have also recruited a large number of staff, many of whom are our new managers. Therefore, a priority has been to deliver essential training to them to ensure they are aware of, understand, and can apply, our new policies and protocols for managing their people.

### **Diversity**

We said that we would develop our approach to equality and diversity issues across all six strands of diversity – age, race, gender, sexual orientation, disability and religious belief. We did this during the year by creating a 'Single Equality Scheme', to which the Chief Officer Team signed up just after the end of the reporting year. We now have an action plan with a number of high-level and subsidiary implementation tasks, through which we expect to make good progress over the coming year.

### **Technology**

We said that we would implement a strategy to support our work, unifying the existing infrastructure and meeting best practice. We achieved both our KPIs in this area. We prepared a strategy by October 2007, and ensured that critical technology support systems for procurement, finance, HR, and project work were rolled out by May 2007. This resolved some of the process issues that had been causing problems for the Agency, although more improvements are required, and these are under way.

### **Finance**

We said that we would develop a five-year financial plan by November 2007 as part of an agreed financial framework. However, this changed when the NPIA Board agreed to revise this to a three-year financial plan, mirroring the timeframes used in the rest of the public sector. By May 2007, we had developed a financial framework for the NPIA. Within a few months, this included devolving budgets to different managers throughout the organisation, whilst ensuring that they were truly accountable for how they spent public funds. We have made significant efficiency savings, meaning that we were able to do 'more for less' than we first budgeted.

## DEVELOPING OUR PEOPLE



### TANYA O'DOHERTY Manager, Organisational Development Team

The key focus for Tanya and her team is the personal growth and development of our managers and staff. During the year, they had to design and deliver processes and development programmes to meet changing NPIA priorities, enabling us to support policing improvements through individual managers, as well as by liaising with forces and sharing good practice.

Over the year, the team facilitated over 350 training courses and workshops, which were attended by over 2000 members of staff and covered areas such as job evaluation, HR policies and employment legislation framework. The team also introduced an NPIA induction for all new staff and an online personal development review process.

“There’s a satisfaction that comes from delivering what’s needed by the organisation”, Tanya says, “and the feedback we get is useful in helping us continuously improve the services and support we offer.

“Helping to keep staff motivated to learn and develop while there are other priorities is not easy. We’ve worked hard to meet the needs of the organisation – something I’ve really enjoyed.”



## Procurement

We said that we would develop an internal approach that delivered value for money when buying in the products and services we need to run our business. During the year, we put in place a new commercial and procurement structure. We devised a new procurement strategy to align with that used by ACPO. In 2007/08, our cashable procurement savings were £5.96 million, and we are continuing to refine our procurement processes in order to secure even better value for money in the future.

## Estates

We said that we would produce a ten-year strategy to rationalise our estates, whilst simultaneously making our sites attractive and functional. We also aim to provide value for money whilst still taking a sustainable approach to the use of resources. As well as completing the longer-term strategy, we also undertook some significant improvement programmes. We opened a state-of-the-art forensic training centre, and an 80-bed multifunctional training centre at Harperley Hall. In addition, we instigated an upgrading programme for residential, training, and office facilities at a number of our other sites.

## Customer Relations Management

We said that we would develop a coherent and rational way to communicate with, and support, police forces and authorities. Since before the NPJA's official launch on 1 April 2007, we positioned ourselves as being police owned and police led. This has been the foundation stone for our new relationship with police forces and police authorities. We knew we needed to develop a coherent way of communicating with these partners, and of supporting them. We drafted a strategy by the end of June 2007, and the Chief Officer Team adopted it in early July 2007. We recognise, however, that there is a lot of work still to do to improve these constantly evolving relationships, and so this remains a strong theme over the forthcoming year.

## Standards

We said that we would develop a plan to achieve appropriate standards of performance ourselves. This is because we need to be sure our own business model, performance management, and scrutiny / audit systems are sufficient, proportionate, and appropriate. We established our 2007/08 business model following extensive consultation with key partners and stakeholders, and we continued consulting during the year. As a result, we now have a revised model for our 2008/09 Business Plan. We devised our performance management system by 'mapping over' from the business model, resulting in the focus on KPIs. As well as Home Office auditors' scrutiny and reports on our performance, we have also used externally accredited measures and assessment tools. These include the 'Investors in People' accreditation, and ISO 9001, which concerns quality management standards.

## Emergency response

We said that we would establish arrangements for the NPJA to provide appropriate support to the police service at times of a national emergency. We developed a number of business continuity plans that mean we are confident that forces can use parts of our estate during an emergency, and assure our own delivery of essential services. In addition, we also audited each site's 'disaster recovery' capability. Work continues in this important area of resilience.

## FINANCIAL PLANNING AND FUTURE DEVELOPMENTS

Our first year was one of real challenge in how we managed our finance functions. We implemented a resource planning system based on the one that we had inherited from one of our precursor organisations. This system required extensive work to adapt it to meet our needs, and this work continues into 2008/09. The implementation of this system led to certain difficulties that impacted on developing effective and efficient processes, for example payments to suppliers and accurate financial monitoring information. We took action during the year to eliminate these problems, and gradually, we have made progress. Future changes, including streaming 'procurement-to-pay' processes, were about to be implemented at year-end.

We ran a series of training sessions with senior managers, a significant number of which were new to our organisation, in order to strengthen financial control. These sessions explained the importance of proper financial management within a government body, and were additional to other training delivered in relation to the financial system.

One of the challenges we faced was the variety of systems, policies and procedures that existed on 1 April 2007. A financial framework, including a scheme of delegation to managers, was established. This will continue to be developed in light of feedback from the business and our organisation's needs.

Following up from progress made from the initial low base, the Home Office and NPIA identified a number of areas for further work including: more detailed information about the range of activities we undertake, a systematic review of services and products, developing 'Value for Money' planning and arrangements, and improving relationships with the Home Office. These recommendations have been, or are being, implemented.

### Review of performance

The table below compares NPIA's financial outturn for 2007/08 with its budget

	Budget £m	2007-8 Spend £m	Over / (under) spend
Total Resource	412.3	401.3	(11.0)
Total Capital	185.5	138.8	(46.7)
Resource + Capital	597.8	540.1	(57.7)

The Resource underspend of £11 million was the result of minor underspending across the Agency against a budget which was brought together from Centrex, PITO and Home Office units. Around £10 million of the underspend was put aside to finance one-off projects due to the merger and creation of the NPIA. In the event, many of these projects were funded from within the business with the result that this fund was not drawn on.



The Capital underspend of £46.7 million mainly relates to the Airwave project, which provides a secure national digital radio network. Part of this underspend was due to a prudent level of contingency not being realised. Whilst there was some slippage in delivering some elements of the network resilience, this is now back on track and at no time was police operational capacity compromised.

An element of capital expenditure is used to fund assets built for other organisations in support of policing with the result that fixed assets additions shown in the Accounts of £91.6 million (£90.9 million Tangible and £0.7 million Intangible fixed asset additions) is less than the total spent against budget of £138.8 million. The FRS17 liability for transferred-in police pensions is excluded from spend for budgeting purposes.

### Going Concern

The activities of the NPIA are primarily financed by the Home Office. The balance sheet at 31 March 2008 shows net assets less liabilities of £192,733,000. This reflects the inclusion of pension liabilities falling due in future years that, to the extent that they are not to be met from the NPIA's other sources of income, may only be met by future grants or grants-in-aid from the Home Office, the NPIA's sponsoring department. This is because, under the normal conventions applying to parliamentary control over income and expenditure, such grants may not be issued in advance of need.

Grant-in-aid for 2008/09, taking into account the amounts required to meet the NPIA's due liabilities in that year, have already been included in the Home Office's Estimates for that year. These have been approved by Parliament and there is no reason to believe that the Home Office's future sponsorship and future parliamentary approval will not be forthcoming. It has therefore been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

### Heritage Assets

The NPIA is responsible for a number of assets that are defined as heritage assets, the main such being the 17th century Mansion House and grounds at the Bramshill site. The Bramshill site was purchased by the Home Office from Lord Brocket in 1953 and was transferred from Centrex to the NPIA on its vesting. 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.

### Auditors

The NPIA uses internal audit services provided by the Home Office, which continuously reviews best practice. The charge for these services was £148,000. Under paragraph 36(4)(a) and (b) of Schedule 1 Part 4 to the Police and Justice Act 2006, the Comptroller and Auditor General audits the statement of accounts and lays a copy of the statement and his report before both Houses of Parliament. The amount of the external audit fee for 2007/08 was £180,000. During the year, the external auditors, the NAO, were not paid for any work of a non-audit nature.

### Compliance with public sector payment policy

The NPIA'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 2007/08 there were on average some 4,180 invoice, expense and procurement card transactions per month. The NPIA's payment record during the first year was 55% paid within the 30 days. The NPIA incurred late payment penalties totalling £24,796. Plans to improve this record have been implemented and the record for 2008/09 will be much better.

### Provision of information to auditors

There is no relevant audit information of which the auditors are unaware. The Accounting Officer has taken all necessary steps to make himself aware of any relevant audit information and to establish that the auditors are aware of that information.

### Description of principal risks and uncertainties

At the end of the financial year 2007/08, the principal risks facing the NPIA included those listed below. All risks and uncertainties are managed through an internal control system.

- The Schengen SIS II system is a system that will deliver improvement to crime fighting in the UK by providing information on crimes and criminals in various European states. If we fail to deliver this system, some of our stakeholders may suffer operational difficulties, and our reputation may suffer. This risk may materialise in the event of inadequate funding and resourcing. (It should be noted that since the end of the 2007/08 financial year, funding for this programme has been confirmed, and we are now moving towards a full business case).
- Changes to how the public sector radio spectrum holdings are managed will result in a significant increase in the cost of the police part of the spectrum, these costs being met from the NPIA budget. The timing and amount of these changes is unknown, which presents a risk to the NPIA.
- As the CEO is the policy owner for Health and Safety, failures in this area or failures in NPIA-supplied products could result in legal action and/or damage to our reputation.
- Confidence in the Airwave programme could be damaged if the product's infrastructure does not meet stakeholder needs and expectation during demanding critical incidents. This would also damage our reputation.

- If we fail to comply with Information Assurance requirements and to keep information secure and properly processed, we may experience damage to our operational effectiveness and to our reputation.
- The on-going development of a unified organisation could be undermined if there is ineffective implementation of our ICT requirements for the organisation, or a lack of alignment in business processes.
- The outcome of on-going legal action with a supplier, following cancellation of a contract, presents us with a risk.
- We may not be able to deliver the benefits of our improvement portfolio if we cannot secure an appropriate budget.

### Future developments

Some strategic developments that will impact on the NPIA in 2008/09 and in the future, include a number of recommendations in the Flanagan Review<sup>8</sup>, the Home Office Green Paper<sup>9</sup>, the Casey Review<sup>10</sup>, and the existing financial settlements as conferred following the Comprehensive Spending Review of 2007.

A significant impact that the NPIA intends to have on policing, and which will, therefore, affect how the Agency itself conducts business and supports the police service in making communities safer, is in the development and implementation of the National Improvement Strategy for Policing. This important development in the strategic approach to policing will draw upon the Green Paper, the recommendations in both the Flanagan Review reports, and the all-important Citizen Focus Agenda<sup>11</sup>.

<sup>8</sup> The Review of Policing by Sir Ronnie Flanagan, Interim and Final Reports, available at [www.homeoffice.gov.uk](http://www.homeoffice.gov.uk)

<sup>9</sup> The Policing Green Paper 'From the neighbourhood to the national: policing our communities together', available at [www.homeoffice.co.uk](http://www.homeoffice.co.uk)

<sup>10</sup> The review by Louise Casey, 'Engaging Communities in Fighting Crime', available at [www.cabinetoffice.gov.uk](http://www.cabinetoffice.gov.uk)

<sup>11</sup> An explanation of the Citizen Focus agenda is on <http://police.homeoffice.gov.uk/community-policing/citizen-focused-policing/>



It will also use as source material the reforms undertaken as part of Workforce Modernisation, and the findings of the fundamental review of police information communications technology. The NPIA will develop this strategy in close collaboration with the tripartite partners.

Other developments affecting the NPIA from 1 April 2008 include the assimilation of the Proceeds of Crime Centre (the training and accreditation functions of the Asset Recovery Agency) into the NPIA. The remainder of the ARA was subsumed into the Serious Organised Crime Agency. From April 2008, the NPIA also took responsibility for the National Missing Persons Bureau, and Central Witness Bureau. In addition, responsibility for making Grants to the Police authorities for the Initial Police Training and Development Programme was transferred to the Home Office.

Other specific future developments within the remit of the NPIA include:

- To increase financial investigation capacity and capability through training, accreditation, and quality assurance
- To assist the police service in strengthening protective services
- To develop professional practice and operating standards regarding counter-terrorism work
- To deliver a National Equality Standard for the Police Service
- To equip forces with additional mobile data devices
- To deliver Airwave to all remaining London Underground stations
- To deliver the 'Virtual Court' pilots
- To deliver doctrine and training to develop the skills needed by those who will command the policing of the 2012 Olympic Games.

## ENVIRONMENT, SOCIAL AND COMMUNITY MATTERS

### Environment

We are committed to reducing our impact on the environment by implementing a programme of continual improvement.

Everyone working for us or on our behalf is required to carry out their activities in line with the 'Home Office Environmental Policy (revised April 2002)'. Since April 2007, we have articulated our approach to environmental issues in an Environmental Policy Statement made by the CEO. This statement describes the broad approach we are taking across the 12 sites in the UK. All members of staff are made aware of this statement through its publication on the NPIA's intranet.

We have taken a number of steps over the past year. We have continued to work on the process of obtaining ISO 14001 accreditation, which is the cornerstone standard of the ISO 14000 series. This specifies a framework of control for an environmental management system against which an organisation can be certified by a third party.

Initial work streams will be charged with identifying ways of reducing our utility spends and conserving energy. The boilers at the Harrogate site have been replaced, which will provide us with energy savings. We have continued to ensure that recycling methods are incorporated into our facilities management and into planned preventative maintenance contracts, and we are a licensed waste producer, thus complying with current legislation.

We have continued to procure furniture from suppliers who ensure that wood and related products are provided from sustainable sources. We have ensured

that new construction projects comply with all current legislation, including the Disability Discrimination Act 1995 and the Building Research Establishment Environmental Assessment Method. In line with government requirements, the new build at Harperley Hall is on target for a rating of 'very good'. At the Ryton site, the master plan and the construction project for the new accommodation block are intended to achieve a rating of 'excellent'. Recent projects on the Bramshill site have continued to use sustainable wood from the estate.

### **Social and community matters, including employment**

As at 31 March 2008, our headcount was 1,939 people. Headcount includes permanent staff, fixed contract, contractor/agency workers and secondees. Sickness absence figures, however, are measured against a base of employees only on the payroll during the relevant period. On the 31 March 2008, this base number of employees amounted to 1,299 people. The average number of sickness absence days per employee, including long-term sickness absence (i.e. more than one month) was nine days. We aim to support colleagues during sickness absence, working with them to facilitate a return to work as soon as practicable. To this end we implemented a 'Sickness and Absence Policy' in January 2008.

We developed a number of policies critical to help guide thinking, action, and decision-making in relation to certain issues that are important to us as an organisation or to individual employees. These include the Performance and Conduct Policy, the Grievance Resolution Policy and the Stress Management Policy. We also developed policies that impact on our relationship with communities, groups and individuals outside the NPJA, including the Procurement Policy and the Public Interest Disclosure Policy.

We will review these policies over time to consider their impact and effectiveness.

In 2007, we conducted a staff survey. Amongst other findings, both of strengths and weaknesses, this revealed that consultation and engagement with the workforce is an area for improvement for us. We are working hard to bring about these improvements. For example, we meet with the recognised trade unions to discuss terms and conditions, rewards and benefits and a range of internal matters affecting our staff. Meetings are held on average monthly, but more frequently if needed. There are sub-committees of this group, which are convened as needed.

We also held a series of 'Shaping Up for the Future' engagement roadshows in early 2008. Around 800 staff attended these events, which were designed to allow staff to spend time with the Chief Officer Team discussing the NPJA's vision, purpose, priorities and values.

During the year, we created a staff council. This first met in December 2007 and again in July 2008, with further meetings planned. Representatives are nominated by staff and include representatives from all directorates, the trade unions, and the Police Federation. Topics for discussion exclude the terms and conditions of staff that are for negotiation with the unions, but otherwise cover a wide range of issues suggested by staff and managers.

Additional, informal staff consultation and engagement occurs via monthly web chats, where staff can ask questions of a different member of the Chief Officer Team each time. The NPJA has a monthly internal newspaper called 'Connect', which is available online and in hard copy for every member of staff.



## PROMOTING EQUALITY, DIVERSITY AND HUMAN RIGHTS

Various Acts of Parliament place duties and responsibilities on various organisations, including the NPIA. For example, the Race Relations (Amendment) Act 2000 places a positive duty on the NPIA and other public authorities to:

- Promote racial equality
- Work towards the elimination of unlawful discrimination
- Promote equality of opportunity and good race relations between people of different racial groups.

Other examples include the Disability Discrimination Act 2004, which also places positive duties on the NPIA, and the Employment Equality (Age) Regulations 2006, which places various responsibilities on the NPIA as an employer and on those who work here.

Last year, the Equality, Diversity and Human Rights (EDHR) Unit developed our 'Single Equality Scheme' (SES). This is a six-strand equality scheme to include information on how we promote respect, dignity, and fairness in all six areas of diversity: age, disability, gender, race, religion or belief and sexual orientation. This process involved consultation and involvement with internal focus groups, employees completing questionnaires, and consultation with external organisations.

Whilst the SES meets our various legislative requirements, we are committed to going beyond mere compliance. We are determined to show best practice by demonstrating that we are fully inclusive in all that we do. This also makes good business sense and is essential to our role of improving policing.

We have developed a diversity statement to ensure that our goal of inclusion runs throughout the organisation. In this statement, we have promised to provide a working environment free from any harassment, bullying, victimisation and unlawful discrimination, ensuring equality of opportunity throughout all our processes and practices. This statement comes to life in part through the various policies that govern our working practices, but also in the duty imposed on each member of staff actively to demonstrate his or her commitment to these principles and to challenge unacceptable behaviour.

In 2007/08, EDHR also produced and published guidance for each directorate and unit on how to complete race and diversity impact assessments on their policies, related procedures and key decisions. These are then passed back to that unit for validation.

We have provided some information in the tables that follow of particular aspects of the diversity of the NPIA workforce. In contrast to the sickness baseline, which is measured over a quarter-year and therefore includes staff that leave and join during that period, the diversity measure takes a fixed point in time to assess the baseline figure. For the purposes of this report, the diversity data uses a baseline of 1,127 employees.

We also take an outward-facing role with respect to promoting racial equality and diversity. For example, EDHR staff helped to support the work of Independent Advisory Groups (IAGs) in police forces by hosting a national working party for the IAGs during 2007.

**Ethnicity profile**

Self-defined ethnic origin	31 Oct 2007		31 Dec 2007		31 March 2008	
	Total	%	Total	%	Total	%
Any other Asian Background	13	1.20	14	1.28	13	1.15
Any other Black Background	23	2.12	23	2.10	23	2.04
Any other Ethnic Group	8	0.74	8	0.73	8	0.71
Any other mixed background	5	0.46	4	0.37	3	0.27
Any other White background	35	3.22	35	3.20	38	3.37
Asian or Asian British Bangladeshi	3	0.28	3	0.27	4	0.35
Asian or Asian British Indian	51	4.70	51	4.66	52	4.61
Asian or Asian British Pakistani	5	0.46	5	0.46	5	0.44
Black or Black British Caribbean	16	1.47	17	1.55	17	1.51
Chinese	8	0.74	8	0.73	8	0.71
Mixed White and Asian	5	0.46	4	0.37	4	0.35
Mixed White and Black African	2	0.18	2	0.18	3	0.27
Mixed White and Black Caribbean	2	0.18	2	0.18	2	0.18
White British	730	67.22	724	66.18	730	64.77
White Irish	15	1.38	15	1.37	15	1.33
Prefer not to say	135	12.43	179	16.36	202	17.92
Unknown	30	2.76	0	0.00	0	0.00
<b>Total</b>	<b>1086</b>	<b>100.00</b>	<b>1094</b>	<b>100.00</b>	<b>1127</b>	<b>100.00</b>

**Age profile**

Age Profile Q4, 2007/08	18-35	36-45	46-60	61 and over	NPIA Total
Total	375	308	410	34	1127

**Disability profile**

Disability Profile Q4, 2007/08	No Disability	Prefer Not to Say	Unknown	Yes	NPIA Total
Total	1056	1	35	35	1127

**Gender profile**

Gender Profile Q4, 2007/08	Male	Female	Percentage Male	Percentage Female	NPIA Total
Total	569	558	50.5	49.5	1127



## ABOUT US

### Our status

The NPJA was established under the Police and Justice Act 2006 and came into existence on 1 April 2007. It was designed to take over all the functions of the Central Police Training and Development Authority, known as Centrex, and the Police Information Technology Organisation, known as PITO. Some Home Office and ACPO project functions were also subsumed into the organisation at vesting, and further mergers have since taken place. All of these, but particularly Centrex and PITO, are known as our precursor organisations, to which reference has been made elsewhere in this set of Annual Reports and Accounts.

We are a Non-Departmental Public Body sponsored by the Home Office, with a remit that covers most of the UK. Our duties and powers of the NPJA are vested in the tripartite NPJA Board; tripartite refers to the Association of Police Authorities, the Association of Chief Police Officers and the Home Office, which are all involved in the direction of the agency.

### Our objects

- identifying, developing and promulgating good practice in policing
- providing police forces with expert advice about, and expert assistance in connection with, operational and other policing matters
- identifying and assessing opportunities for, and threats to, police forces in England and Wales and making recommendations to the Secretary of State
- sharing internationally our understanding about policing issues
- providing support to police forces regarding technology, procurement, training and other personnel matters
- anything else that's reasonably expected in order to complete the above tasks.

### Our purpose

To achieve our purpose of making a unique contribution to improving public safety we:

- drive improvement and leading-edge practice where it matters, fostering self-improvement and helping to shape the future of policing
- deliver and develop critical essential services and infrastructure, that support policing day-in and day-out
- provide accessible, responsive and joined-up solutions, enabling the police service to put more time into front-line police work.

### Our vision

We will help to make our country and every citizen in it safer. When they need the police, they will receive the right service, delivered to a consistently high standard. Services will be accessible when people require them, delivered with care, compassion and sensitivity.

Our vision is of a police service where the right staff have the time, skills, knowledge, information, and equipment to give the best service; where careers are developed, where staff are recognised for good performance and are led well by people that they, and the community, respect.

Ours is a vision of a strong public service, engaged with every community, a service that values the dedication of staff and volunteers, and believes that trust in the police service is crucial to a safe and confident society.

### Our values

- Trusted partner
  - we are open and honest
  - we challenge when necessary
  - we seek and respond positively to feedback
  - we are true to ourselves and respected for our integrity
  - we bring others with us when making difficult decisions
- Passionate about policing
  - we work hard to understand what's needed
  - we are committed to serving those who serve
  - everything we do is motivated by making a difference to public safety
- Focused on delivery
  - we prioritise key needs
  - we take ownership of, and accountability for, results
  - we use our initiative and take considered risks
  - we value joined-up thinking and solutions
- Quality matters
  - we seek out and share best practice
  - we evaluate options professionally and objectively
  - we turn the best expertise into customer-focused solutions
- Valuing people
  - we enable talented people to be successful
  - we treat people with respect
  - we value diversity
  - we prioritise learning and development

## THE NPIA'S CHIEF OFFICER TEAM

(as at 31 March 2008)

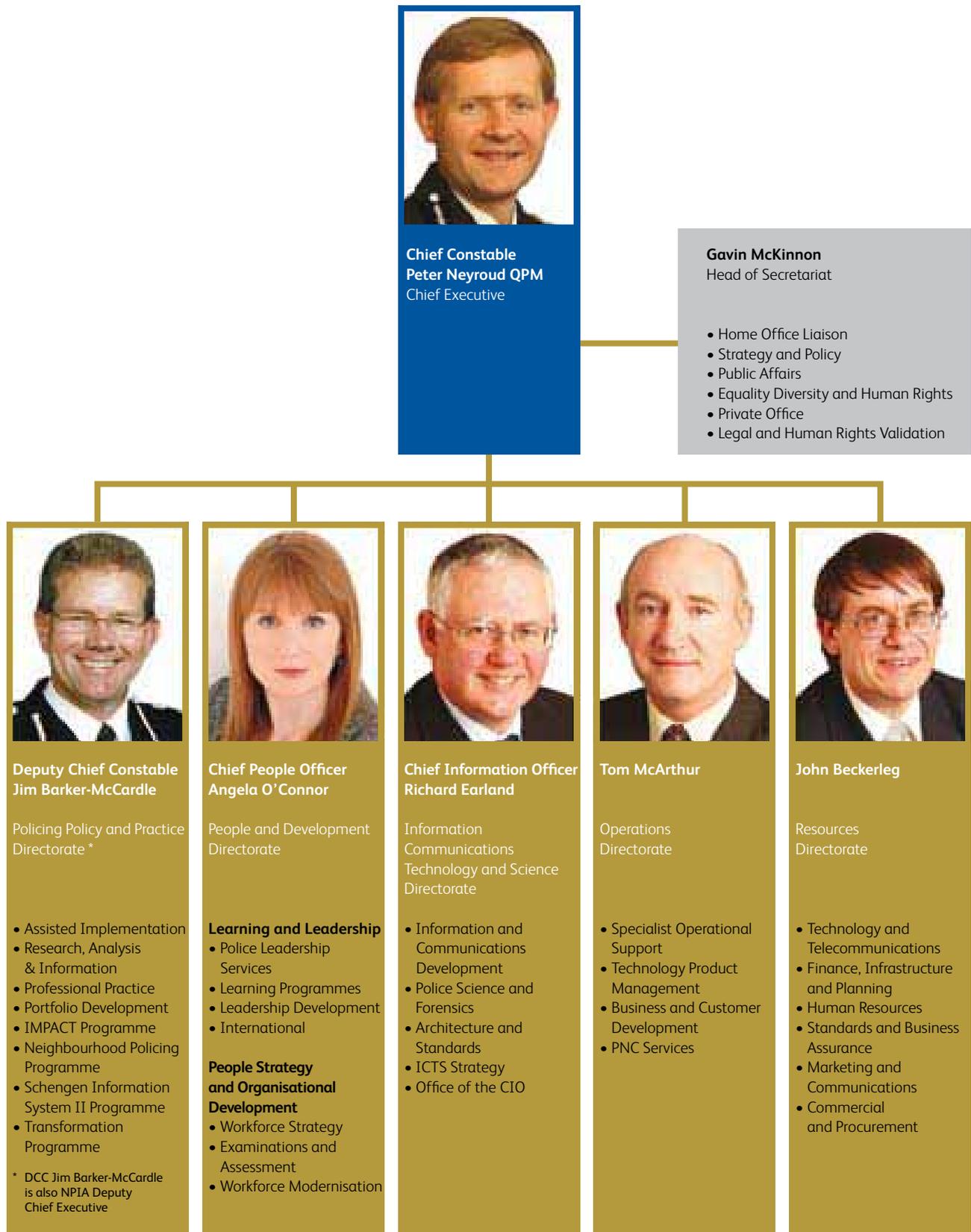
One significant change to our Chief Officer Team in 2007/08 was that Deputy Chief Constable Jim Barker-McCardle joined the NPIA as its deputy CEO. He is also our Chief Operating Officer in addition to being the Director of Policing Policy and Practice. He replaced Deputy Chief Constable Chris Sims, who left the NPIA in September 2007 to take up the post of Chief Constable of Staffordshire Police.

Another major change that took place, this time in June 2008, is that John Beckerleg left the NPIA. An interim Director of Resources, Donald Muir, has since been appointed.

Various structural changes took place over the course of last year, in that the responsibility for a number of units changed from one directorate to another. Such changes were prompted by, for example, the growth of the agency as new functions were added and new teams joined, and also the goal of improving the effectiveness and efficiency of the organisation.

## The NPPIA's Chief Officer Team

(as at 31 March 2008)



## THE NPIA BOARD

### Members' Details



**Peter Holland CBE DL**

**Length of term:**  
**September 2006 -**  
**September 2009**  
**Chairman, NPIA Board**

Peter Holland CBE DL is Chairman of the NPIA Board, and was previously a board member both for Centrex and PITO. Between 1995 and 2003, he was appointed independent member of Hertfordshire Police Authority and was elected Chairman. He was appointed a Deputy Lord Lieutenant of Hertfordshire in 2000 and awarded the CBE for services to policing in the New Years Honours 2005.



**Peter Neyroud QPM**

**Length of term:**  
**April 2007- March 2010**  
**Chief Executive, NPIA**

NPIA Chief Executive, Peter Neyroud QPM has been a police officer since joining Hampshire Constabulary in 1980, where he became a Detective Superintendent with responsibility for intelligence, covert operations and drug strategy. His service also includes appointments as Assistant Chief Constable of West Mercia Constabulary in 1998, becoming Deputy Chief Constable two years later; Chief Constable of Thames Valley Police from 2002, and Vice-President of ACPO with responsibility for the NPIA and the reform of ACPO. Peter was awarded the Queen's Police Medal for Services to Police in 2004, and he is now also a widely published author on policing.



**Ken Jones QPM**

**Length of term:**  
**April 2007 - March 2010**  
**ACPO member –**  
**President of ACPO**

Ken Jones QPM joined the police in South Yorkshire, and served in various community, detective, and specialist roles, receiving three Chief Constable's Commendations. He has commanded urban and rural divisions and also two operational support departments. He has served abroad in various roles in Hong Kong, Zimbabwe, and the USA. In 1997, he was appointed Assistant Chief Constable of Avon and Somerset Constabulary. Before his appointment in 2000 as Deputy Chief Constable, he received a Queen's Police Medal for his contribution to the management of the national police response. In November 2001 he was appointed Chief Constable of Sussex Police.

**Gillian Parker QPM**

**Length of term:**  
**April 2007 - March 2010**  
**ACPO member**

Gillian Parker QPM served in Leicestershire Constabulary from 1980 in a variety of roles, rising to the rank of Superintendent. She later served as a Basic Command Unit Commander, Head of Community Affairs and Head of Corporate Development, and was then made Area Commander for West Leicestershire. She transferred to Suffolk in 1998, becoming Deputy Chief Constable in 2000. Gillian was awarded the Queen's Police Medal in 2003, and became Chief Constable of Bedfordshire Police in July 2005.

**Vic Hogg**

**Length of term:**  
**April 2007 - March 2010**  
**Home Office member**

Vic Hogg joined the Civil Service following a brief spell in banking. His career path has taken in the Ministry of Defence, Customs and Excise, and now the Home Office where he is the Director of the Policing Policy and Operations Directorate. He has strategic responsibility for supporting policing issues such as serious and organised crime, public order, extradition, police powers and integrity, and safeguarding vulnerable groups.



**Sir Paul Stephenson QPM**

**Length of term:**  
**April 2007 - March 2010**  
**ACPO member – Metropolitan**  
**Police Service**

Sir Paul Stephenson QPM joined Lancashire Constabulary in 1975 and was appointed Superintendent in 1988. This was followed by successive positions within both Lancashire and the Royal Ulster Constabulary. He was appointed Assistant Chief Constable of Merseyside Police in 1994, where he led organisational change and managed high-profile operational challenges, including gun crime reduction and combating terrorist activity. In 1999 he was appointed Deputy Chief Constable with Lancashire Constabulary, before taking up the post of Chief Constable in 2002. He was appointed Deputy Commissioner of the Metropolitan Police Service in 2005.



**Mark Burns-Williamson**

**Length of term:**  
**April 2007 - March 2010**  
**APA member – West Yorkshire**  
**Police Authority (Chair)**

Mark Burns-Williamson was appointed Chair of the Police Authority in June 2003. He has been a member of the Police Authority since 1999, and a Wakefield Metropolitan District Councillor for approximately ten years. In June 2005, Mark was appointed to the National Executive Committee of the Association of Police Authorities (APA), where, amongst other areas, he leads on Neighbourhood Policing.



**Ziggi Alexander CBE**

**Length of term:**  
**April 2007 - March 2010**  
**Independent Board member**

Ziggi Alexander CBE has a professional background in human resource management and has held executive roles in strategic management in public sector organisations employing up to 56,000 people. Currently an independent consultant, she is an experienced non-executive director. She has chaired an executive non-departmental public body and served on the boards of a range of private, public, and third sector bodies, including the Social Care Institute for Excellence. Ziggi was awarded the CBE in 2001 for services to health and social care.



**Chris Hughes CBE**

**Length of term:**  
**April 2007 - March 2010**  
**Independent Board member**

Chris Hughes CBE is Chair of the Learning and Skills Network, an independent company delivering £50 million worth of improvement training and research services. He is also Trustee and Chair of the Finance Committee at the National Extension College, and Trustee of the Helena Kennedy Foundation. Since 2004 he has been Chair of the Council for the Advancement of Communication with Deaf People, in addition to serving on or chairing the Boards of many other organisations. Chris was awarded the CBE in 2005 for services to education and training and he also won an award in 2005 for outstanding contribution to further education.



**Philip Blundell**

**Length of term:**  
**December 2007 -**  
**November 2010**  
**APA member –**  
**Vice Chairman APA**

Before retiring, Philip Blundell was Chief Executive of Birmingham City Challenge. He is now Chair of Warwickshire Police Authority, which he joined as an independent member in 2003. He was elected Vice Chairman of the Association of Police Authorities in 2007, and is a past member of Rugby Borough Council and Warwickshire County Council, of which he was leader in the 1980s.



**Bob Jones**

**Length of term:**  
**April 2007 - November 2007**  
**APA member – Chairman APA**

Bob Jones has been a Labour Councillor in Wolverhampton since 1980. He chaired the West Midlands Police Authority between 1995 and 2000, and has previously been a member for the service authorities for the National Crime Squad and National Criminal Intelligence Service. He is presently a member of the National Policing Board, National Criminal Justice Board, and the Senior Appointments Panel for Chief Constables.

### Register of Members' Interests

Under paragraph 18 of the April 2007 Code of Practice for Members of the Board of the National Policing Improvement Agency, the NPIA is required to publish its register of interests in the Annual Report.

Members have declared as follows:

#### **Peter Holland CBE DL**

##### **Chairman, NPIA Board**

- Deputy Lord Lieutenant, Hertfordshire
- Chairman NPIA Board
- Chairman of the Telecommunications Ombudsman Service (Otelo)
- Chairman of Herts in Trust
- Board Member of St John Ambulance Ltd

#### **Peter Neyroud QPM**

##### **Chief Executive, NPIA**

- Visiting Fellow of Nuffield College, Oxford (2008-12)
- Visiting Fellow, Leon Radzinowicz Fellowship, University of Cambridge (2008- ongoing)
- Editorship of the Oxford Journal of Policing
- Sentencing Guidelines Council
- Parole Board Review Committee
- Council for Registration of Forensic Practitioners
- Member – NPIA Board

#### **Ken Jones QPM**

##### **ACPO member – President of ACPO**

- Member – Association of Chief Police Officers
- Member – NPIA Board

#### **Gillian Parker QPM**

##### **ACPO member**

- Member – Association of Chief Police Officers
- Member – Chief Police Officers' Staff Association
- Director of North Bedfordshire Hospice Care Limited
- Member of the Council of the Order of St John for Bedfordshire
- Chair of the Bedfordshire Police Partnership Trust Management Committee
- Member – NPIA Board

#### **Vic Hogg**

##### **Home Office member**

- Member – NPIA Board

#### **Sir Paul Stephenson QPM**

##### **ACPO member - Metropolitan Police Service**

- Vice President Police Mutual Assurance Society
- Chair – London Community Safety Partnership
- Trustee – Safer London Foundation
- Trustee – Police Rehabilitation Society
- Companion of The Institute of Directors
- Member – Association of Chief Police Officers
- Member – NPIA Board



### **Mark Burns-Williamson**

#### **APA member – West Yorkshire Police Authority (Chair)**

- Chair – West Yorkshire Police Authority
- Member – West Yorkshire Police Community Trust
- Member – Executive, Association of Police Authorities
- Board Member - Wakefield Crime and Disorder Reduction Partnership
- Member – Wakefield Council
- Member – Safer Communities Board (Local Government Association)
- Member of Castleford Heritage Trust
- Member of West Yorkshire Police Community Trust
- Governor of Castleford High and Technology College
- Governor of Wheldon Infants School
- Member of Castleford Town Centre Partnership (Ltd)
- Election expenses received from Castleford Central and Glasshoughton Ward Labour Party
- Member – NPJA Board

### **Ziggi Alexander CBE**

#### **Independent Board member**

- Self-employed management consultant
- Board trustee, Social Care Institute for Excellence
- Board trustee, National Aids Trust
- Member – NPJA Board

### **Chris Hughes CBE**

#### **Independent Board member**

- Chair – Learning and Skills Network
- Trustee and Chair Designate - Northern Council for Further Education
- Chair – Council for the Advancement of Communication with Deaf People
- Trustee and Chair – the Finance Committee at the National Extension College
- Trustee – Helena Kennedy Foundation
- Specialist adviser to the House of Commons Select Committee on Education and Skills
- Chair of the Graduate Diploma Programme at the Chartered Institute of Building
- Member of the Advisory Board at the Centre for Excellence in Leadership in Lifelong Learning

### **Philip Blundell**

#### **APA member – Vice Chairman APA**

- Chair – Warwickshire Police Authority
- Vice Chair – Association of Police Authorities
- West Midlands Local Authority pension scheme
- Member – Unison (retired)

### **Bob Jones**

#### **APA member – Chairman APA**

- Training and Development Office, Sandwell College
- Member – West Midlands Police Authority
- Member – Wolverhampton City Primary Care Trust
- Chair – Association of Police Authorities
- Member – Wolverhampton Community Safety Partnership
- Member – National Criminal Justice Board
- Member – Blakenhall Community Association
- Member – Blakenhall Action Community Trust
- Member – Blakenhall Community Trust
- Director – Campaign for Real Ale
- Member – Labour Party
- Member – Co-operative Party
- Member – Association of Labour Councillors
- Member – Unison

### **Chief Constable Peter Neyroud QPM**

Chief Executive and Accounting Officer,  
National Policing Improvement Agency  
1 October 2008

# ACCOUNTING MATTERS



# STATEMENT OF THE NPIA'S AND THE ACCOUNTING OFFICER'S RESPONSIBILITIES

## **The NPIA's Responsibilities**

Under Paragraphs 28 and 36 of Schedule 1 to the Police and Justice Act 2006, the NPIA 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 the Treasury. The accounts are prepared on an accruals basis and have to give a true and fair view of NPIA'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 Accounting Officer is required to:**

- comply with the requirements of the Government Financial Reporting Manual, and in particular, to;
- observe the accounts direction issued by the Secretary of State 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.

## **The Accounting Officer's Responsibilities**

The Secretary of State appointed the NPIA Chief Executive as the Accounting Officer for the Agency with effect from 1 April 2007. The Accounting Officer's responsibilities, including those for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records, and for safeguarding the NPIA's assets, are set out in the Non-Departmental Public Bodies' Accounting Officer Memorandum issued by the Treasury and published in Managing Public Money.

**Chief Constable Peter Neyroud QPM**  
Chief Executive and Accounting Officer,  
National Policing Improvement Agency  
1 October 2008

# STATEMENT ON INTERNAL CONTROL

## 1. Scope of responsibility

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

I have particular responsibilities in relation to business planning and performance monitoring (including financial performance), management of risk and resources, inspection and audit, and in accounting for the NPIA's activities. An additional particular function is to advise the NPIA Board of certain matters. The detail of these responsibilities is in the Management Statement and Financial Memorandum, which is available on request from the NPIA's HQ.

During 2007/08, I reported monthly to the NPIA Board on a variety of matters including progress in identifying and managing risk, and progress in delivering the NPIA's objects. Significant matters are also discussed personally with the Minister of State for Security, Counter-Terrorism, Crime and Policing.

## 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 NPIA's policies, aims, and objectives. It is also designed to evaluate the likelihood of these risks being realised, and the impact should they be realised, and to manage them efficiently, effectively, and economically.

The NPIA was established on 1 April 2007, bringing together staff from various precursor organisations, and as described in paragraph 5 and 6, this merger gave rise to a number of issues. As a result, I am unable to make a Statement on Internal Control that confirms that all elements of the strategic risk management process, and other internal controls, have been in place for the whole of the first accounting period. However, I am satisfied that a system of internal control, whilst in need of improvement, has been in place in the NPIA for the year ended 31 March 2008, and up to the date of this Annual Report and Accounts, and accords with Treasury Guidance. Progress has been made, and plans are in place to improve internal controls, governance, and risk management.

## 3. Capacity to handle risk

The Chief Officer Team (COT) has executive responsibility for ensuring that risk is effectively managed and provides the forum to co-ordinate risk management actions. The COT ensures that the requirements of the NPIA Risk Management Policy are discharged. Chief Officers, in their individual capacity as Directors, ensure that within their own directorates, risk management structures and processes are in place including risk registers, and risk review and escalation processes.

Risk awareness is raised at directorate Senior Management Team meetings and the Risk Improvement Manager has visited individual Business Units to raise awareness of risk and to provide guidance. Guidance on risk management has been promulgated via the intranet, and is also included in the Project and Portfolio Management handbook. Project managers and their support staff have undertaken formal PRINCE2 training, the UK Government standard for IT project management, which includes the management of risk. In addition, the Office of Government Commerce guidelines have been adopted relating to good practice in project and programme management, which embraces the proper management of risk.



#### 4. The risk and control framework

Risks are identified and recorded in risk registers at Corporate, Directorate and Business Unit level, depending on the potential impact and likelihood. Risk and Action Owners are identified. Risks are also identified for all key business programmes and projects, and recorded and monitored in accordance with project management methodology.

Information Assurance compliance reviews have been conducted for national systems and a report produced. An NPJA Information Assurance Improvement Programme has been established, an action plan has been developed, and areas for improvement identified around communication and education, and business process changes. A governance structure for Information Assurance has been implemented. Improvements in risk management for systems has been achieved by formal delegation of the Information Risk Owner role for systems, with the authority to make decisions and accept risk within risk tolerances.

A process for the escalation of new and emerging risks was implemented during 2007/08, and published in the NPJA's Risk Management Policy and Implementation Guidance. This also includes clear delineation between the characteristics of corporate, directorate, and local (project, programme, or unit) risks.

Corporate risks are escalated from directorates or identified by COT members. Each corporate risk is owned by a COT member, who provides an update on progress against action identified in relation to these risks for reporting quarterly to the Risk and Audit Committee. Directorates and business units identify risks to their business objectives and assess these in terms of probability and impact to determine action taken. Project risks are identified by project managers, and are managed according to PRINCE2 methodology.

Criteria for risk appetite have been included in the NPJA Risk Management Policy and Guidance. Risks associated with the implementation of the business plan and business unit service plans are assessed in relation to risk

appetite. In addition, risks arising during the year are reviewed to determine whether action taken is acceptable, is in line with risk appetite, and is working, or if additional intervention is necessary.

A framework of reports and meetings is in place to consider performance in support of the agency's objects, progress towards achieving Directorates' objectives, and the monitoring of capital and resource spend.

#### 5. Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. In any organisation, it is inevitable that from time to time, individual controls will fail. Additionally, well-run and progressive organisations take risks, which, should they materialise, may adversely affect the organisations reputation or financial resources. Therefore, in reviewing the effectiveness of the control framework, it is necessary to consider whether appropriate systems are in place to manage the key risks, to identify and remedy key control failures, and to do so in a timely manner.

My review of the effectiveness of the system of internal control is informed by the work of internal auditors, particularly the Annual Internal Assurance Report. I am also informed by the executive managers within the NPJA who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letters 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, the Audit and Risk Committee, and actions to remedy weaknesses and to ensure continuous improvement of the system are undertaken.

The Audit and Risk Committee membership comprises representatives of the tri-partite stakeholders, and independent members. The Committee met on four occasions during the year, considering such items as the Corporate Risk Register, external audit findings, structure of delegations, and update reports on internal and

external audits. Reports were provided to the Committee, including several from the NPIA's Director of Resources, prepared by the Risk Improvement Manager, and the Compliance Performance Manager.

As explained in the Annual Internal Assurance Report for 2007/08, the NPIA has undertaken a number of internal audits, and has also been subject to external scrutiny.

#### **6. Significant internal control problems**

The NPIA is acknowledged in certain reviews to have had a difficult first year, but to have still made progress in its financial management, and the commitment of staff to deliver. However, some key issues have affected control, governance, and risk management particularly in financial management and procurement. These issues materialised mainly as a result of the combination of inheriting a difficult financial infrastructure from the precursor organisations, the loss of staff trained in the selected financial system, from which the NPIA did not recover for several months, and a lack of permanent staff knowledgeable in these key areas.

**Chief Constable Peter Neyroud QPM**  
Chief Executive and Accounting Officer,  
National Policing Improvement Agency  
1 October 2008



## REMUNERATION REPORT

### Remuneration Policy

The policy and remuneration of the directors and other senior staff of the NPIA are overseen by the Remuneration Sub-Committee of the NPIA Board.

The committee comprises Peter Holland (Chairman), Ziggi Alexander and Chris Hughes.

In reaching its recommendations, the committee has 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

### Service Contracts

Civil Service appointments are made in accordance with the Civil Service Commissioners' Recruitment Code, which requires appointments 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 that are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme. The Chairman, Chief Executive, and Deputy Chief Executive have fixed-term contracts of between three and five years.

Further information about the work of the Civil Service Commissioners can be found at [www.civilservicecommissioners.gov.uk](http://www.civilservicecommissioners.gov.uk)

### Appointment of Board Members and Directors

As a Non-Departmental Public Body, the NPIA is sponsored and funded by the Home Office. Its executive leadership is drawn from the police service. The Agency's Board comprises representatives of ACPO, APA and the Home Office, together with the Chair, the Chief Executive and two independent Board members. NPIA's Board Members are appointed under the Police and Justice Act 2006.

	Date Appointed	Term Ends	Fee £'000
<b>Independent Members</b>			
Ziggi Alexander	01 April 2007	31 March 2010	20
Chris Hughes	01 April 2007	31 March 2010	20
<b>ACPO</b>			
Ken Jones	01 April 2007	31 March 2010	No remuneration
Sir Paul Stephenson	01 April 2007	31 March 2010	No remuneration
Gillian Parker	01 April 2007	31 March 2010	No remuneration
<b>APA</b>			
Mark Burns-Williamson	01 April 2007	31 March 2010	No remuneration
Bob Jones	01 April 2007	1 November 2007	No remuneration
Phillip Blundell	01 December 2007	30 November 2010	No remuneration
<b>Home Office</b>			
Vic Hogg	01 April 2007	31 March 2010	No remuneration
<b>Executive Members</b>			
Peter Neyroud (Chief Executive)	01 April 2007	31 March 2010	For details see table beside
Peter Holland (Chairman)	01 April 2007	30 September 2009	For details see table beside

## SALARIES, EMOLUMENTS AND PENSION ENTITLEMENTS OF THE SENIOR MANAGEMENT TEAM (AUDITED)

All started at 1 April 2007 unless otherwise indicated.

Name with date Appointed	Salary (full year equivalent) 2007/08	Benefits in kind	Real increase in pension	Real increase in lump sum	Total Accrued Pension at age 60 at 31/3/08	Total Lump Sum at age 60 at 31/3/08	CETV at 01/4/07 (see below)	CETV at 31/3/08	Real increase in CETV	Pension scheme (PCSPS or as shown)
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
<b>Peter Holland</b>	105-110 (120-125)	-	0-2.5	-	0-2.5	-	-	30	16	BBA to Premium
<b>Peter Neyroud QPM**</b>	190-195	17.5	-	-	75-80	496	-	1,760	na	NPIA Police Scheme
<b>Chris Sims*</b> (to 21 September 2007)	65-70 (135-140)	-	-	-	-	-	-	-	na	West Mids Police Scheme
<b>Jim Barker McArdle**</b> (from 1 December 2007)	45-50 (140-145)	-	-	-	65-70	434	-	1,404	na	NPIA Police Scheme
<b>John Beckerleg</b>	110-115	-	0-2.5	-	0-2.5	-	10	39	25	Premium
<b>Tom McArthur</b>	110-115	-	2.5-5	-	12.5-15	-	164	251	53	Premium
<b>Angela O'Connor</b>	130-135	-	0-2.5	5-7.5	30-35	103	506	624	36	Classic
<b>Richard Earland</b>	145-150	-	0-2.5	-	2.5-5	-	13	48	30	Premium

\* Chris Sims was a seconded Police Officer from West Midlands Police, but was appointed on promotion during the year to Chief Constable of Staffordshire Police.

\*\* The NPIA accepts liability for payment of pension benefits in respect of officers' past service within a police force when transferred-in to the NPIA. No transfer values are payable from a former employer in respect of this liability, and therefore the full amount is taken through the Income and Expenditure Account. For this reason, we are only disclosing the closing balances for these police officers for this year.

### 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 was subject to UK taxation.

### Benefits in kind

The monetary value of benefits in kind covers any benefits provided by NPIA and treated by HM Revenue and Customs as a taxable emolument. The Chief Executive had the occasional use of a motor vehicle and driver; the NPIA met the cost of the tax liability on this benefit. Other senior staff received a bonus in November 2007 (included in salary).

### Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a 'final salary' scheme (classic, premium or classic plus); or a 'whole career' scheme (nuvos). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus and nuvos are increased annually in line with changes in the Retail Price Index (RPI). Members joining from October 2002 may opt for either the appropriate defined benefit arrangement, or a good quality 'money purchase' stakeholder pension 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, classic plus, and nuvos. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings 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. Classic plus is essentially a hybrid with benefits in respect of service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 calculated as in premium. In nuvos, a member builds up a pension based on his/her pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March), the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with RPI. In all cases, members may opt to give up (commute) pension for lump sum up to the limits set by the Finance Act 2004.

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 panel of three providers. 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).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium, and classic plus and 65 for members of nuvos.

Further details about the Civil Service pension arrangements can be found at the website [www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)



### Police Officer Pensions

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

### Other Schemes

The Senior Officers' pension scheme is identical to the Police Pension Scheme 1987, and The Chairman's scheme is broadly by analogy to the Premium PCSPS. As part of these schemes, the NPIA accepts liability for payment of the pension benefits in respect of the officer's past service with a police force, although no transfer values are payable from a former employer in respect of this liability, as well as their pensionable service whilst employed by the Agency. Pensions benefits are paid as they fall due from the NPIA resources. Pensions paid in the year are charged against the Pension Provision (see Accounts and Notes the Accounts).

In order to comply with HM Treasury's Financial Reporting Manual and Accounts Guidance, the NPIA is required to provide in these accounts for the full value of the expected future pensions liabilities of the officers. The NPIA commissioned the Government Actuary Department (GAD) to value the scheme liabilities as at 31 March 2008. Full provision for this liability 2007/08 is reflected in the balance sheet and is based on the assumptions and information set out in the Notes to the Accounts.

### Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. 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 disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement that the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their purchase of additional pension benefits at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

The real increase in CETV reflects the increase in CETV effectively funded by the employer. It does not include 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.

**Chief Constable Peter Neyroud QPM**  
Chief Executive and Accounting Officer,  
National Policing Improvement Agency  
1 October 2008

## NATIONAL POLICING IMPROVEMENT AGENCY (NPIA)

### 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 National Policing Improvement Agency (NPIA) for the year ended 31 March 2008 under the Police and Justice Act 2006. These comprise the Income and Expenditure Account, the Balance Sheet, the Cash Flow Statement and Statement of Recognised Gains and Losses and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that Report as having been audited.

#### **Respective responsibilities of NPIA, Accounting Officer and auditor**

The NPIA and Chief Executive, as Accounting Officer, are responsible for preparing the Annual Report, the Remuneration Report and the financial statements in accordance with the Police and Justice Act 2006 and directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of NPIA's and the Accounting Officer's Responsibilities.

My responsibility is to audit the financial statements and the part of the Remuneration Report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the Police and Justice Act 2006 and NPIA's directions made thereunder. I report to you whether, in my opinion, the information, which comprises the Management Commentary, included in the Annual Report is consistent with the financial statements. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

In addition, I report to you if NPIA has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by HM Treasury regarding remuneration and other transactions is not disclosed. I review whether the Statement on Internal Control reflects NPIA's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or form an opinion on the effectiveness of NPIA's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.



### Basis of audit opinions

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by NPfA and the Accounting Officer in the preparation of the financial statements, and of whether the accounting policies are most appropriate to NPfA'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 Police and Justice Act 2006 and directions made thereunder by the Secretary of State, of the state of NPfA's affairs as at 31 March 2008 and of its net expenditure 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 Police and Justice Act 2006 and directions made thereunder; and
- information, which comprises the Management Commentary, included within the Annual Report, is consistent with the financial statements.

### Opinion on Regularity

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

### Report

I have no observations to make on these financial statements.

### T J Burr

Comptroller and Auditor General  
National Audit Office  
151 Buckingham Palace Road  
Victoria  
London  
SW1W 9SS  
10 October 2008

The maintenance and integrity of the Agency'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 web site.

## THE STATEMENT OF ACCOUNTS

### Income and Expenditure Account for the year ended 31 March 2008

	Note	2007/08 £'000	Restated '2006/07 £'000
<b>Income</b>			
- Fees and other income	2	81,512	79,575
- Police Training Authority Trust and other trusts	-	2	-
<b>Total Income from Continuing Operations</b>	<b>-</b>	<b>81,514</b>	<b>79,575</b>
<b>Expenditure</b>			
- Staff costs	3	90,480	98,815
- Other running costs	4	396,731	403,544
- Depreciation and Amortisation	5	19,509	12,350
- Impairment and Write Offs	5	11,252	7,590
- Unrealised loss on Indexation and Revaluation	5	9,427	3,106
	-	527,399	525,405
<b>Net expenditure before interest and notional cost of capital</b>	<b>-</b>	<b>(445,885)</b>	<b>(445,830)</b>
<b>Loss on Disposal of Fixed Assets</b>	<b>5</b>	<b>(2,009)</b>	<b>(851)</b>
Interest received	-	2,659	1,092
Notional cost of capital	-	(6,289)	(4,845)
<b>Net resource expenditure</b>	<b>-</b>	<b>(451,524)</b>	<b>(450,434)</b>
Interest remitted to Consolidated Fund	-	(2,659)	(1,092)
Notional cost of capital reversed	-	6,289	4,845
<b>Net expenditure for the year</b>	<b>-</b>	<b>(447,894)</b>	<b>(446,681)</b>

NPIA was funded in the financial year 2007/08 by taking a top slice from the total funds available to provide for policing including grants to police authorities. The budgeted amount for the year was £597.79 million.

The accounting policies and notes on pages 72 to 98 form part of these accounts.



### Statement of Recognised Gains and Losses for the year ended 31 March 2008

	Note	NPIA	2007/08 Trust	Total	Restated 2006/07
		£'000	£'000	£'000	£'000
Changes in valuation assumption on Pension liability	13	600	-	600	-
Unrealised surplus on revaluation of investments	9	-	17	17	2
Unrealised surplus/(loss) on revaluation of fixed assets by revaluation	14	1,917	-	1,917	(11,815)
Unrealised surplus on revaluation of fixed assets by indexation	14	1,483	-	1,483	464
<b>Recognised gains / (losses) in the period</b>		<b>4,000</b>	<b>17</b>	<b>4,017</b>	<b>(11,349)</b>

The accounting policies and notes on pages 72 to 98 form part of these accounts.

<b>Balance Sheet as at 31 March 2008</b>					
		<b>31 March 2008</b>		<b>Restated 31 March 2007</b>	
	<b>Note</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Fixed Assets</b>					
Intangible	<b>7</b>	7,338		10,306	
Tangible	<b>8</b>	224,149		173,428	
Investments	<b>9</b>	362		345	
			231,849		184,079
<b>Current Assets</b>					
Cash at bank and in hand	<b>10</b>	42,254		38,668	
Debtors and prepayments	<b>11</b>	35,185		45,112	
			77,439		83,780
<b>Creditors (amounts falling due within one year)</b>	<b>12</b>		(98,662)		(83,198)
<b>Net current (liabilities)/assets</b>			(21,223)		582
<b>Total assets less current liabilities</b>			210,626		184,661
Creditors falling due in more than one year	<b>12</b>		-		(479)
Provisions for Liabilities and Charges	<b>20</b>		(12,608)		(12,572)
FRS17 pension Liability	<b>13</b>		(5,285)		-
<b>Total assets less liabilities</b>			<b>192,733</b>		<b>171,610</b>
<b>Financed by:</b>					
Pension Fund	<b>14</b>		(5,285)		-
Revaluation Reserve	<b>14</b>		10,773		7,373
Donated Assets Reserve	<b>14</b>		2,085		2,085
Income and Expenditure Reserve	<b>14</b>		184,756		161,765
Trust Funds	<b>14</b>		404		387
			<b>192,733</b>		<b>171,610</b>

The accounting policies and notes on pages 72 to 98 form part of these accounts.

**Chief Constable Peter Neyroud QPM**

Chief Executive and Accounting Officer,  
National Policing Improvement Agency  
1 October 2008



### Cash flow Statement for the year ended 31 March 2008

	Note	2007/08 £'000	Restated 2006/07 £'000
<b>Operating activities</b>			
Net cash (outflow) from operating activities	<b>18</b>	(376,102)	(408,364)
<b>Capital expenditure</b>			
Cash (outflow) to acquire intangible fixed assets	<b>7</b>	(663)	(3,632)
Cash inflow on disposal of assets		5,033	7,226
Cash (outflow) to acquire tangible fixed assets	<b>18</b>	(89,682)	(83,211)
Net cash (outflow) before financing		(461,414)	(487,981)
<b>Financing – Grant in Aid</b>	<b>14</b>	465,000	516,695
<b>Increase in cash</b>	<b>18</b>	<b>3,586</b>	<b>28,714</b>

The accounting policies and notes on pages 72 to 98 form part of these accounts.

## NOTES TO THE STATEMENT OF 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 36, Schedule 1 of the Police and Justice Act 2006.

The accounts meet:

- the accounting and disclosure requirements of the Companies Act 1985 to the extent that such requirements are appropriate to the NPIA and are in line with the requirements of the accounts direction
- standards issued or adopted by the Accounting Standards Board
- disclosure and accounting requirements of HM Treasury
- the requirements of the accounts direction and the financial memorandum
- the Financial Reporting Manual (FrM) in so far as it is appropriate to the accounts of the NPIA.

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

#### b) Grants and Grant in Aid

The NPIA receives the majority of its funding by way of Grant in Aid from the Home Office. The grants received are used to finance expenditure which support the statutory and other objectives of the Agency. These grants are treated as financing and credited to the Income and Expenditure Reserve because they are regarded as contributions from a controlling party.

#### c) Recognition of Income

NPIA recognises income, net of VAT, on an accruals basis at the transaction amount or the amount which the customer is committed to pay.

Where fees have been invoiced and the service 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.

#### d) Tangible 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 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 May 2006 and are not depreciated.

#### e) Software fixed assets

The costs of purchasing major software licences are capitalised as intangible fixed assets. The costs of major software and website development and enhancement including related consultancy costs are capitalised as fixed assets, although ongoing software maintenance costs are written off in the period in which they are incurred.



### f) Depreciation & Amortisation

Depreciation is provided on fixed assets on a straight-line basis to write off the cost or valuation evenly over the asset's anticipated life. 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               | 3 to 7 years   |
| • Software development            | 3 to 10 years<br>(to align with useful<br>life of service) |
| • Other equipment                 | 5 to 10 years  |
| • Art and antiques                | Not depreciated  |
| • Vehicles                        | 7 years  |
| • Communications Network          | 14 years   |
| • Office Equipment                | 5 years  |
| • Furniture and Fittings          | 10 years   |
| • Software licences               | 3 years  |
| • Assets under Construction       | Not depreciated  |

Art and Antiques are not depreciated because of their nature. Many of the items are unique and, in line with the Financial Reporting Manual definition of Heritage Assets, the value of each is unlikely to be fully reflected in a financial value derived from a market mechanism of price. They are irreplaceable, their life is measured in hundreds of years, and so the value might increase over time even if the physical condition deteriorates.

### g) Revaluation

In order to disclose fixed assets in the Balance Sheet by reference to current costs, an appropriate index has been applied to the net book value of each asset. Any permanent diminution in the value of fixed assets is charged to the Income and Expenditure Account. Assets are not revalued in their year of acquisition as their current and historical cost would not be materially different. A review of the valuation of Land and Buildings has been carried out by an independent valuer to advise on an impairment charge for the year.

### h) Investments

The Charities Commissioners for England and Wales, under the power of the Charities Act 1993 granted a new scheme on 9 March 2004. This created The Police Training Authority Trust, with the object of promoting life-long learning and continuous professional development to those employed in the police service of England and Wales, by the provision of items, services, facilities and awards, thereby improving the efficiency and effectiveness of the service.

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. The Chair and the Chief Executive Officer of the NPIA are the trustees of the Trust, and therefore these investments have been included due to common control. There were no acquisitions or disposals of investments during the year.

### i) Stock

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

### j) Notional charges

In accordance with the Financial Reporting Manual (FrM), 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% applied to the mean value of assets and liabilities in the balance sheet (with liabilities attracting a negative charge) at the start and end of the financial year.

### k) Notional costs

Notional costs for services such as building works procurement provided by the Home Office without charge have not been included in the accounts.

**l) Operating leases**

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

**m) 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. Although the scheme is a Defined Benefit type, it is accounted for as a Defined Contribution scheme under the requirements and exemptions of FRS 17, Retirement Benefits. The NPIA 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. The NPIA also employs a small number of Police Officers for whom the NPIA run an unfunded Police Pension Scheme and a By Analogy Scheme (that is analogous to PCSPS) for the Chairman, these schemes are Defined Benefit Schemes and are accounted for under the requirements of FRS17 (see Note 13). Contributions are charged to the Income and Expenditure Account.

**n) Value added tax**

Vocational training and examination services provided by the NPIA are exempt from VAT. PNC services are provided on a statutory/monopoly basis, and are therefore deemed to be non-business for VAT purposes. Other services, funded by the Home Office from the Police Grant, are provided to Police forces on an agency basis, and VAT is recovered from the force. 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 and non-business status.

**o) Insurance**

NPIA 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.

**p) Research and development**

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

**q) Provisions**

Provision is made for early retirement, redundancy and property costs when any relevant programme is announced and a constructive obligation is created. Further provision is made for Personal Injury & employment claims as well as a dilapidation provision to cover the cost of restoring a leased property to its original state.

**r) Pensions reserve**

In accordance with Government accounting guidance, actuarial gains/losses on pension scheme liabilities are recognised in the Statement of recognised Gains and Losses. The movement in gain/loss is shown in the Pension Reserve.

### **Restatement of Balance Sheet and Operating Cost Statement as a result of Machinery of Government Changes for the year ended 31 March 2007**

#### **Summary of the changes to the organisation**

Machinery of Government changes which involve the merger or the transfer of functions or responsibility of one part of the public service sector to another, are accounted for using merger accounting in accordance with Financial Reporting Standard (FRS) 6. This requires the restatement of the opening Income and Expenditure Account, Balance Sheet, Statement of Recognised Gains and Losses, Cash Flow Statement and associated Notes to the Accounts. The Income and Expenditure Account, Balance Sheet and Statement of Recognised Gains and Losses were restated as follows:

## Restatement as a result of Machinery of Government Changes: Income and Expenditure Statement

	Published balance 2006/07	Published balance 2006/07	Movements arising on transfer (including HO balances)	Restated 2006/07
	£000	£000	£000	£000
<b>Income</b>	<b>Centrex and Trust</b>	<b>PITO</b>		
Fees and other income	21,558	52,973	5,044	79,575
Police Training Authority Trust and other trusts	-	-	-	-
<b>Expenditure</b>				
Staff costs	46,412	37,425	14,978	98,815
Other running costs	33,011	311,054	59,479	403,544
Depreciation and Amortisation	4,214	7,986	150	12,350
Impairment and Write Offs	3,286	-	4,304	7,590
Unrealised loss on Indexation and Revaluation	2,104	1,002	-	3,106
<b>Net Expenditure before interest and notional cost of capital</b>	<b>(67,469)</b>	<b>(304,494)</b>	<b>(73,867)</b>	<b>(445,830)</b>
Profit/(loss) on Disposal of Fixed Assets	(169)	(682)	-	(851)
Interest received	226	866	-	1,092
Interest paid	-	-	-	-
Notional cost of capital	(1,841)	(2,997)	(7)	(4,845)
<b>Net resource expenditure</b>	<b>(69,253)</b>	<b>(307,307)</b>	<b>(73,874)</b>	<b>(450,434)</b>
Interest remitted to consolidated fund	(226)	(866)	-	(1,092)
Notional cost of capital reversed	1,841	2,997	7	4,845
<b>Net expenditure for the financial year</b>	<b>(67,638)</b>	<b>(305,176)</b>	<b>(73,867)</b>	<b>(446,681)</b>

**Restatement as a result of Machinery of Government Changes:  
Balance Sheet**

	Published balance 2006/07	Published balance 2006/07	Movements arising on transfer (including HO balances)	Restated 2006/07
	£000	£000	£000	£000
	Centrex and Trust	PITO		
<b>Fixed assets:</b>				
Tangible	66,000	103,141	4,287	173,428
Intangible	2,077	8,220	9	10,306
Investments	345	-	-	345
<b>Current assets:</b>				
Debtors and prepayments	6,635	38,318	159	45,112
Cash at bank and in hand	9,571	29,097	-	38,668
Creditors: (amounts falling due within one year)	(15,155)	(62,310)	(5,733)	(83,198)
Net current assets	1,051	5,105	(5,574)	582
<b>Total assets less current liabilities</b>	<b>69,473</b>	<b>116,466</b>	<b>(1,278)</b>	<b>184,661</b>
Creditors: falling due in more than one year	(479)	-	-	(479)
Provisions for liabilities and charges	(10,489)	(2,083)	-	(12,572)
<b>Total assets less liabilities</b>	<b>58,505</b>	<b>114,383</b>	<b>(1,278)</b>	<b>171,610</b>
<b>Financed by</b>				
Revaluation Reserve	2,410	4,944	19	7,373
Donated Assets Reserve	2,084	-	1	2,085
Income and Expenditure Reserve	53,624	109,439	(1,298)	161,765
Trust funds	387	-	-	387
	<b>58,505</b>	<b>114,383</b>	<b>(1,278)</b>	<b>171,610</b>



**Restatement as a result of Machinery of Government Changes:  
Statement of Recognised Gains and Losses**

	Published balance 2006/07	Published balance 2006/07	Movements arising on transfer (including HO balances)	Restated 2006/07
	£000	£000	£000	£000
	Centrex and Trust	PITO		
Unrealised surplus on revaluation of investments	2	-	-	2
Unrealised surplus/(loss) on revaluation of fixed assets by revaluation	(12,000)	185	-	(11,815)
Unrealised surplus/(loss) on revaluation of fixed assets by indexations	546	-	(82)	464
<b>Recognised gains/ (losses) in the period</b>	<b>(11,452)</b>	<b>185</b>	<b>(82)</b>	<b>(11,349)</b>

**2. Income**

	2007/08	Restated 2006/07
	£'000	£'000
<b>Funding</b>		
Funding from police authorities	32,668	21,390
Scottish Executive	17,429	19,071
	<b>50,097</b>	<b>40,461</b>
<b>Fees and Other Income</b>		
Other Income	12,971	18,225
Training and consultancy charges	18,444	20,889
	<b>31,415</b>	<b>39,114</b>
<b>Total</b>	<b>81,512</b>	<b>79,575</b>

**Fees and Charges**

Non-police organisations were charged for the use they made of the PNC facilities based on transaction volume. The charging policy was consistent throughout all categories of customers, and no element of cross-subsidisation was present. The only non-forces not charged were those that access the PNC on behalf of forces, and thereby reduce workloads on the forces. Fees are charged for the use of the Identification database (IDENT) by police forces and the UK Border Agency.

People and Development Directorate's main function was to provide training to the police forces of England and Wales. For the most part, that training was provided free of charge. Training and consultancy was also supplied to UK Government departments, and to overseas police forces and governments, which was charged for on a full-cost basis.

The overall deficit was funded by grant-in-aid received from the Home Office. This information is provided for the purposes of reporting fees and charges information, not to comply with SSAP25.



	Full Cost	2007/08 Income	(Deficit)	Full Cost	Restated 2006/07 Income	(Deficit)
	£'000	£'000	£'000	£'000	£'000	£'000
IDENT	28,297	8,997	(19,300)	25,423	3,346	(22,077)
PNC	31,766	1,089	(30,677)	26,700	3,165	(23,535)
NDNAD	8,877	1,131	(7,746)	4,652	2,706	(1,946)
Other Information Services	66,804	3,697	(63,107)	30,562	8,339	(22,223)
<b>Information Services</b>	<b>135,744</b>	<b>14,914</b>	<b>(120,830)</b>	<b>87,337</b>	<b>17,556</b>	<b>(69,781)</b>
Exams and Assessment	5,297	1,645	(3,652)	4,496	1,664	(2,832)
Learning and Development Services	15,111	8,828	(6,283)	32,119	12,610	(19,509)
Leadership Development Services	7,001	4,256	(2,745)	7,205	4,214	(2,991)
Other People and Development services	9,806	315	(9,491)	5,815	-	(5,815)
<b>People and Development Services</b>	<b>37,215</b>	<b>15,044</b>	<b>(22,171)</b>	<b>49,635</b>	<b>18,488</b>	<b>(31,147)</b>
Other	49,007	1,457	(47,550)	71,849	3,070	(68,779)
<b>Total</b>	<b>221,966</b>	<b>31,415</b>	<b>(190,551)</b>	<b>208,821</b>	<b>39,114</b>	<b>(169,707)</b>

**3. Emoluments and associated costs****a) Aggregate payroll costs, including seconded-in**

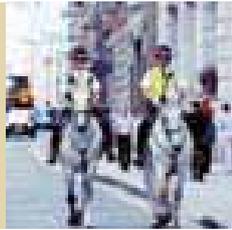
	<b>2007/08</b>	<b>Restated 2006/07</b>
	£'000	£'000
Staff		
Employee salaries and wages	39,611	40,261
Pension costs	8,249	7,803
Social security costs	3,584	3,461
Home Office Secondees	3,126	5,082
Seconded-in officers	16,445	19,887
Temporary and Contractors	12,847	20,121
FRS17 Pension Costs	5,885	-
Other Costs *	733	2,200
<b>Total</b>	<b>90,480</b>	<b>98,815</b>

\* Included in Other Costs above is £559,000 (£2.2 million in 2006/07) in respect of redundancy costs

**b) Mean average number of employees over 12 months**

	<b>2007/08</b>	<b>Restated 2006/07</b>
	No.	No.
Seconded-in officers	259	264
Home Office Secondees	79	132
Permanent staff	1,119	1,245
Contractors	273	306
Temporary	127	188
<b>Total</b>	<b>1,857</b>	<b>2,135</b>

Home Office employees are shown as Secondees in 2006/07. There are three directly employed police officers included within the permanent staff number above (Nil in 2006/07).



#### 4. Other running costs

	2007/08	Restated 2006/07
	£'000	£'000
Accommodation costs (including light and heat)	7,049	9,641
Consultancy	66,552	61,506
Information Technology Equipment	21,470	28,694
IT – Airwave	205,119	188,134
IT support and maintenance	31,097	39,535
Maintenance and equipment	14,166	15,011
Printing and stationery	1,567	2,047
Recruitment	715	858
IPLDP Grant to Police Forces	15,330	16,800
Staff training	1,944	2,000
Travel/vehicle costs	6,527	6,859
Capital Grants*	-	10,105
Telecommunications	6,799	5,211
Operating leases	4,703	4,639
Audit fee	180	123
Movement in bad debts provision	206	40
Movement in other provisions (see Note 20)	1,227	228
Other general expenses	12,080	12,113
<b>Total</b>	<b>396,731</b>	<b>403,544</b>

\* Capital Grants represents grants given to Police Forces by the Home Office during 2006/07. The activities funded by these grants are now conducted within the NPIA so no equivalent grants were made in 2007/08.

## 5. Depreciation and revaluation of fixed assets

## a) Depreciation and amortisation

	Note	2007/08 £'000	Restated 2006/07 £'000
Intangible assets	7	3,395	2,765
Tangible assets	8	16,114	9,585
<b>Total</b>		<b>19,509</b>	<b>12,350</b>

## b) Charges for impairments and write offs

		2007/08 £'000	Restated 2006/07 £'000
Impairment of refurbished buildings	8	11,192	1,388
Write offs - cost	8	60	6,202
<b>Total</b>		<b>11,252</b>	<b>7,590</b>

## c) Disposals

		2007/08 £'000	Restated 2006/07 £'000
Loss on disposal at Net Book Value		2,009	851
<b>Total</b>		<b>2,009</b>	<b>851</b>

## d) Revaluation of fixed assets

		Cost £'000	Depreciation £'000	Net £'000
Intangibles - indexation	7	(669)	368	(301)
Tangibles - indexation	8	(2,238)	495	(1,743)
Tangibles - revaluation	8	(3,983)	-	(3,983)
				<b>(6,027)</b>
Unrealised gains and losses (above historic cost) to statement of recognised gains and losses - indexation				1,483
Unrealised gains and losses (above historic cost) to statement of recognised gains and losses - revaluation				1,917
Unrealised losses (below Historic cost) to income and expenditure account - indexation				(3,527)
Unrealised losses (below Historic cost) to income and expenditure account - Land and Buildings revaluation				(5,900)
<b>Total</b>				<b>(6,027)</b>



## 6. Discontinued operations

There were no discontinued operations during 2007/08. All income and expenditure arose from operations transferred to the National Policing Improvement Agency from Centrex and PITO, which ceased to exist on 31 March 2007, along with an element of the Home Office that was also transferred to the NPIA.

## 7. Intangible assets

	<b>Software Licences</b>
	£'000
<b>Cost</b>	
<b>At 1st April 2007</b>	<b>15,468</b>
Additions	663
Transfers from assets under construction	65
Disposals	-
Adjustments on indexation	(669)
<b>At 31st March 2008</b>	<b>15,527</b>
<b>Amortisation</b>	
<b>At 1st April 2007</b>	<b>5,162</b>
Charge in the year	3,395
Disposals	-
Adjustments on revaluation/indexation	(368)
<b>At 31st March 2008</b>	<b>8,189</b>
<b>Net Book Value at 31 March 2008</b>	<b>7,338</b>
<b>Net Book Value at 31 March 2007</b>	<b>10,306</b>

## 8a. Tangible assets

Assets – Costs & Depreciation Reconciliation	Land and Buildings	Dwellings	Vehicles	Plant and Machinery	Communications	IT Hardware	Fixtures and Fittings	Antiques and Works of Art	Web Development	Assets Under Construction	Total Tangible
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
<b>Cost</b>											
<b>Opening Balance as at 1 April 2007</b>	<b>68,046</b>	<b>1,782</b>	<b>1,821</b>	<b>3,307</b>	<b>73,521</b>	<b>28,128</b>	<b>6,569</b>	<b>2,113</b>	<b>1,066</b>	<b>14,890</b>	<b>201,243</b>
Additions	10,708	882	9	-	66,731	983	10	-	-	11,597	90,920
Disposals	(7,177)	-	(274)	-	-	(28)	-	-	-	-	(7,479)
Indexation	1,621	53	(7)	268	(3,124)	(1,198)	195	-	(46)	-	(2,238)
Revaluations up	1,917	-	-	-	-	-	-	-	-	-	1,917
Revaluations to I&E	(5,900)	-	-	-	-	-	-	-	-	-	(5,900)
Write Offs	-	-	-	-	-	-	-	-	-	(60)	(60)
Transfer from AUC	2,728	345	-	5	1,014	825	-	-	-	(4,982)	(65)
<b>Closing Balance as at 31 March 2008</b>	<b>71,943</b>	<b>3,062</b>	<b>1,549</b>	<b>3,580</b>	<b>138,142</b>	<b>28,710</b>	<b>6,774</b>	<b>2,113</b>	<b>1,020</b>	<b>21,445</b>	<b>278,338</b>
<b>Depreciation</b>											
<b>Opening Balance as at 1 April 2007</b>	<b>7,986</b>	<b>44</b>	<b>1,222</b>	<b>1,907</b>	<b>1,439</b>	<b>12,019</b>	<b>3,198</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>27,815</b>
Charge in the year	1,500	45	201	404	6,943	6,092	574	-	355	-	16,114
Impairment charge in the year	11,192	-	-	-	-	-	-	-	-	-	11,192
Disposals	(164)	-	(272)	-	-	(1)	-	-	-	-	(437)
Indexation	350	3	(5)	187	(356)	(765)	108	-	(17)	-	(495)
<b>Closing Balance as at 31 March 2008</b>	<b>20,864</b>	<b>92</b>	<b>1,146</b>	<b>2,498</b>	<b>8,026</b>	<b>17,345</b>	<b>3,880</b>	<b>-</b>	<b>338</b>	<b>-</b>	<b>54,189</b>
<b>Net Book Value as at 31 March 2008</b>	<b>51,079</b>	<b>2,970</b>	<b>403</b>	<b>1,082</b>	<b>130,116</b>	<b>11,365</b>	<b>2,894</b>	<b>2,113</b>	<b>682</b>	<b>21,445</b>	<b>224,149</b>
<b>Net Book Value as at 1 April 2007</b>	<b>60,060</b>	<b>1,738</b>	<b>599</b>	<b>1,400</b>	<b>72,082</b>	<b>16,109</b>	<b>3,371</b>	<b>2,113</b>	<b>1,066</b>	<b>14,890</b>	<b>173,428</b>



### b) Valuation bases

Freehold land, buildings and dwellings for the whole of NPJA were valued together for balance sheet purposes as at 31 March 2006, in a report dated 12 May 2006 prepared by Donaldsons LLP.

That valuation resulted in a large write off due to the cost of accumulated building works not being reflected in the market values or existing use values. In view of that it was decided to have an updated valuation carried out for the sites as at 31 March 2008. The results of that valuation exercise were set out in reports prepared by DTZ (formerly Donaldsons LLP).

Bramshill, Harperley Hall, Harrogate and Ryton sites are valued on an existing use basis.

The valuation reports were prepared using the Appraisal and Valuation Manual issued by the Royal Institution of Chartered Surveyors.

The Ashford valuation has reduced, because of the impact of certain restrictive covenants that are in place. Bruche was sold in December 2007 for book value less costs of £10,500.

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 followed the guidelines set out by the International Valuation Standards Committee, but incorporated refinements proposed by the Fine Art and Antiques Faculty of the Royal Institution of Chartered Surveyors. The estimate was 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 was that of the second-hand replacement of a similar but not necessarily identical item, in a comparable condition, purchased on retail premises. A valuation will be performed during 2008/09.

**9. Fixed asset investments**

	<b>Listed Investments</b>
	£'000
At 31 March 2007 at market valuation	345
At 31 March 2008 at market valuation	362
<b>Unrealised gains</b>	<b>17</b>

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

**10. Cash at bank and in hand**

	<b>31 March 2008</b>	<b>Restated 31 March 2007</b>
	£'000	£'000
Bank accounts	42,205	38,622
Cash in hand	6	3
Trust bank accounts	43	43
<b>Total</b>	<b>42,254</b>	<b>38,668</b>



## 11. Debtors

	31 March 2008	Restated 31 March 2007
	£'000	£'000
Trade debtors	16,450	12,107
Provision for doubtful debtors	(349)	(143)
Prepayments	15,407	14,675
Tax including VAT	-	1,729
Accrued charges	3,658	3,374
Other debtors	19	13,370
<b>Total</b>	<b>35,185</b>	<b>45,112</b>

### Intra-government balances

	2007/08 Debtors: amounts falling due within one year	2007/08 Debtors: amounts falling due after more than one year	2006/07 Debtors: amounts falling due within one year	2006/07 Debtors: amounts falling due after more than one year
	£'000	£'000	£'000	£'000
Balances with other central government bodies	5,537	-	8,548	-
Balances with police and local authorities	12,597	-	5,509	-
Balances with NHS Trusts	-	-	-	-
Balances with public corporations and trading funds	332	-	1	-
<b>Total intra government</b>	<b>18,466</b>	<b>-</b>	<b>14,058</b>	<b>-</b>
Balances with bodies external to government	16,719	-	31,054	-
<b>At 31 March</b>	<b>35,185</b>	<b>-</b>	<b>45,112</b>	<b>-</b>

**12. Creditors****a) Creditors (less than one year)**

	31 March 2008 £'000	Restated 31 March 2007 £'000
Trade creditors and accruals	77,421	78,994
Home Office Creditor	10,623	-
Taxes and social charges *	4,467	1,126
Deferred income	1,737	1,066
Other creditors	4,414	2,012
<b>Total</b>	<b>98,662</b>	<b>83,198</b>

\* Taxes at 31 March 2008 include VAT Creditor of £1,995K

**b) Creditors (greater than 1 year)**

	31 March 2008 £'000	Restated 31 March 2007 £'000
Contract retentions	-	479
<b>Total</b>	<b>-</b>	<b>479</b>

**Intra-government balances**

	2007/08 Creditors: amounts falling due within one year £'000	2007/08 Creditors: amounts falling due after more than one year £'000	2006/07 Creditors: amounts falling due within one year £'000	2006/07 Creditors: amounts falling due after more than one year £'000
Balances with other central government bodies	24,895	-	11,340	-
Balances with police and local authorities	16,310	-	13,111	-
Balances with NHS Trusts	24	-	-	-
Balances with public corporations and trading funds	617	-	-	-
<b>Total intra government</b>	<b>41,846</b>	<b>-</b>	<b>24,451</b>	<b>-</b>
Balances with bodies external to government	56,816	-	58,747	479
<b>At 31 March</b>	<b>98,662</b>	<b>-</b>	<b>83,198</b>	<b>479</b>



### 13. Pension Benefits

#### (a) Principal Civil Service Pension Scheme (PCSPS)

The PCSPS is an unfunded multi-employer defined benefit scheme where NPIA is unable to identify its share of the underlying assets and liabilities. The scheme actuary revalues the scheme centrally and reassesses contributions every four years.

#### (b) Senior Officers Schemes

The Agency operates, by analogy, a defined benefit Police Pension Scheme for direct recruits from within the Police Service. The Senior Officers Pension Scheme is identical to the Police Pension Scheme 1987. As part of the scheme, NPIA accepts liability for payment of the pension benefits in respect of the officers' past service with a police force, although no transfer values are payable from a former employer in

respect of this liability, as well as their pensionable service whilst employed by the Agency. Pensions benefits will be paid as they fall due from the NPIA resources.

The NPIA also operates a By Analogy Pension Scheme for the Chairman, this scheme is analogous with the Principal Civil Service Pension Scheme.

In order to comply with HM Treasury's Financial Reporting Manual and Accounts Guidance, NPIA is required to provide in these accounts for the full value of the expected future pensions liabilities of these officers. NPIA commissioned the Government Actuary's Department (GAD) to value the scheme liabilities as at 31 March 2008. Full provision for this liability 2007/08 of £5,285,000 (2006/07 £0.) is reflected in the balance sheet and is based on the assumptions and information set out below.

#### Pension Disclosures 2007/08 For Police Pension Scheme 1987

##### National Policing Improvement Agency

Past Service Liabilities	Value at 31 March 2008 £ million	Value at 31 March 2007 £ million
Liability in respect of		
Active members (past service)	(5.24)	-
Deferred pensions	-	-
Pensions in Payment	-	-
<b>Total</b>	<b>(5.24)</b>	<b>-</b>
<b>Net pensions deficit</b>	<b>(5.24)</b>	<b>-</b>

Liabilities are valued on an actuarial basis using the Projected Unit Method.  
The main actuarial assumptions are as follows:

	Year Ending 31 March 2008	Year Ending 31 March 2007
Rate of inflation	2.8 % pa	2.8 % pa
Rate of increase in salaries	4.3 % pa	4.3 % pa
Rate of increase in pensions	2.8 % pa	2.8 % pa
Rate of discounting scheme liabilities	5.3 % pa	4.6 % pa

Analysis of movement in scheme liability	2007/08 £ Million	2007/08 £ Million
Net surplus / (deficit) at the beginning of year		-
Removal of provision for injury awards		N/A
Net surplus / (deficit) at the start of current year		-
Movement in the year:		
Current Service Cost		(0.15)
Past Service Cost		(5.69)
Unfunded Pension transfers-in		-
Interest on pension liabilities (i.e. "Finance Income")		-
Benefits paid (recurring element)	-	
Benefits paid (lump sums)	-	
Pension payments to and on account of leavers	-	
Total benefits paid	-	-
Curtailment and Settlements		-
Actuarial gain – changes in assumptions underlying the present value of the pension		0.6
<b>Net deficit at the end of year</b>		<b>(5.24)</b>

History of Experience gains and losses	2007/08
Experience gains / (losses) on the scheme liabilities	
Amount (£ Million)	-
Percentage of the liability at the end of year	-
Total actuarial gain	
Amount (£ Million)	0.6
Percentage of the liability at the end of year	11.5 %

Note: Employer contributions of £64,883 were received during 2007/08.



### **(c) By Analogy Pension Scheme**

The By Analogy Pension arrangement is operated by the National Policing Improvement Agency under broadly the same rules as the Principal Civil Service Pension Scheme (PCSPS). The benefits valued are those accrued up to 31 March 2008. Liabilities relating to payments made before normal retirement age as compensation for early retirement under the terms of the Civil Service Compensation Scheme are excluded. The pension arrangements are unfunded, with benefits being paid as they fall due and guaranteed by the employer. There is no fund and, therefore, no surplus or deficit.

#### **Assumptions**

The main financial assumptions to be adopted for the assessment of liabilities are announced by HM Treasury at the beginning of February each year. The demographic assumptions are consistent with those used elsewhere in Central Government for resource accounting purposes and include allowance for future improvements in line with the recently published 2006 population projections.

The main financial assumptions (used to assess liabilities as at 31 March 2008) are as follows:

- Investment return in excess of price increases of 2.5% p.a.
- Investment return in excess of general salary increases of 1.0%
- The gross rate of return is assumed to be 5.3% p.a., although this assumption has a minor impact on the value of the liability
- In nominal terms, these assumptions are the equivalent to an allowance for increases in salaries of 4.3% and price inflation of 2.75% p.a.

#### **Liability as at 31 March 2008**

The capitalised value of accrued pension benefits payable under the National Policing Improvement Agency's By Analogy pension arrangement as at 31 March 2008 is £45,000.

#### **(d) Other police officers**

All other police officers are currently seconded to NPPIA and their seconding forces remain responsible for their pension benefits. NPPIA paid £2.1 million in employer contributions to the relevant home force. The employer contribution is set at either 24.6% or 25.9% depending on the home force.

**14. Reserves and Funds**

<b>a) Reserves</b>	Pension Fund	Revaluation Reserve	Donated Assets Reserve	Income and Expenditure Reserve	Total
	£'000	£'000	£'000	£'000	£'000
<b>At 1 April 2007</b>					
<b>Restated Opening Balances</b>	-	7,373	2,085	161,765	171,223
Indexation of grant funded assets	-	1,483	-	-	1,483
Transfers from the Income & Expenditure Account	(5,885)	-	-	5,885	-
Pension Valuation Changes	600	-	-	-	600
Gain on valuation		1,917			1,917
Home Office Grant Received					
Resource				373,417	373,417
Capital				91,583	91,583
Transfer from Income and Expenditure Account	-	-	-	(447,894)	(447,894)
<b>At 31 March 2008</b>	<b>(5,285)</b>	<b>10,773</b>	<b>2,085</b>	<b>184,756</b>	<b>192,329</b>

NPIA was funded in the financial year 2007/08 by taking a top slice from the total funds available to provide for policing including grants to police authorities. The budgeted amount for the year was £597.79 million.

<b>b) Trust Fund (see Note 21)</b>	Income and Expenditure	Revaluation of investments	Trust Funds
	£'000	£'000	£'000
<b>At 31 March 2007</b>	<b>323</b>	<b>64</b>	<b>387</b>
Income and Expenditure Account	-	-	-
Unrealised surplus on revaluation of investments (see Note 9)		17	17
<b>At 31 March 2008</b>	<b>323</b>	<b>81</b>	<b>404</b>



## 15. Lease obligations

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

	Buildings	Others	Total at 31 March 2008	Total at 31 March 2007
	£'000	£'000	£'000	£'000
one year	330	-	330	33
two to five years	4,159	1,054	5,213	4,107
after five years	-	195,950	195,950	195,171
Total	4,489	197,004	201,493	199,311

In 2000, the Police Information Technology Organisation (PITO), now part of the NPIA, entered into a 19-year Public Finance Initiative (PFI) arrangement to design, build, and operate a digital radio system providing national secure voice and data coverage for UK policing (Airwave). The cost to the NPIA consists of two elements:

- a core service charge estimated to cost £1,180 million over the entire 19-year life, payable annually,
- a menu service charge, estimated total cost of £290 million over 19 years, payable in respect of services provided over and above those within the core provision.

This is determined to be an off-balance sheet PFI deal. Subsequent extensions to the initial programme, such as the London Underground development and resilience network, are considered on-balance sheet developments. They are assets of the NPIA, and are in Note 8a – Communication Assets. The lease obligation is in the table above for leases expiring in more than five years. The 2007/08 running costs are in Note 4.

## 16. Capital commitments

	31 March 2008	31 March 2007
	£'000	£'000
Approved and contracted for	51,664	129,915
Approved but not contracted for	-	7,269

### **17. Contingent assets and liabilities**

In 2007, NPIA terminated a contract with a supplier based on a repudiatory breach of the contract. The supplier has challenged the NPIA's ability to terminate the contract and is claiming around £5 million in damages from the NPIA. The NPIA have since issued a counterclaim against the supplier. Negotiations between the parties in order to settle the claims have failed to be agreed to date.

NPIA has been advised by its legal advisers that they have a strong case and it continues to negotiate vigorously in this matter.

On the basis of this advice, it is the opinion of the Board that the likelihood of the claim being successful is improbable and, accordingly, no provision has been made.

NPIA has one material contingent asset as at 31 March 2008. This is in respect to the Buncefield disaster legal claim. The case is to be heard in late 2008, however the NPIA expect to receive damages of approximately £7.8million as a result of this legal action.



## 18. Cash flow statement

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

	2007/08		Restated 2006/07	
	£'000	£'000	£'000	£'000
Net expenditure		(447,894)		(446,681)
Depreciation and Amortisation (Note 5)		19,509		12,350
Charges for Impairment and write-off (Note 5)		11,252		7,590
Loss on disposal (Note 5)		2,009		851
Loss on indexation and revaluation of fixed assets		9,427		3,106
Decrease/(increase) in debtors relating to operating activities		9,927		(1,265)
Increase in creditors relating to operating activities	14,985		18,663	
Less (increase) in capital accruals	(1,238)		(309)	
		13,747		18,354
Increase/(decrease) in provisions		36		(2,669)
FRS 17 Pension Costs		5,885		
<b>Net cash outflow from operating activities</b>		<b>(376,102)</b>		<b>(408,364)</b>

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

	2007/08	Restated 2006/07
	£'000	£'000
<b>Funds at start of year</b>	<b>38,668</b>	<b>9,954</b>
Increase/decrease in funds	3,586	28,714
<b>Net funds at end of year (Note 10)</b>	<b>42,254</b>	<b>38,668</b>

**c) Reconciliation of cash outflow to acquire tangible assets**

	2007/08	Restated 2006/07
	£'000	£'000
Tangible fixed asset additions (see note 8)	90,920	83,520
Add decrease/less increase in capital accruals (see note 18a)	(1,238)	(309)
<b>Cash outflow to acquire tangible assets</b>	<b>89,682</b>	<b>83,211</b>

**19. Related party transactions**

The NPIA is a Non Departmental Public Body financed by grant-in-aid from the Home Office. Grant-in-aid is shown in the Income and Expenditure Reserve. The Home Office is regarded as a related party to NPIA. NPIA has various material transactions with the Home Office. Home Office grants-in-aid have been taken directly to reserves.

The NPIA 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 NPIA Board.

During the period ending 31 March 2008, no members of the Board or members of the key management staff have undertaken any material transactions with the NPIA.

A Grant of £403,000 has been paid to the Council for the Registration of Forensic Practitioners under direction from the Parliamentary Under-Secretary of State for the Home Department, £441,000 was paid in 2006/07 by the Home Office. The Council for the Registration of Forensic Practitioners are considered a related party as Peter Neyroud, Accounting Officer is on its Board.



## 20. Provisions for liabilities and charges

	As at 31 March 2007	Increase in Provision	Amount used in Year	As at 31 March 2008
	£'000	£'000	£'000	£'000
a) Bramshill Mansion works	8,546	300	(565)	8,281
b) Rationalisation	2,869	778	(350)	3,297
c) Other Provisions & Dilapidations	1,157	149	(276)	1,030
	<b>12,572</b>	<b>1,227</b>	<b>(1,191)</b>	<b>12,608</b>

At 31 March 2008, the above provisions consisted of:

- For repairs required to the Bramshill Mansion (a Grade I listed building), and to the grounds and outbuildings (some Grade I and some Grade II), as set out in a report of an unintrusive survey carried out by Gilmore Hankey Kirke dated June 2005. The costs of the required works have been estimated, but due to the nature of conservation work must be uncertain.
- To provide for the cost of the internal restructuring necessary to realise efficiency gains and cost reductions due to a greatly reduced budget. Provision has been made for the future pension payments as a result of redundancies prior to the formation of NPJA.
- Other Provisions cover Personal Injury and employment claims valued using legal advice and where both the value and payment date is uncertain. Also covers 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, and a Dilapidation provision to cover the cost of restoring a leased property to its original state at the end of the lease in 2011.

## 21. Charitable Trust

The Charities Commissioners for England and Wales, under the power of the Charities Act 1993 granted a new scheme on 9 March 2004. This created The Police Training Authority Trust, with the object of promoting life-long learning and continuous professional development to those employed in the police service of England and Wales, by the provision of items, services, facilities and awards, thereby improving the efficiency and effectiveness of the service.

## 22. Post balance sheet events

The following changes were made to the structure of the NPJA with effect from 1 April 2008:

- The Proceeds of Crime Centre was transferred in from the abolished Assets Recovery Agency.
- The Central Witness Bureau was transferred in from the Ministry of Justice.
- The responsibility for making Grants to the Police Authorities for the Initial Police Training and Development Programme was transferred to the Home Office.

In accordance with the requirements of FRS21, post balance sheet events are considered up to the date on which the accounts are authorised for issue. This is interpreted as the date of the Certificate and Report of

the Comptroller and Auditor General. There are no other material post balance sheet events relating to the year ended 31 March 2008.

### 23. Financial Instruments

FRS 13, Derivatives and Other Financial Instruments, requires disclosure of the role which financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the nature of its activities and the way it is financed, NPIA is not exposed to the degree of financial risk faced by business entities. Moreover, financial instruments play a much more limited role in creating or changing risk than would be typical of listed companies to which FRS 13 mainly applies. NPIA has very limited powers to borrow or invest funds. Financial assets and liabilities were generated by day to day operational activities and were not held to change the risks facing NPIA in undertaking its activities.

#### Liquidity Risk

NPIA's net revenue resource requirements were largely funded by Home Office grants, which have been taken direct to reserves. Capital expenditure was also financed through grant-in-aid. NPIA was consequently not exposed to significant liquidity risks.

#### Interest Rate Risk

NPIA was not exposed to any interest rate risk. All surplus funds were placed on deposit with commercial banks at the prevailing deposit interest rate.

#### Foreign Currency risk

NPIA's exposure to foreign currency was not significant, as we do not make a significant number of transactions in foreign currencies.

### 24. Financial derivatives and borrowings

NPIA has no borrowings and relies primarily on departmental grant-in-aid 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 rate risk.

### 25. Statement of losses and special payments

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

	Number of Cases	Amount
		£'000
Losses	2	864
Special Payments	77	2,415
<b>Total</b>	<b>79</b>	<b>3,279</b>

A loss was incurred when £842,000 relating to development design work and planning fees for a proposed Conference Centre at the Harrogate site that had been capitalised in Assets Under Construction was written off due to changes in the Estate strategy.



# THE NPJA IN SUMMARY

## KEY DELIVERY PRIORITIES

Serious and Organised Crime	Protective Services	Counter-Terrorism	Trust and Confidence
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## IMPROVEMENT PRIORITIES

<p><b>Serious and Organised Crime</b></p> <ul style="list-style-type: none"> <li>Improve the quality of forensic services in forces through delivery of Phase one of the Strategic Framework for Forensic Science with focus on increased detections and better value for money</li> <li>Increase financial investigation capacity and capability through training accreditation and quality assurance</li> </ul>	<p><b>Protective Services</b></p> <ul style="list-style-type: none"> <li>Assist the service in strengthening protective services by: <ul style="list-style-type: none"> <li>evaluating the national protective services demonstrator sites and working with the service to identify and spread effective practice and learning;</li> <li>working with the service to develop the detailed Threshold Standards for Protective Services and assisting forces to implement the standards</li> </ul> </li> <li>Support the continued development of the command of high risk operations including in response to the HMIC and IPCC recommendations on Stockwell</li> <li>Complete the service - wide rollout of the Automatic Number Plate Recognition System (ANPR) back office function to enable interoperability between forces and full exploitation of ANPR capability</li> </ul>	<p><b>Counter-Terrorism</b></p> <ul style="list-style-type: none"> <li>Support ACPO in developing counter terrorism capability by delivering the first phase of an agreed programme, including support to the Prevent Strategy, new training, support to the development of an enhanced secure network capability for forces and the development of professional practice and operating standards</li> </ul>	<p><b>Trust and Confidence</b></p> <ul style="list-style-type: none"> <li>Deliver a three year plan (2008/2009 - 2010/2011) to embed and further develop Neighbourhood Policing including tailored support to individual Police forces, support to the Association of Police Authorities, strengthened community engagement, improved problem solving, new learning and development products, partnership working and recommendations from the Flanagan Review of Policing</li> <li>Help policing become an increasingly citizen centered service by delivering the first phase of a Citizen Focus Programme including the identification and spread of good practice, improved contact management, research and analysis and a mental health learning programme</li> <li>Deliver a National Equalities Standard for the Police Service</li> </ul>
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## NPJA IMPROVEMENT PORTFOLIO

<p><b>Protective Services Programme</b></p> <ul style="list-style-type: none"> <li>Evaluate national demonstrator sites and spread learning</li> <li>Detailed definition and assisted implementation of ACPO threshold standards</li> <li>Guidance on Police Use of Firearms and Surveillance</li> <li>Over-arching Command and Control doctrine</li> <li>Interoperability - reducing risk in the event of a critical/major incident involving multi agency working</li> <li>ANPR back office, Interoperability and further development</li> <li>Improving information sharing and recording at scene of road collisions (CRASH)</li> <li>Improving the management of information and upgrading the functionality by HOLMES (HOLMES 2020)</li> <li>Roads policing learning programme</li> </ul>	<p><b>Counter-Terrorism Programme</b></p> <ul style="list-style-type: none"> <li>Enhancing the secure network capability of forces</li> <li>Immersive CBRN Silver Command training</li> <li>Training needs analysis and improved training and learning programmes</li> <li>Research support to ACPO (TAM)</li> <li>Improved investigative and intelligence training</li> <li>Professional practice guidance</li> <li>Debrief support to national exercises</li> <li>Assisted Implementation of ACPO threshold standards</li> <li>Guidance on operating standards for CT policing</li> </ul>	<p><b>Citizen Focus Programme</b></p> <ul style="list-style-type: none"> <li>National Contact Management Project</li> <li>National Equalities Standard</li> <li>Mental Health Learning Programme</li> <li>Research and evaluation (confidence, trust and satisfaction)</li> <li>National Missing Persons Bureau enhancement</li> <li>Special Constabulary National Strategy</li> <li>Disproportionality in Stop and Search with a link to Criminal Justice Process</li> <li>Identification and spread of good practice</li> </ul> <p><b>Neighbourhood Policing Programme</b></p> <ul style="list-style-type: none"> <li>Embedding Neighbourhood Policing</li> <li>Tailored support to forces</li> <li>Support to the PREVENT strategy</li> <li>Strengthening community engagement</li> <li>Improved problem solving</li> <li>New learning and development products</li> <li>Partnership working</li> <li>Recruitment and selection processes</li> <li>Implement Recommendations from The Flanagan Review of Policing</li> </ul>
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Note: This represents a high level summary of the improvement portfolio

## NPJA SERVICES

### INFORMATION SERVICES

Airwave	Automatic Number Plate Recognition (ANPR), Back Office and Data Centre	Environmental Scanning (including NPJA Digest)	Fingerprint Identification Database (IDENT 1)
Linked Major Incident Rooms (MIRWEB)	Microfiche Archive (NIS)	National Ballistics Intelligence Services Database (NABIS DB)	National DNA Database (NDNAD)
NSPIS Command and Control management systems	NSPIS Custody and Case Preparation programme	NSPIS HR management Systems	Police Information Infrastructure Portfolio
<b>OPERATIONAL POLICING SERVICES</b>	Assisted Implementation	Central Witness Bureau	Consultancy and Advice
National Strategic Assessment	Olympic Support	Proceeds of Crime Centre	Professional Practice

### PEOPLE AND DEVELOPMENT SERVICES

Exams and Assessment: OSPRE, PNAC, SPNAC	Initial Police Learning and Developing Programme	Learning and Development Services	National and International Leadership Development and Services
FEES PAID BY THE NPJA ON BEHALF OF THE POLICE SERVICE			Council for the Registration of Forensic Practitioners

# “Making a unique contribution to public safety”

## KEY DELIVERY PRIORITIES

Efficiency and Productivity	Information and Intelligence Management	Criminal Justice	Leadership
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## IMPROVEMENT PRIORITIES

<p><b>Efficiency and Productivity</b></p> <ul style="list-style-type: none"> <li>Support the Workforce Modernisation Programme by delivering the Demonstration Site Programme, preparing with the wider service an implementation strategy including the identification of costs together with dissemination of best practice, benefits and savings</li> <li>Support forces in making it easier for frontline officers to access information by equipping them with additional mobile devices</li> </ul>	<p><b>Information and Intelligence Management</b></p> <ul style="list-style-type: none"> <li>To review IT in the police service, to address recommendation 10 of the Flanagan Review of Policing</li> <li>Deliver Airwave to all remaining London Underground stations and deliver the Airwave Resilience Programme</li> <li>Deliver the next stages the IMPACT programme</li> <li>Deliver the first stage of the reconfigured Schengen Information System II Programme</li> <li>Deliver doctrine and training that enables radio communications interoperability between Emergency Services promulgating best practice</li> </ul>	<p><b>Criminal Justice</b></p> <ul style="list-style-type: none"> <li>Deliver the final phase of Case &amp; Custody roll-out (including full implementation of Case Preparation in all MPS boroughs) and complete join up with the other Criminal Justice Agencies, working to deliver the expected benefits</li> <li>Deliver the first phase of a Criminal Justice Programme in support of the ACPO criminal justice strategy including the virtual court pilots, support to the London Criminal Justice Board and the evaluation and assisted implementation of streamlined case file preparation processes to deliver operational frontline and administrative efficiencies</li> </ul>	<p><b>Leadership</b></p> <ul style="list-style-type: none"> <li>Delivering revised leadership development for both senior police officers and staff that contains new business and partnership modules. This will include the Strategic Command Course programme and the High Potential Development Scheme</li> <li>Work with the service to deliver doctrine and training to develop the skills required for the national cadre of senior officers who will fulfill command roles for the 2012 Olympic Games</li> </ul>
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## NPJA IMPROVEMENT PORTFOLIO

<p><b>Efficiency and Productivity Programme</b></p> <ul style="list-style-type: none"> <li>Evaluate Workforce Modernisation demonstrator sites</li> <li>Employment framework resource utilisation</li> <li>Supporting the Mobile Information Programme</li> <li>Supporting delivery of the ACPO Procurement Strategy</li> <li>Enhancements to PNC</li> <li>Enhancements to fingerprint identification</li> <li>Implement Recommendations from The Flanagan Review of Policing</li> </ul>	<p><b>Information, Intelligence and Science IMPACT Programme</b></p> <ul style="list-style-type: none"> <li>Develop and implement the Police National Database (PND)</li> <li>Assist implementation of the Management of Police Information (MoPI) Schengen Information System II Programme</li> <li>Develop and implement links between UK databases and the Central SIS to share information with EU authorities on wanted/missing persons and stolen property National Information Systems Programme</li> <li>Develop a roadmap for the next generation of information systems in police forces</li> <li>Finalise Airwave Programme (London Underground, Resilience, Ground-to-Air)</li> <li>Create a better environment for ICT procurement in the police service</li> <li>Better Information Security and Assurance (Information and Access Management - IAM)</li> <li>Promote system interoperability and re-use (Information Systems Strategy for the Police Service ISS4PS) Forensic Science Programme</li> <li>Strategic Framework for Forensic Science (Forensics21): to improve investigative capabilities involving enhancements to DNA exploitation, digital imagery, forensic analysis, management</li> </ul>	<p><b>Criminal Justice Programme</b></p> <ul style="list-style-type: none"> <li>Custody and Case Preparation programme roll-out</li> <li>Complete "join-up" of case preparation solutions with CJS and Courts (OMEGA)</li> <li>Support to the London Criminal Justice Board</li> <li>Support to the ACPO CJ Strategy:             <ul style="list-style-type: none"> <li>Virtual Courts</li> <li>Streamlined case file preparation (pilots, evaluation, implementation)</li> <li>The operation disclosure law (CPIA)</li> </ul> </li> <li>Implement Recommendations from The Flanagan Review of Policing</li> </ul>	<p><b>Leadership Programme</b></p> <ul style="list-style-type: none"> <li>Leadership Strategy Development</li> <li>Revised High Potential Development Scheme</li> <li>Revised Strategic Command Course</li> <li>Develop Strategic Employment Framework</li> <li>People Strategy for Policing</li> <li>Revised Selection and Promotion Systems</li> </ul>
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## NPJA SERVICES

### INFORMATION SERVICES

IMPACT Nominal (INI)	Information Assurance and Accreditation	Linked major enquiry system (HOLMES 2)	Linked Casualty Bureau (CASWEB)
National Firearms Licensing Management System (NFLMS)	National Management Information Systems (NMIS)	National Police Library	National procurement of software licences
Police National Computer (PNC)	Police National Network (PNN 3)	Vehicle Procedure and Fixed Penalty Office (VP/FPO)	ViSOR Dangerous persons database
Crime Operational Support	Diversity, Equality and Human Rights	Missing Persons Bureau	National vehicle fleet and aviation procurement
Research Analysis and Information	Serious Crime Analysis Section (SCAS)	Specialist Operations Centre	Uniform Operational Support (UOS)
National Senior Careers Advisory Service	Police Service Employment Advice	Recruitment Assessment: Officers, PCSOs, Special Constables	Support to the HR, Training and Development Community
Radio Spectrum	Skills for Justice		

## Photography

### City of London Police

Page 23 (two officers and mounted police)

Page 45 (mounted police)

Page 69 (two officers)

Page 81 (mounted police)

Page 87 (mounted police)

### Damien Gillie

Page 8 (main image)

Page 11 (car)

Page 23 (bike)

Page 39 (bike)

Page 59 (car)

Page 79 (officers)

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