



MINISTRY of DEFENCE POLICE

**CHIEF CONSTABLE'S
ANNUAL REPORT and ACCOUNTS
2001-2002**

Presented to the House of Commons pursuant to section 7
of the Government Resources and Accounts Act 2000

Ordered by the House of Commons to be printed
22 July 2002

DL Clarke QPM
Chief Constable

Contents

Chief Constable's Foreword	1	Accounts	40
Role, Vision and Values	3	Operating Cost Statement	40
2nd Permanent Under Secretary's Introduction	4	Statement of Recognised Gains and Losses	40
Ministry of Defence Police Committee	5	Balance Sheet	41
End of Year Key Target Report	6	Cash Flow Statement	42
Key Targets 1999-2002	8		
Key Targets 2002-2003	11	Notes to the Accounts	43
Management Board Reports:		Statement of Accounting Policies	43
Deputy Chief Constable	12	Income	46
Assistant Chief Constable	15	Staff Costs	47
Personnel & Training		Supplies & Services Consumed	49
Personnel Statistics	18	Accommodation Costs	49
Assistant Chief Constable	20	Other Administration Costs	50
Operations		Interest on Capital	50
T/Assistant Chief Constable	22	Tangible Fixed Assets	51
Operational Support		Stock	52
Crime Statistics	25	Debtors	52
Head of MDP Secretariat	26	Creditors	52
Performance Indicators	27	Provision for Liabilities & Charges	53
Our National Assets	28	Revaluation Reserve	53
Operational Command Units	30	General Fund	53
Future of the Ministry of Defence Police	31	Reconciliation of movements in	
		Government Funds	54
Foreword to the Accounts	32	Capital Commitments	54
Statement of the Ministry of Defence Police		Other Financial Commitments	54
Agency's & Chief Executive's responsibilities	35	Contingent Liabilities	54
Statement on Internal Control	36	Post Balance Sheet Events	54
The Certificate & Report of the Comptroller		Related Party Transactions	54
& Auditor General to the House of Commons	38	Notes to the Cash Flow Statement	55
		Accounts Direction	56



INVESTOR IN PEOPLE



Chief Constable's Foreword **Mr D L Clarke QPM**



The last twelve months were amongst the busiest experienced by the Ministry of Defence Police (MDP) in recent years, both in terms of operational activity and our internal management. Operationally, the Force has made a major contribution to national security following the tragic events of September 11th 2001. This came within months of our increased operational commitments to RAF Menwith Hill and RAF Fylingdales. The response provided by the MDP has been recognised throughout the Ministry as outstanding, and it has done much to enhance our reputation as a dynamic and customer focused organisation.

Against the background of this activity, steps were taken to seek improvements to MDP officers' jurisdiction. There could not have been a better incentive for clarifying our position than the events of September 11th. The extended jurisdiction was eventually achieved through the introduction of the Anti-Terrorism, Crime and Security Act 2001. This provides MDP officers with wider constabulary powers to deal with the increased threat of terrorism, and at the same time gives clarity to MDP powers when officers are called on to perform policing roles outside the Ministry of Defence (MoD) estate.

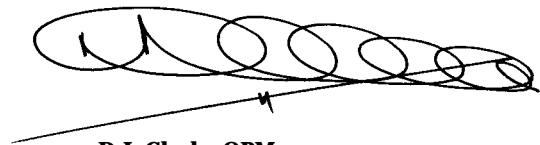
The major internal management issues have centred around the Agency's Quinquennial Review (QQR). This process is applied to all government agencies and in the first instance it addresses the performance of the Agency over the previous five years. It then questions whether there is a need for the services of the Agency. The results of Stage I are perhaps best summed up in comments made to the House of Commons by Dr Lewis Moonie, the Under Secretary of State for Defence. He said:

"The clear conclusion from Stage I of the Review is that the MoD has a strong need for the MDP services. Following careful analysis of the spectrum of crime risks facing the MoD, it is clear that the MDP provides by far the most cost effective means of dealing with the most serious threats of armed attack, public disorder, major theft and financial fraud. The study has clarified that the core role of the MDP is to apply civil police training and constabulary powers to combat these risks"

Having received ministerial support for the retention of the MDP, the QQR team has clarified the role and outputs that the MDP should deliver. It identified that the main crime risks facing the MoD are terrorist attack, disruption and disorder caused by protestors, theft of key assets and major financial fraud. In order to combat these primary risks, the Agency will now concentrate on three key outputs: armed security, uniformed policing and the investigation of serious crime.

Building on these findings, there is now an urgent need to underpin our strategy with robust planning processes. During the last six months the Business Development department has played a key role in driving forward the business planning process under the direction of the Deputy Chief Constable. The product is a Business Plan using the Balanced Scorecard as an aid to management, and not just reporting on performance. This process includes the redefinition of our Agency Key Targets. It has been my personal intention that we should develop a more customer focused suite of Key Targets that not only helps us measure our performance, but also assists in identifying our contribution to the strategic goals of the MoD. One particular target for example, concentrates on the actual contribution we make to the overall security of the MoD. Although this is still very much in its infancy, there are encouraging signs that this will provide an accurate and measurable analysis of the performance by MDP officers at specific MoD locations.

In conclusion, I would say that the year under review has been a demanding one for very many reasons. As importantly, however, it has also been a year of many successes. Despite the huge demands on operational resources, we have managed to perform our core business to a very high standard. We have undergone a major review that has confirmed and underlined the continuing need for the Force and its future development. None of this could have been achieved without the efforts of each and every officer of the Force and our loyal civilian staff. It is my belief that we have moved beyond a period of uncertainty and, as both an agency and a police service, we can look forward to new challenges with optimism and confidence.

A handwritten signature in black ink, consisting of a series of loops and curves, positioned above a horizontal line that ends in a small arrowhead pointing to the right.

D L Clarke QPM
Chief Constable

Role, Vision and Values

During the year, in consultation with the Quinquennial Review Team, the Agency Management Board redefined the role, vision and values of the Ministry of Defence Police. These have been incorporated in the Agency Business Plan for the forthcoming year and will form the cornerstone for the delivery of our business in the future.

Our Role

The application of civil police training and constabulary powers to combat the principal risks of crime and disorder faced by the MoD.

Our Vision

To excel at the civil policing service we provide to the MoD.

Our Values

In common with other police forces, our purpose is to help secure a safe and just society in which the rights and responsibilities of individuals, families and communities are properly balanced.

The guiding principles by which we will carry out our Role are:

- with integrity
- treating everyone fairly, regardless of ethnic origin, religious belief, gender, sexual orientation, disability or social background
- efficiently and effectively
- through partnership
- in a way which obtains best value from police activities
- dealing speedily and transparently with police wrongdoing

2nd Permanent Under Secretary's Introduction **Mr I Andrews CBE TD**



It gives me great pleasure to introduce the Annual Report and Accounts for the Ministry of Defence Police Agency for the year 2001/02. In doing so, I should like to take the opportunity to acknowledge the very considerable debt the Agency owes to Sir Roger Jackling, who was the owner of the Agency for the greater part of this period before he took up his current appointment as Director of the Defence Academy.

Much has happened during the last twelve months. The first phase of the Agency Quinquennial Review has been completed and approved by Ministers, providing the MDP with a clearly defined role and framework within which to operate for the next five years. Work on the many follow-up studies continues. The passage into law of the Anti-Terrorism, Crime and Security Bill also provided a long-awaited redefinition of MDP officers' police powers. More generally, events since 11th September 2001 have

raised the profile of security issues and imposed new and often very substantial demands on MDP personnel and resources. This has required many individual officers to work long hours in difficult and demanding circumstances and I commend them for the professionalism of their response. Meanwhile, Lloyd Clarke has begun to make a distinctive impact on the Force of which he is Chief Constable, not least for a renewed emphasis on collaboration with other policing and security agencies both within the Ministry of Defence and outside.

The Agency, and the Force, are entitled to take pride in the way in which they have risen to the challenges of the past year and, with the Quinquennial Review of the Agency's status now providing a route map to the future, can look forward in the years ahead to building on all that has already been achieved.

A handwritten signature in black ink, appearing to read 'Ian Andrews', written over a horizontal line.

Ian Andrews

Second Permanent Under Secretary of State

Ministry of Defence Police Committee

CHAIRMAN

Ian Andrews CBE TD

2nd Permanent Under Secretary

VICE CHAIRMAN

Air Chief Marshal Sir Anthony Bagnall

KCB OBE FRAeS RAF

Vice Chief of Defence Staff

MEMBERS

Mr Richard Hatfield CBE

Personnel Director

Civilian Management & Policy

Rear Admiral Roger G Lockwood

Chief of Staff to the 2nd Sea Lord and

Commander-in-Chief Naval Home Command

Ms Gloria Craig

Director General Security and Safety

Clerk to the Police Committee

Sir David O'Dowd CBE OStJ QPM BA MSc CIMgt

Adviser to Police Committee (England & Wales)

Brigadier Seamus Kerr

ACOS (Pers) HQ Land

AVM Andrew J Burton OBE BSc(Econ) FCIS

Air Officer Administration (Strike Command)

Ann Kelly

Independent Member

Mr Bob Bowman

Secretary, MOD Council of Civil Service Unions

Independent Member

Mrs Sally Osment

Vice Chair of the Army Families Federation

Independent Member

Rear Admiral Michael G Wood

DG Def Log (Ops)

Sir Roy Cameron

HM Inspector of Constabulary

Adviser to the Police Committee (Scotland)

The following members left the Police Committee during the year:

Sir Roger Jackling KCB CBE

2nd Permanent Under Secretary

Admiral Sir Peter Abbott GBE KCB

Vice Chief of Defence Staff

Mr Michael Legge CB CMG

Deputy Under Secretary Civilian Management

Maj Gen Peter A Chambers MBE

Deputy Chief of Staff HQ Land Command

Mr Nicholas Evans

Director General Defence Logistics

(Finance & Business Planning)

Mr William Taylor OStJ QPM CIMgt

Adviser to Police Committee (Scotland)

End of Year Key Target Report

KEY TARGET 1

Patrol Activity

To achieve at least 60% patrol activity from those officers devoted to patrolling.

Achieved: a rate of 60.8% has been achieved this year.

KEY TARGET 2

Crime Solving Rates

To achieve at least a crime solving rate of 38%.

Achieved: a rate of 43.8% has been achieved this year.

KEY TARGET 3

Security

By 31st March 2002, to have developed a methodology, and associated targets, for measuring the MDP's contribution to security measures at those Defence Establishments where it has a presence.

Achieved: a methodology has been developed and is currently being trialled at two OCUs.

KEY TARGET 4

Area Policing Teams

By 31st March 2002, to produce a methodology, to assess the quality and consistency of service delivery to our customers of the Area Policing Teams, and establish a baseline figure which can inform the setting of targets in future years.

Achieved: an APT Customer Satisfaction Survey was carried out and an overall satisfaction rate of 80.2% was achieved.

KEY TARGET 5

Efficiency Index

To extend the Efficiency Index in respect of the business areas of Firearms, Marine Policing and Dog Handling, previously piloted in one OCU, to the remainder of the Force, setting baseline figures for future years' improvement.

This target was reviewed during the year and, at the direction of the Agency's Owner, withdrawn in favour of the further development of Key Target 3.

KEY TARGET 6

Diversity

By 31st March 2002, to have implemented a Force Diversity Strategy, and within the overall recruitment to the Force to have recruited 20% women and 3% from minority ethnic communities.

Partially Achieved: the Chief Constable's Statement on Diversity and the Force Diversity Action Plan were approved by the Agency Management Board and have been promulgated to the Force.

The percentage of women was slightly under target at 19.4% but the percentage of 4.2% from minority ethnic communities exceeded the set target of 3%.

KEY TARGET 7

CPS Files

- a) In England and Wales to submit at least 95% of prosecution files to the CPS within the timescales set out in the Manual of Guidance.
- b) Submission of 80% of all Scottish crime/prosecution files to the Procurator Fiscal within a maximum of eight weeks of the offence being reported.
- c) To match and if possible exceed the average performance of Home Department Forces for the proportion of prosecution files rated by the CPS as 'sufficient to proceed' or better.

Achieved: a) 99% success rate.

b) 82.8% success rate.

c) target discontinued. Due to a radical examination of the continuing relevance of the present Joint Performance Management (JPM) quality measurement process by the National JPM Strategy Group, the method of measurement for this target cannot be established.

MDP Agency Key Targets 1999-2002

KEY TARGET	1999-2000	2000-2001	2001-2002
VICTIMS OF CRIME			
<ul style="list-style-type: none"> To maintain at a least 90% satisfaction rate from victims of crime in the service provided by MDP 	Achieved	Target discontinued	Target discontinued
CPS FILES			
<ul style="list-style-type: none"> With regard to the timely submission of prosecution files, to exceed by 5% compliance rates of Home Department Police Forces 	Achieved	Target discontinued	Target discontinued
<ul style="list-style-type: none"> To submit at least 80.5% of prosecution files to the CPS within the timescales set out in the Manual of Guidance 		Achieved	Target discontinued
<ul style="list-style-type: none"> To maintain a submission rate to the CPS at least equal to the Home Department Police Force submission rate for Narey prosecution files 		Achieved	Target discontinued
<ul style="list-style-type: none"> To produce a standardised MDP procedure for the administration of CPS files, thereby allowing quality assurance of CPS files, and benchmarking against Home Department Forces in future years 		Achieved	Target discontinued
<ul style="list-style-type: none"> In England & Wales to submit at least 95% of prosecution files to the CPS within the timescales set out in the Manual of Guidance 			Achieved
<ul style="list-style-type: none"> To match and, if possible, exceed the average performance of Home Department Forces for the proportion of prosecution files rated by the CPS as 'sufficient to proceed' or better 			Target withdrawn
SCOTTISH CRIME FILES			
<ul style="list-style-type: none"> To submit 70% of all Scottish Crime/Prosecution files to the Procurator Fiscal within a maximum of eight weeks of the offence being reported 		Achieved	Target discontinued
<ul style="list-style-type: none"> To submit 80% of all Scottish Crime/Prosecution files to the Procurator Fiscal within a maximum of eight weeks of the offence being reported 			Achieved

KEY TARGET	1999-2000	2000-2001	2001-2002
PATROL ACTIVITY			
● To achieve 38% patrol activity from those MDP officers devoted to patrolling	Achieved	Target discontinued	Target discontinued
● To achieve a minimum of 50% patrol activity from those MDP officers devoted to patrolling		Achieved	Target discontinued
● To achieve at least 60% patrol activity from those officers devoted to patrolling			Achieved
SCALE & INCIDENCE OF CRIME			
● To monitor the scale and incidence of crime within the Defence Estate and relate this to the pattern of MDP deployment and activity in order to develop an analysis of trends which can inform the setting of Key Targets and the matching of resources to needs in future years	Achieved	Target discontinued	Target discontinued
● By the use of data produced by Key Target 7 of 1999/2000, to deploy uniformed and CID resources more effectively so as to achieve an efficiency saving of 3% on travel and subsistence costs of CID officers when investigating crime		Achieved	Target discontinued
REPORTED CRIME			
● To maintain a 38% solving rate against all reported crime	Achieved	Target discontinued	Target discontinued
● To maintain or improve upon the target solving rate of 38% set for 1999/2000 in the light of the average solving rate for the four year period 1 April 1996 to 31 March 2000		Achieved	Target discontinued
● To achieve at least a crime solving rate of 38%			Achieved
CORPORATE INDEX OF EFFICIENCY			
● By 31 March 2000 to develop and implement a Corporate Index of Efficiency which will then form the basis for year on year improvements	Achieved	Target discontinued	Target discontinued
● By 31 March 2001 to trial and prove the Efficiency Index devised under KT5 of 1999/2000 in respect of the business areas of Firearms, Marine Policing and Dog handling with a view to its introduction across the Force from April 2001		Achieved	Target discontinued
● To extend the Efficiency Index in respect of the business areas of Firearms, Marine Policing and Dog Handling, previously piloted in one OCU, to the remainder of the Force, setting baseline figures for future years' improvement			Target withdrawn

KEY TARGET	1999-2000	2000-2001	2001-2002
APT CUSTOMER SATISFACTION			
<ul style="list-style-type: none"> To increase to 95% the APT customer satisfaction rate with service provided by Area Policing Teams (APTs) 		Achieved	Target discontinued
<ul style="list-style-type: none"> By 31 March 2002, to produce a methodology to assess the quality and consistency of service delivery to our customers of the Area Policing Teams, and establish a baseline figure which can inform the setting of targets in future years 			Achieved
RECRUITMENT & DIVERSITY			
<ul style="list-style-type: none"> To achieve within MDP recruitment 15% of women and 1.5% of ethnic minorities 	Achieved	Target discontinued	Target discontinued
<ul style="list-style-type: none"> To deliver by 31 December 1999 an action plan on the Force's response to the Macpherson Report, including the recruitment and retention of officers from ethnic minorities 	Achieved	Target discontinued	Target discontinued
<ul style="list-style-type: none"> To achieve 2% and 15% recruitment to the Force during 2000/1; in respect of recruits from ethnic minority backgrounds and females respectively, and to take steps to make possible 3% and 20% respectively in 2001/02 		Achieved	Target discontinued
<ul style="list-style-type: none"> By 31 March 2002, to have implemented a Force Diversity Strategy 			Achieved
<ul style="list-style-type: none"> Within the overall recruitment to the Force to have recruited 20% women and 3% from minority ethnic communities 			Partially achieved
SECURITY MEASURES			
<ul style="list-style-type: none"> By 31 March 2002, to have developed a methodology, and associated targets, for measuring the MDP's contribution to security measures at those Defence Establishments where it has a presence 			Achieved

MDP Agency Key Targets 2002/2003

KEY TARGET 1

Patrol Activity

To achieve at least 65% patrol activity from those officers devoted to patrolling.

KEY TARGET 2

Crime Solving Rates

To achieve a crime solving rate of 42% for the investigation of primary crime.

KEY TARGET 3

Customer Tasking

By 31st March 2003, to ensure that the Force fulfils at least 95% of its agreed customer taskings at those establishments where the Force undertakes security related taskings.

KEY TARGET 4

Security Measures

By 31 March 2003, to have the appropriate systems in place to evaluate the Force's effective contribution to security measures at those establishments where the Force undertakes security related taskings.

KEY TARGET 5

Diversity

By 31 March 2003, to have implemented the Force Diversity Action Plan and, within the overall recruitment to the Force, to have recruited 30% women and 8% from minority ethnic communities.

KEY TARGET 6

Reduction of Overtime

By 31 March 2003, to reduce the amount of overtime worked by each officer to no more than 48 hours overtime per 28 day period averaged over a 17 week period.

Deputy Chief Constable **Mr D Ray QPM MA LLM (Cantab) FIM gt**



The Deputy Chief Constable's area of responsibility covers five Headquarter Departments, ranging from Business Development to the Ministry of Defence Guard Service. Each of these departments' function is to provide a strategic and national focus to the organisational development and future of the Force.

BUSINESS DEVELOPMENT

The reconfigured Business Development department continued with the research, examination and analysis of management initiatives and methods in line with Modernising Government, to provide the Agency Management Board (AMB) with the information required to pursue an effective and efficient management structure.

During the year the legal research and environmental scanning cell – the Agency's early warning system – was proactive in identifying and reporting to the AMB on emerging new legislation, policy matters and trends which could impact on the Ministry of Defence Police (MDP), and researching English and Scottish points of law.

Early in 2001 the business planning team reviewed the annual planning cycle of the Agency to better align with the Top Level Budget's (TLB) reporting requirements and with MDP managerial commitments. Major contributions have been the development of the Agency Business Plan 2002/03 based on the balanced scorecard format, corporate governance and risk management.

The performance measurement team continued to devise and develop methods of collecting relevant data needed for analysis to determine performance levels and satisfaction rates of the Agency. This has culminated in a re-designed Management Information Report to interlink with the balanced scorecard, and improved survey and activity analysis forms.

The Force Inspectorate team continued to work in partnership with Operational Command Unit Commanders and Senior Police Officers to deliver a joint inspection service to the Force, focusing on service delivery and corporate governance. This reflects the increasing requirement for a joined up, strategic, best value methodology. Such an approach demands the use of a common inspection tool, and the model adopted is based on that developed by Her Majesty's Inspectorate of Constabulary (HMIC), who commenced the scheduled formal inspection of the Agency during the latter part of 2001.

INFORMATION TECHNOLOGY & TELECOMMUNICATIONS

The Information Technology & Telecommunications (IT&T) Department is a mixed police-civilian team and is responsible for meeting the Agency's information and communications technology needs.

The year has been a busy one for the team. Key activities have been:

- The commencement of Project Beetle to enhance the data network to improve performance and allow computer users to have managed access to the Internet, MODWEB, the Criminal Justice Extranet and other external networks. It is envisaged that this will be completed by September 02.
- Replacement of obsolescent desktop computers and software with more up to date equivalents.
- Maintaining and enhancing our elderly analogue radio systems, which are becoming obsolescent. Working with the Project Contact Team on their replacement by British Telecom Airwaves.
- Ensuring the IT and telecommunications systems are managed to meet the business needs of the Agency

Performance of the department has remained high despite the problems associated with managing the succession planning of key staff.



CORPORATE COMMUNICATIONS

The Corporate Communications Department provides media handling, public relations and a publicity department for the Force. The team of three produces the Force magazine 'Talk Through', the MoD Guard Service's newsletter 'Flashlight', and also provides a 24 hour, year round reactive and proactive media handling service. Through its work in a variety of areas of the media, nationally and locally, it aims to raise awareness and understanding of the roles and responsibilities of the Force and provide accurate, timely information about MDP operations.

The 'Talk Through' has a wide distribution within the MoD estate and results in very positive publicity for the Force within our community, as well as being used as a reliable source of information by editors of defence and police publications, and local and national press.

LIAISON OFFICERS

The Force continues to be customer focused, and with the demands placed upon it the role of the three Liaison Officers to the Army, Navy and Royal Air Force has never been more important. The Defence Logistics Organisation (DLO) is also one of MDP's major customers, which is reflected in the daily liaison between DLO and the MDP's Navy Liaison Officer. The ongoing issues relating to security and policing post the July demonstrations against the Ballistic Missile Defence system at Menwith Hill and Flyingdales, and the terrorist attack of 11th September 2001 and subsequent increase in the alert state, demanded greater interface with our customers in order to assure them that our complemented roles at parent units remain extant despite our increased taskings in other areas.

The Liaison Officers also continue to promote the Force and its capabilities through Force Presentation days and personal visits to Commanding Officers, Heads of Establishments and new potential customers, working constantly towards enhancing the partnership with the Service Police.

BRITISH TELECOM AIRWAVES

In May 2001 work began on Project Contact, the largest technical project that the Force has undertaken, to implement the British Telecom (BT) Airwaves communications system which will replace the outdated Cougar radio currently in use within the Force. BT Airwaves is a Private Finance Initiative that will provide a national communications infrastructure for all public safety organisations (police, fire, ambulance etc). It is also the communication system that will be used by the MoD in the future.

Project Contact will provide a whole new communications structure for the Force, incorporating a national radio infrastructure, integrated control room equipment, and a proposed Command and Control System. The project will be rolled out within the Force over five years, following closely behind the rollout programme for the Home/Scottish Department Police Forces, and will provide a greater opportunity for interoperability with other police forces and MoD agencies. The system will be contracted to the Force for a 10-year period, at a whole life cost of approximately £15m.

MINISTRY OF DEFENCE GUARD SERVICE

Work to determine the future organisational structure of the Ministry of Defence Guard Service (MGS) has been ongoing throughout the period. At the same time attention has remained focused on the professional management task of developing, setting and monitoring the national MGS guarding standard.

MGS complemented posts have reduced during the year and the configuration across user TLBs/Agencies altered significantly with the transfer of MGS assets to the Defence Logistics Organisation (DLO):

User	No. of Units	Total MGS
Army	98	1786
DLO	29	958
Navy	20	334
RAF	24	216
Central Branch (Security)	5	327
Agency	15	252
Total	191	3873

The HQ MGS National Vocation Qualifications (NVQ) programme has provided the opportunity for MGS officers to pursue and achieve 113 qualifications throughout the year.

The National Security Inspectorate carried out a number of inspections and reconfirmed that MGS remains compliant with British Standard (BS) 7499 for the provision of security services.

Personnel and Training **ACC B Smith QPM FIM gt**



COMPLEMENTING

Staffing levels in the Force have continued, in the main, on a downward trend due to the implementation of the Military Police Guard Service Main Scheme. However, the events of 11th September 2001 have caused a number of temporary increases at high-risk stations and subsequent complementing reviews have confirmed increases to Ministry of Defence Police/Ministry of Defence Guard Service (MDP/MGS) staffing levels. These have been the first significant increases within the Agency for a number of years.

While this upward trend is generally localised to US assets and personnel, other parts of the MoD continue to request complementing reassessment to seek efficiency measures, and a number of reviews were completed throughout the year.

OVERSEAS COMMITMENTS

At the request of the Foreign & Commonwealth Office, a contingent of 70 officers was detached to assist in a wide range of duties at approximately 20 locations, to support the United Nations Mission in Kosovo (UNMIK). A further eight officers went to the Pitcairn Islands on detached duties.

POLICE TRAINING CENTRE

The Police Training Centre (PTC) continues to respond to the Agency's needs by providing a training environment that encourages continuous professional development for both uniformed personnel and civilian support staff. This is achieved through the diverse roles of the individual training departments of PTC, MGS, Firearms and Driver Training. In addition there is a full external further education programme available.

Due to world events this year the PTC provided continuous probationer training at the expense of development training, and as a result has endeavoured to provide training at Operational Command Unit (OCU) and station level by utilising local cascade trainers and detached PTC staff. During this time a full training review was carried out which resulted in several recommendations for improvements in the delivery of training, considering new approaches to the training processes and the setting of optimum performance targets. These recommendations are to be trialled in Scotland for a three-month period, commencing April 2002.

PTC has produced two major documents this year: an Officers Guide to Basic English Law, and a distance learning package on MDP jurisdiction following the introduction of Anti Terrorism Crime and Security Act. It has also been granted the status of Awarding Centre for National Vocational Qualification Level 4 in Training and Development, which has been introduced to standardise the trainer skills for English Law, Scots Law and MGS trainers.

The trainers continue to work closely with Middlesex University and the Eastern Region Crime Training Partnership, helping to develop the new Initial Detective Programme. National Police Training (NPT) has continued to use Wethersfield as a satellite centre for Ashford PTC, training in the region of 250 Home Office probationers.



Officers undertaking tactical firearms training

There has been a significant increase in the levels of driver training activity, resulting a high number of staff receiving training over a range of courses. To develop a driver training strategy for the coming years, a Training Needs Analysis was completed in December 2001 and a number of recommendations are under consideration to provide effective and efficient delivery. MDP has also adopted the national police driver training competencies promulgated through the Association of Chief Police Officers/NPT.

This year the Firearms Training Wing (FTW) developed and conducted several new courses. Of these the Silver Commanders Course instructed officers of inspector rank and above on exploring the possible scenarios during a firearms incident. Range Manager and Firearm Instructor courses have been modularised to customer specification and students are now given training that is relevant to the needs of their individual OCU's.

The FTW has trained 72 probationers in the 9mm pistol and 44 in the SA80 rifle. In addition, there have been two UNMIK training courses for officers deploying to Kosovo. A total of 94 officers participated in this training, of which 74 were MDP officers.

The MGS Training Wing continues to cope with fluctuating demands, and although student numbers have declined during the latter part of this year, there has been increased interest from the Northern Ireland Security Guard Service and the private industry sector for MGS to provide the professional training that it is renowned for throughout the security industry.

CAREER DEVELOPMENT

The career development department provides officers with support and advice in planning their career path in the Force, and has responsibility for selection procedures, promotion processes and the staff reporting process.

The Performance Development Review (PDR) staff reporting process was introduced into the Force in March 2000, and is currently being evaluated externally. This system was introduced to enable every officer to relate their own aims and objectives in contributing to the Agency Business Plan, in addition to identifying areas for personal development. The Agency Management Board (AMB) will review recommendations within the evaluation report, with resultant changes to the process being adopted at the earliest opportunity.

The MDP selection/promotion cadre continues to assist police forces across the UK with their promotion assessment centres. This liaison and exchange of personnel ensures that MDP processes are continually benchmarked against those practised by a wide range of forces.

RECRUITING

During this financial year, the Recruiting Department brought 72 new entrants into the Ministry of Defence Police. Of these, 55 were male, 14 were female (representing 19.4% of the total) and 3 were from minority ethnic communities, all male (representing 4.2% of the total). Of those who have completed the Probationer Training Programme, one officer resigned.

A network of officers willing to assist the Recruiting Department has been established throughout the Force, and MDP officers are now regularly attending Service Employment Fairs throughout the UK. The response in terms of enquiries is encouraging.

COMPLAINTS AND DISCIPLINE

The Complaints and Discipline Department (C&D) has maintained liaison with other Agencies this year through regular contact with both the Police Complaints Authority (PCA) and the Crown Prosecution Service (CPS).

A significant achievement has been the establishment of the second dedicated Investigation Team on 1st August 2001, resulting in greater efficiencies in the conduct of investigations, both in terms of achieving the national target of 120 days for complaint investigations, and in relieving officers within OCU's of investigation duties.

Work has continued on the new MDP Conduct Regulations and the provisions have now been incorporated into the Police Reform Bill, which is expected to pass into law this summer.

DIVERSITY AND EQUALITY UNIT

Work carried out during the year to develop a Diversity Strategy for the Agency resulted in a comprehensive action plan which sets challenging targets for staff at all levels across the Agency. The action plan has been constructed to give a solid framework on which managers at local level can base their own plans to reflect local needs and business drivers. The strategy and action plan were published as a guide to achieving diversity and issued to every member of staff in the Agency.

A major project for the Agency's Diversity and Equality Unit was the production of a Race Equality Scheme. The Scheme, which aims to meet a specific duty placed on the Agency under the Race Relation (Amendment) Act 2000, is designed to show how we meet our obligations to eliminate unlawful racial discrimination and to promote equality of opportunity and good race relations. The Scheme will be available for inspection by the public at all MDP stations.

INVESTORS IN PEOPLE

The Agency underwent an Investors in People (IIP) recognition review early in the year. The assessors reported that they had no hesitation in confirming that the Force should continue to be recognised as an Investor in People although, like every organisation which is assessed, they were able to identify areas for improvement which could further enhance the training and development arrangements already in place. An action plan has been produced to achieve these improvements and work continues in this area.

HEALTH AND SAFETY

The Health and Safety Advisor provides the MDP with an advisory service in relation to current, and impending, safety, health and environmental protection issues. Key activities undertaken within the year include 10 site visits, delivering 22 Health and Safety Awareness training presentations, and arranging for the first police specific Manual Handling Trainers Course at PTC, resulting in 12 personnel successfully completing the course.

PERSONNEL TEAMS

The Personnel Teams are responsible for grade management and retirement issues, as the Personnel Management Authority, for all police officers (except ACPO ranks) currently serving within MDP and for the recruitment and grade management of non mobile, non industrial civil servants employed at MDP Wethersfield. The Personnel staffing level has remained static for some years but recent legislative changes, notably the Data Protection Act, have significantly increased workloads. At the same time, to ensure consistency, all Housing Emolument Applications are now processed by the Personnel Teams, who are also heavily involved in resolving unsatisfactory attendance and ill health dismissals through Departmental Review Boards. Though the size of the Force has reduced, the casework emerging from the need to relocate officers has risen significantly, particularly since the introduction of the Limited Mobility Waiver scheme for those unable to fulfil their mobility obligation.

Personnel Statistics *Strength at 31 March 2002*

	AL		
Chief Constable	1	1	0
Deputy Chief Constable	1	1	0
Assistant Chief Constables	3	3	0
Chief Superintendents	8	7	1
Superintendents	21	20	1
Chief Inspectors	63	61	2
Inspectors	111	103	8
Sergeants	529	494	35
Constables*	2573	2339	234
Total Police Officers	3310	3029	281
Total Probationers	113	88	25

	AL		
Grade 5	1	1	0
Grade 7	3	3	0
Senior Executive Officer	7	5	2
Higher Executive Officer	14	9	5
Investigation Officer Physical 1	1	1	0
Investigation Officer Physical 2	10	10	0
Executive Officer	33	15	18
Administrative Officer	110	18	92
Administrative Assistant	27	7	20
Personal Secretary	6	0	6
Typist	24	0	24
Others	60	30	30
Total Civilians	296	99	197

* Includes 13 officers on career break from MDP

Officers working part-time hours included as a whole figure for this exercise

COMPLAINTS AGAINST THE POLICE	2000/1	2001/2
Total number of complaints (cases)	43	69
Withdrawn	14	3
Informally resolved	15	27
Dispensation granted by PCA	14	7
Unsubstantiated	12	13
Substantiated	16	8
Total cases completed	41	58

Y HEARINGS		
Classification		
Dismissal from the Force	0	1
Requirement to Resign	0	1
Reduction in Rank	1	0
Reduction in Pay	9	6
Fine	1	0
Reprimand	8	9
Caution	4	3
Not Guilty	0	0
Total	23	20*

* Based on 12 Hearings resulting in 20 charges

Operations ACC R Miles MA Dip App Crim (Cantab)



d Miles

The Headquarters Operations Department function is primarily to maintain an overview of all events and operational matters within the Force. The majority of task planning and command is carried out by the respective Operational Command Unit Commanders. The HQ Operations Department is responsible for the co-ordination of resources for large-scale events that require national Ministry of Defence Police (MDP) support, including the deployment of the Operational Support Unit (OSU), marine support, police dogs and other specialist resources.

MENWITH HILL & FYLINGDALES

The last year proved to be an extremely active one for the Force, with a substantial increase in demonstration activity at MoD establishments connected with the Trident nuclear program and the US proposals for the introduction of a Ballistic Missile Defence (BMD) system. This increase in activity culminated in a high-profile incursion by Greenpeace activists into Menwith Hill on the 3rd July 2001. As a consequence significant nationwide MDP resources have been deployed at both Menwith Hill and Fylingdales on ministerial direction. This operation continues whilst 'target-hardening' is completed and an increased permanent complement is established.

POST SEPTEMBER 11TH CONTINGENCIES

The terrorist action against the US World Trade Centre and subsequent allied military action has led to numerous requests from customers for additional security measures to be implemented by MDP. These, understandably, have been most prevalent from the US Visiting Force community within the UK. Operations continue at these sites, in particular at bases within East Anglia, where MDP, at US customer request, are continuing to provide enhanced policing in various roles, including armed guarding.

Additional MDP armed protection has also been put in place at MoD HQ premises in London, at the request of Defence Council members. These tasks are also under complementing review as the threat is of a long-term nature.

During the same period the Force has responded to raised MoD Alert States in relation to both international and Irish terrorism.

The national commitment currently encountered by the MDP has clearly outlined the case for an effective operational 'surge capacity' contingent within the Force, an area which is being addressed by the Quinquennial Review process.

DEMONSTRATIONS

The majority of demonstrations dealt with by the Force are by anti nuclear activists, ranging from large-scale marches and assemblies, to persistent disruptive action attempts by individual protestors. Mainly, throughout the year, these have been at naval bases on the Clyde, and at AWE Aldermaston, Menwith Hill, Fylingdales and Central London.



Bases on the Clyde have seen large-scale activity in the form of attempted 'blockade action' by groups obstructing access routes. This resulted in a significant number of arrests outside the perimeter of these establishments, but proactive police planning has prevented any major disruption to the function of the bases.

The recent arrival for re-fit of HMS Vanguard (part of the Trident fleet) at HMNB Devonport triggered a large-scale operation to secure the establishment from numerous protestors against naval activity. MDP provided both marine and land protection to the base, with assistance from Special Branch and Arms Explosive Search (AES) dogs and handlers, resulting in an uninterrupted naval operation.

NUCLEAR WEAPONS CONVOY

The responsibility for the transportation of Nuclear Weapons by road transferred from the RAF to the RN Warships Support Agency (WSA) on 26th March 2002. In preparation for this, throughout the year the MDP Special Escort Group has been trained, tested and exercised to qualify as the primary future security for this activity.

The preparation for this handover has required extensive liaison with numerous departments, the re-writing of several manuals, and training both on the road and in the classroom. To back-up this operation a significant number of additional officers have been trained and equipped to provide tactical firearms support within a nuclear environment.

Operational Support **T/ACC D Holley**



CRIMINAL INVESTIGATION DEPARTMENT

The Criminal Investigation Department (CID) provides specialist detective skills to support the uniform branch in a shared responsibility for the prevention, investigation and reduction of crime reported to the MDP on the Defence Estate. The CID is headed by a Detective Chief Superintendent supported by three Detective Superintendents in three strategic areas:

- Force Intelligence Bureau – 36 detectives employed in the provision of Special Branch, Intelligence, Surveillance and Computer Forensics facilities.
- Fraud Squad – 39 detectives employed in the provision of resources for serious fraud and corruption investigations against the MoD, and for fraud prevention and education in liaison with the Defence Fraud Analysis Unit (DFAU) for the MoD community.
- CID Operations – 83 detectives employed in the provision of resources for the investigation, prevention and detection of crime on the defence estate throughout the United Kingdom.

During the year CID Operations opened a Major Incident Unit (MIU) incorporating the Home Office Large Major Enquiry System II (HOLMES II). This unit, located at MDPHQ, has supported four major investigations on the MoD estate since becoming operational. To complement this, the Force has acquired a mobile HOLMES II vehicle for deployment throughout the UK to assist Senior Investigating Officers (SIOs) with major investigations.

The Fraud Squad continues in partnership with the DFAU to promote fraud awareness in the MoD. This year alone, fraud awareness training was given to over 2,500 personnel and a dedicated 0800 hotline has been set up for the reporting of any suspected fraudulent activity within the MoD.

The Force Intelligence Bureau is currently engaged in proactive intelligence gathering in relation to convoy movements. There has been a consolidation of proactive intelligence gathering since the increased threat of direct action against MoD and US interests within the UK. In addition, work is being undertaken with regard to the resource implications for the National Intelligence Model (NIM) introduced by the National Criminal Intelligence Service (NCIS), which every police force has to adopt.

CID Management is the HQ element of CID and supports all CID officers relating to their training, personal and professional development, postings, transfers and CID Policy.

CENTRAL INFORMATION ROOM

The Central Information Room (CIR) is the main communications centre for the Force, responsible for the receipt, collation, dissemination and exchanging of any information concerning MDP Operations, including the monitoring of all nuclear escorts by road and rail, the movement of explosives and arms and, recently, other sensitive materials.

The CIR incorporates the Force's Police National Computer (PNC) Bureau for the input and update of all information markers and recordable crimes dealt with by MDP. This has included the creation and maintenance of the PNC Activity Log (PAL) database which monitors MDP's performance in relation to Her Majesty's Inspectorate of Constabulary (HMIC) national PNC performance indicators. The CIR is the point of contact for the Force regarding liaison with the Driver & Vehicle Licensing Agency (DVLA), and the Senior Police Officer (SPO) is the Force PNC, Criminal Records Bureau (CRB), and Forensic Science Services (FSS) Liaison Officer.

All crimes dealt with by MDP in England and Wales are recorded and updated on the Multi Operational Support System crime recording software by CIR Crime Bureau staff trained in accordance with Home Office guidelines. In Scotland, since May 2001, all crimes are recorded and updated by the Crime Support Unit at HMNB Clyde, feeding directly into the Scottish Legal System.

FLEET MANAGEMENT TEAM

It has been another busy year in terms of procurement, with 175 platforms purchased as replacement or additional vehicles. The fleet has seen the addition of new derivatives to the range, such as the purpose built HOLMES II vehicle. The processing of this number of vehicles has had further impact on the commissioning and decommissioning process in terms of both cost and capability. To this end, Fleet Management has established an in-house capability to complement the historically outsourced service. Further affected by the operational demands experienced this year, Fleet Management has had to retain several surplus vehicles in service at additional cost.

POLICE DOGS

The MDP has a dog complement of 303, of which 128 are Police Dogs Grade 1 (including 16 trained as Tactical Firearms Support Dogs), and 160 Police Dogs Grade 2. The teams continue a high level of operational deployments, including frequent detached duties of which there were 719 taskings carried out this year.

The Force also has 9 Arms Explosive Search (AES) dogs, 4 Drugs Dogs and 2 Vehicle Search (VS) Dogs. AES and VS teams carried out 1,946 searches, and Drugs Dog teams carried out 338 resulting in numerous finds at various locations.

The Force Dog Officer represents CCMDP on the ACPO Working Group. This ensures the MDP maintains close working relationships with colleagues from all Home Office Police Forces and provides a forum for MDP to share good practice and to influence ACPO policy on police dog related issues.

FIREARMS POLICY TEAM

This year the Firearms Policy team undertook radical overhaul of the Force Firearms Manual. A number of teams, made up of Force Area Firearms Advisors and Firearms Instructors, worked under the direction of two project co-ordinators, each team spending a period writing new material and reviewing previous teams' work. All existing policy was examined, and where necessary updated, to include evolving good practice, new practices and the implications of the Human Rights audit. The end product was felt to be far more user friendly and relevant to the requirements of the Force in the 21st Century. Initial publication has been via the Force computer network, and will be followed by a hard copy publication.

A project to procure a new weapon system is moving forward rapidly, with the Force working closely with the Defence Procurement Agency to shortlist a number of new generation weapon systems for user trials by designated MDP officers.



ness enables police dogs to be deployed previously inaccessible areas



MARINE UNITS

The Force continues to operate the largest Marine Police Fleet in the country, with a combination of 14 and 10 metre launches, supplemented by 5.4 metre Searider Ribs based at various locations around the country. The acquisition of an 18 metre launch and two Arctic 24 RIBs, located in the Clyde area, has enhanced the escort and long range operational capability of the fleet.

The two new ARCTIC 24 RIBs (Rigid Inflatable Boat) were fully put to the test operationally when they were deployed in very heavy weather escorting a Trident submarine into port. The marine officers have been equipped with the best all weather protective clothing available in the UK including the Mk9 GECKO RIB helmet fitted with Greytronics communications.

OPERATIONAL RESOURCES

The past year has seen the successful implementation of several new issues in respect of clothing and equipment. This included buoyant ballistic vests, high visibility and foul weather clothing, new clothing and equipment for the Operational Support Unit (OSU), Search Teams, Rope Access Teams and equipment vests for specialist units. New products specifically designed for MDP are currently being examined in consultation with manufacturers.

Crime Statistics

OFFENCE CATEGORY

Crime	England, Wales & Northern Ireland		Scotland		% solved
	Recorded	Solved	Recorded	Solved	
Violence Against Person	397	335	14	14	84.91
Sexual Offences	184	150	2	1	81.18
Robbery	9	0	35	31	70.45
Burglary	630	71	66	9	11.49
Theft/Handling	3428	995	263	57	28.50
Fraud/Forgery	797	560	492	426	76.49
Criminal Damage	891	185	151	55	23.03
Drug Offences	48	46	4	4	96.15
Other Offences	1053	733	106	85	70.57
Totals	7437	3075	1133	682	
United Kingdom overall total	Recorded 8570		Solved 3757		43.83

CRIME PROPERTY VALUES

United Kingdom Overall	Stolen	Recovered	Damaged
2000/2001	23,505,268	574,978	1,403,579
2001/2002	7,148,830	656,673	681,654

MDP Secretariat **Mr P Crowther MA**



SECRETARIAT

For the Secretariat, the dominant event of the year was the decision to revive the proposals on Ministry of Defence Police powers and discipline which were lost from the Armed Forces Bill in the run-up to the 2001 General Election. The provisions on powers, somewhat amended to take account of changed circumstances after September 11th, were included in the Anti-Terrorism Crime and Security Bill. This was enacted in law in December. Meanwhile the Police Reform Bill, which includes provisions on discipline, complaints, HMIC, secondments and firearms, has begun its passage through Parliament.

The Secretariat has said goodbye to Richard Clancy who joined Directorate of Defence Security (D Def Sy) in March in a new enhanced role as Clerk to the MoD Police Committee, taking his duties in that area with him. Karen Thompson now heads the Secretariat on a part-time basis. Freedom of information and data protection issues have developed throughout the year, and new staff members have ensured that we are proactive in these areas, as well as in providing support to the Agency Management Board Meetings.

FINANCE

For Finance it was a year of unaccustomed stability with systems now working on a full resource basis. Developments of financial management systems were designed to improve internal financial control and replace the MoD-wide cash systems, now switched off. First steps have been taken to populate Customer Service Agreements with cost figures. Experience was accumulated of dealing with PKF who were contracted by the Comptroller and Auditor General to undertake the audit field work in support of his opinion on the Financial Statements.

CIVILIAN MANAGEMENT

Civilian Management were instrumental in facilitating six-weekly meetings between the Chief Constable and the Defence Police Federation. These have quickly become a significant element in the conduct of industrial relations in the MDP at a time when operational pressures could have caused stresses to emerge. Work has begun to set in motion the projected Pay and Conditions Working Party, which will also pick up pay and conditions aspects of the Police Reform package as they affect the MDP. The latter will be carried out in close collaboration with the Secretariat.

SITE MANAGEMENT

On 1st October 2001 Station Administration became part of MDP Secretariat. Its responsibilities include allocating limited office accommodation and an even more limited works budget, while at the same time maximizing income from unavoidable spare capacity. Contribution to an investment appraisal of the future of the Wethersfield family housing site is a priority. The implementation of Government Procurement Cards throughout MDP continues. Work has also started on the renewal of the site Multi-Activity Contract, which expires in March 2003.

Performance Indicators

	Target	Actual
INCIDENTS		
Total number of incidents	None	203641
Total number of alarm calls	None	266852
CALL MANAGEMENT		
Crown Prosecution Service Files (CPS) (Normal)	95%	99.0%
Scottish Prosecution Files	80%	82.8%
Recorded Crime Solved	38%	43.8%
TRAFFIC OFFENCES		
	None	2766
PUBLIC REASSURANCE		
Patrol Activity	60%	60.8%
Firearms Capability	87%	89.1%
COMMUNITY POLICING MANAGEMENT		
Percentage of female police officer strength	20%	19.4%
Percentage of minority ethnic community strength	3%	4.2%
RESOURCES/COSTS		
Sickness (hours per person/per month)	7.4	10.21
Sickness (SCSL hours per person/per month)	2.28	2.78
Overtime (hours per officer/per month)	18.6	31.06
Overtime @ 1 1/3	70%	63.1%
TRAINING MANAGEMENT		
Percentage of allocated PTC training days completed by students	90%	91.2%
Percentage of allocated FTW training days completed by students	90%	93.9%
Percentage of allocated MGS training days completed by students	75%	42.7%

Our National Assets

Our People

Our biggest asset! Dispersed around the United Kingdom, MDP has approximately 3,300 officers at sites nationwide giving a full range of policing and security skills with support from around 290 civilian staff.

POLICE Training Centre

PTC trains an average of 60 new recruits a year to the highest standards and continues with development training throughout their careers. Also provides facilities to National Police Training with a throughput of approximately 250 officers to date.

Marine Policing

MDP has the largest marine police fleet in the country with a combination of 18, 14 and 10 metre launches, supplemented with 5.4 metre Searider RIBS and Arctic RIBS, providing a comprehensive escort and long range operational maritime capability.

Headquarters Site

At Wethersfield in Essex comprising some 220 HQ staff with a number of houses, flats and block facilities. A large site, parts of which are contracted out to Essex Fire & Rescue, Essex Ambulance, Gardner Associates and others.

Home Office Large Major Enquiry System II

CID database capability for managing complex and protracted investigations, housed in our Major Incident Unit at HQ, with a HOLMES II mobile unit to provide Senior Investigation Officers in the field with the same facility.

Area Policing Teams

Provide high visibility patrols with a flexible and responsive approach to a wide range of policing scenarios and problems. Maintain close liaison with HO Forces and military personnel and have a 24 hour call out commitment.

Nuclear, Biological & Chemical Trained Officers

Nuclear Guard Force, Augmentation Force & OSU officers intensively trained in the skills and techniques required to police a nuclear, chemical or biologically contaminated environment.

Convoy Protection

Transferred responsibility from RAF to MDP throughout 2001 with full implementation by March 2002 by specialist trained MDP officers. MDP Superintendent working in unison with relevant DLO personnel at Ensleigh.

Fraud Squad

The fourth largest Fraud Squad in the country dealing with fraud and corruption offences throughout the MoD estate, working closely with Defence Fraud Analysis Unit and other law enforcement agencies.

Specialist Posts

Community Liaison Officers
Wildlife Liaison Officers
Domestic Violence Officers
Arts & Antiques Officers
Architectural Liaison Officers

Firearms Training Wing

For the training of all new entrants to MDP in the use of firearms and to develop officers in more advanced tactical techniques. Equipped with a dedicated 25m range, a skills search house and two judgemental simulators.

Unit Beat Officers

The introduction of UBOs has enhanced the services offered by MDP by offering a wide range of tasks including crime reduction advice, the investigation of crime and general policing duties on MoD properties.

MDP in Kosovo

In the last 21 months MDP have supplied 126 officers on 6 or 12 month tours, undertaking a full range of duties to assist with the United Nations effort in Kosovo, with plans to continue supply for as long as required by UN.

Liaison Officers

Army, Navy and RAF Liaison Officers visit our customers to ascertain their requirements on complementing, deployment and support and to monitor customer satisfaction, ensuring a strong customer communication link.

Operational Support Unit

Dedicated and trained to respond immediately to any event requiring an active input to a disruptive situation at short notice. OSU officers are in a constant state of readiness and are deployed all over the United Kingdom from HQMDP.

Dogs & Handlers

A total of 303 specially trained dogs with handlers making it the largest dog section in the UK dispersed throughout the country. Covers a wide range of tasks including drug detection and arms and explosive searches as well as guarding.

Corporate Communications

A small team dealing with media handling, public relations and publicity for the Force. Provides a 24 hour, year round reactive and proactive media response service providing accurate and timely information on MDP operations.

Criminal Investigation Department

Approximately 5% of the policing complement, CID develop the specialist detective skills required for the prevention, detection and investigation of crime reported to MDP, including elements of overseas investigations.

Computer Crime Unit

Highly trained team in the forensic examination of computers and associated equipment in relation to crime and intelligence investigations, and assisting Investigating Officers dealing with offenders using IT equipment.

Close Protection Officers

The Operational Support Unit currently has five officers qualified to national CPO standards with a further two officers scheduled to attend a national course. These officers are utilised to provide personal security to visiting dignitaries.

Operational Command Units

The Force territorial structure consists of ten Operational Command Units (OCU) dispersed throughout the UK, each complemented to fulfil customer requirements.

All the OCU's contributed to the increased demand for MDP officers in certain areas as a result of protests against Ballistic Missile Defence activity and the events of September 11th, without detracting from the level of service given to our customers. This proved to be a considerable strain on MDP resources and placed pressure not only on the detached officers, but also on those who remained to cover the core tasks. The officers, OCU Commanders and Senior Police Officers rose magnificently to this challenge, which was clearly a logistical nightmare.

In spite of this increased commitment, MDP continued its contribution of uniformed policing, armed security and the investigation of serious crime within the Defence estate.

At HMNB Portsmouth, as a result of commercialisation in the immediate area, a review changed MDP's duties from static armed guarding to a combination of armed foot patrols, armed support vehicles, and armed marine patrols at the request of the Naval Base Commander. In addition, the crime-solving rate increased to a commendable 62%.

MDP officers policed the third International Festival of the Sea, the largest maritime event of its kind to take place, working in partnership with the event organisers, British Aerospace, the armed services and Hampshire Constabulary. This event was a huge success for all concerned, and an excellent example of combined effort and mutual support.

In September 2001 the Defence Systems & Equipment International exhibition took place at London Docklands policed by MDP from Uxbridge OCU in conjunction, on this occasion, with Metropolitan Police and British Transport Police. This is the largest military equipment and systems exhibition held at a single venue and was opened by the Defence Secretary, Mr Geoff Hoon.

OCU Longtown was central to the MDP response to the anti-nuclear demonstrations and to the terrorist threats against the US in the north of England in 2001, providing immediate increased security measures to the relevant areas pending full security reviews. The increased confidence measures subsequently incorporated a change of armed posture, including the introduction of joint mobile patrolling with North Yorkshire Police. Earlier in the year the OCU was also heavily involved in providing a policing and security capability in northern areas during the foot and mouth disease crisis which swept the country.

Each of the OCU's has dealt with incidents and events like these in their own particular area with professionalism and expertise.

The Future of the Ministry of Defence Police

The Ministry of Defence Police achieved Agency status in 1996 and, in compliance with the Framework Document, has been undergoing a Quinquennial Review during 2001-02.

The Review team firmly endorsed the requirement for a Defence Police Force and has provided sharp focus on the way forward for MDP, in particular through delineating key outputs and the service provided to the Defence community. The team defined these key outputs as: armed security, uniformed policing, and the investigation of serious crime, and also redefined our role as 'The application of civil police training and constabulary powers to combat the principal risks of crime and disorder faced by the MoD'.

In order to sustain focus on these key outputs, we have revised our planning processes to provide precision and synergy to the Agency. This includes the use of a balanced scorecard model in business planning to provide structure and to implement the methods we intend to pursue to provide the best possible service to our customers through a series of measurable performance indicators and targets.

The Force's biggest asset is, of course, our police officers and civilian support staff. We are committed to the ethos of enabling our staff to reach their full potential to benefit both themselves and our service delivery. In support of our drive to create a strong, diverse culture, our recruiting strategy this year will centre on attracting more females and minority ethnic staff to the Force to enrich and enhance the Force capability.

MDP's customers are obviously of paramount importance and we will be making a concerted effort, firstly, to clearly define their policing and security requirements and, secondly, to provide a comprehensive, personalised service to meet those requirements within our allocated resources and budget. We are constantly aware of our obligation to our stakeholders and the taxpayer to give value for money in the services we provide, and are making cost effective provision for the equipment required to fulfill the task.

The Criminal Investigation Department is committed to increasing the crime solving rate along with Home Office Police Forces throughout the country, and every effort is being made to ensure MDP CID officers have the necessary facilities and training to undertake their diverse duties. Last year we opened a Major Investigation Unit, complete with HOLMES II database, at our Headquarters site at Wethersfield, which is proving to be an invaluable management tool for large-scale investigations. A restructuring programme in 2002-03 should empower CID officers across the country to extend their capabilities in their own area.

With a progressive, innovative Agency Management Board leading the Ministry of Defence Police, and a clearly defined strategy, we look forward to a challenging and productive year, providing to the Defence community a professional policing, security and crime solving resource.

Foreword to the Accounts

The accounts which follow cover the period 1 April 2001 to 31 March 2002 and have been prepared in accordance with a direction given by the Treasury in accordance with Section 7(2) of the Government Resources and Accounts Act 2000.

HISTORY

The Ministry of Defence Police in its current form resulted from an amalgamation of the Admiralty, War Office and Air Ministry Constabularies in 1971. The Ministry of Defence Police Act 1987 is the Statute under which the Ministry of Defence Police operate throughout the Defence Estate, in certain MoD contractors' premises and in protecting MoD property in transit between one Defence establishment and another. Defence Agency status was granted on 1 April 1996.

PRINCIPAL ACTIVITIES

The services provided to customers in MoD and outside MoD are:

- A comprehensive policing service to all MoD establishments throughout the United Kingdom of Great Britain and Northern Ireland, in the protection of life, upholding the law and the prevention of criminal activities of all kinds.
- Where necessary, a fully armed guarding and security service to protect vital assets and personnel.
- A comprehensive criminal investigation service.
- Policing and guarding activities at specified locations external to MoD.
- Training for the MoD Guard Service.

FINANCIAL PERFORMANCE

The year ended 31 March 2002 saw the final developments of resource accounting and budgeting across the Ministry of Defence as legacy systems were wound down. This has brought numerous changes to accounting systems and procedures and will continue to change Ministry of Defence Police financial activities over the coming years.

The gross operating costs of the Agency for the year ended 31 March 2002 were £187.7M. Operating income totalled £22.9M. The balance, representing net operating costs, as detailed in the Operating Cost Statement was £164.8M.

Total Net Assets were £24.0M at 31 March 2002. This represented Net Current Assets of £0.2M, Fixed Assets of £24.8M and the balance of £1.0M represents provisions for liabilities and charges. Changes in Fixed Assets are detailed in Note 8 to the accounts.

BUSINESS DEVELOPMENT AND REVIEW OF ACTIVITIES

These are fully described in the foregoing Report.

KEY PERFORMANCE TARGETS

Key Performance Targets are covered on pages 6 to 11 of the foregoing Report.

EQUAL OPPORTUNITIES POLICY AND EMPLOYMENT AND TRAINING OF DISABLED PERSONS

The Agency is committed to the MoD policy on equal opportunities and seeks to raise awareness of equal opportunities issues and promote best practice through the implementation of an equal opportunities action plan.

Police Officers who are injured or whose health deteriorates during their career are not automatically retired. Much will depend on the overall health of the individual, the nature of the injury and the likelihood of recovery in an acceptable timescale. Each case will be considered on its merits by the Occupational Health Service. Where retention is not possible, medical retirement terms are offered.

MANAGEMENT OF THE AGENCY

The day to day management of the Agency is carried out by the Agency's Management Board which during the year consisted of:

David L Clarke QPM

Chief Constable and Chief Executive

Anthony V Comben BSc

Deputy Chief Constable

Left October 2001

David A Ray QPM MA LLM(Cantab) FIMgt

Deputy Chief Constable from 1 January 2002

Assistant Chief Constable (Support Services) up to 31 December 2001

Paul A Crowther MA

Head of MDP Secretariat

Richard G Miles MA Dip Crim(Cantab)

Assistant Chief Constable (Operations)

Barry J Smith QPM FIMgt

Assistant Chief Constable (Personnel and Training)

Geoffrey Nicholls

Assistant Chief Constable (Crime Operational Resources)

From October 2001 until December 2001

David W Holley

Assistant Chief Constable (Operational Support)

From 1 January 2002

The Chief Constable, Deputy Chief Constable, Assistant Chief Constable (Operations) and Assistant Chief Constable (Support Services) were all recruited through open competition and have fixed term contracts of four years with possible two year extensions. Assistant Chief Constable (Crime Operational Resources) was recruited through open competition and has a fixed term contract of three years with possible two year extension.

The Assistant Chief Constable (Personnel and Training) and Assistant Chief Constable (Operational Support) are career MDP Officers. Head of MDP Secretariat is a member of the Senior Civil Service.

Appointments may be terminated in accordance with the Civil Service Management Code.

The Chief Constable, Deputy Chief Constable and Head of MDP Secretariat's salaries are determined through the Senior Civil Service pay award mechanism. All Assistant Chief Constables' salaries are linked to the pay awards of the Home Office.

Details of Management Board members' remuneration are given at Note 3 to the Accounts.

POLICY ON THE PAYMENT OF CREDITORS

All MDP's bills, with the exception of a very small number of minor payments through a local imprest account, are paid through the Defence Bills Agency (DBA). In 2001-2002, DBA had a target of paying 100% of correctly presented bills within 11 calendar days of receipt. Actual performance against this target was 100%. All payments were made within the contractually agreed credit period, or 30 days if not stated. No interest payments arose from the implementation of the Late Payment of Commercial Debts (Interest) Act 1998.

STAFF INVOLVEMENT

This is fully covered in the foregoing Report.

AUDITORS

The accounts of the Agency are audited by the Comptroller and Auditor General under section 7(3)(b) of the Government Resources and Accounts Act 2000



D L Clarke
Chief Executive
15 July 2002

Statement of the Ministry of Defence Police Agency's and Chief Executive's responsibilities

Under section 7(2) of the Government Resources and Accounts Act 2000, the Treasury have directed the Ministry of Defence Police Agency to prepare a statement of accounts for each financial year in the form and on the basis set out in the Accounts Direction on page 56. The Accounts are prepared on an accruals basis and must give a true and fair view of the Agency's state of affairs at the year end and of its net operating cost, recognised gains and losses and cash flows for the financial year.

In preparing the accounts, the Agency is required to:-

- observe the Accounts Direction issued by 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 and disclose and explain any material departures in the financial statements;
- prepare the financial statements on the 'going concern' basis, unless it is inappropriate to presume that the Agency will continue in operation.

The Departmental Accounting Officer for the Ministry of Defence has designated the Chief Executive of the Ministry of Defence Police Agency as the Accounting Officer for the Agency. His relevant responsibilities as Accounting Officer, including responsibility for the propriety and regularity of the public finances and for the keeping of proper records, are set out in the Accounting Officers' Memorandum, issued by the Treasury and published in 'Government Accounting'.

Statement on Internal Control

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the agency's policies, aims and objectives, set by the department's Ministers, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Government Accounting.

The system of internal control, is designed to manage rather than eliminate the 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 which forms part of the overall MoD control system, is based on an ongoing process designed to identify the principal risks to the achievement of agency policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. I expect to have the procedures in place by April 2003 necessary to implement Treasury guidance. This takes account of the time needed to fully embed the processes, which the agency has agreed should be established, and improve their robustness.

A Corporate Governance and Risk Management Policy has been formulated and approved by the Agency Management Board. In implementing this policy a Risk Review Team has been established covering all Head Quarters Departments to identify risk in relation to Force objectives. Risk will be prioritised and the risks most detrimental to agency objectives will be assigned comprehensive control strategies. This process will cascade throughout the force over the coming year.

The Management Board has changed its meeting calendar and agenda so that risk management and internal control will be considered on a regular basis during the year and there will be a full risk and control assessment before reporting on the year ending 31 March 2003. The management of risk is being incorporated within the planning process of the Force so as to become an integral part of the planning cycle. The process will be complete by April 2003.

The Board receives periodic reports from the head of business development concerning internal control and we require regular reports from managers on the steps they are taking to manage risks in their areas of responsibility including progress reports on key projects.

Further work is being done to widen the basis of the framework and to bring about more consistency in the way in which the agency treats risks.

In addition to the actions mentioned above, in the coming year the agency plans to:

- implement the Risk Management Cycle which will facilitate a review process to constantly update policy and procedure to keep the process linked to agency objectives;
- introduce a programme of risk awareness training;
- use the balanced scorecard reporting system on effectiveness of assigned controls on the management of risk;
- then conduct a review of this risk management indicator system;
- develop and maintain an organisation-wide risk register; and
- arrange for reports from the heads of department on internal control activities.

The agency has an inspections unit, which operates to standards defined by the HMIC and EFQM. They submit regular reports, which include an independent opinion on the adequacy and effectiveness of the agency's system of internal control together with recommendations for improvement. The Finance Department also conducts regular audits to maintain compliance with all financial obligations. A new department, the Operational Performance Cell, has been formed for the purpose of assessing the performance of territorial Operational Command Units and this will also create another avenue to test the internal audit process. This department will look at the compliance of each Operational Command Unit with the objectives set out within their own business plan. All three departments will create audit trails that can be used for the agency to demonstrate compliance with its own forms of internal control.

My review of the effectiveness of the system of internal control is informed by the work of the inspections unit and the executive managers within the agency who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports.



D L Clarke
Chief Executive
15 July 2002

The Certificate and Report of the Comptroller and Auditor General to the House of Commons

I certify that I have audited the financial statements on pages 40 to 55 under the Government Resources and Accounts Act 2000. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 43 to 46.

Respective responsibilities of the Agency, the Chief Executive and Auditor

As described on page 35 the Agency and Chief Executive are responsible for the preparation of the financial statements in accordance with the Government Resources and Accounts Act 2000 and the Treasury directions made thereunder and for ensuring the regularity of financial transactions. The Agency and Chief Executive are also responsible for the preparation of the other contents of the Annual Report. My responsibilities, as independent auditor, are established by statute and guided by the Auditing Practices Board and the auditing profession's ethical guidance.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Government Resources and Accounts Act 2000 and Treasury directions made thereunder, and whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Foreword is not consistent with the financial statements, if the Agency has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

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 certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

I review whether the statement on pages 36 and 37 reflect the Agency's compliance with Treasury's guidance 'Corporate governance: statement on internal control'. I report if it does not meet the requirements specified by the Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements.

Basis of Audit Opinion

I conducted my audit in accordance with United Kingdom Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Agency and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Agency'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 are free from material misstatement, whether caused by error, or by fraud or other irregularity 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 have also evaluated the overall adequacy of the presentation of information in the financial statements.

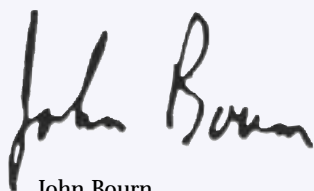
Opinion

In my opinion:

the financial statements give a true and fair view of the state of affairs of the Ministry of Defence Police Agency at 31 March 2002 and of the net operating cost, recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and directions made thereunder by Treasury; and

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

I have no observations to make on these financial statements.



John Bourn
Comptroller and Auditor General
19 July 2002

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

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

Operating Cost Statement *for the year ended 31 March 2002*

		2001/2002	2000/2001
OPERATING COSTS	Notes	£'000	£'000
Staff costs	3	152,961	143,342
Supplies and Services Consumed	4	7,569	7,669
Accommodation costs	5	8,239	6,968
Other Administration Costs	6	18,948	16,604
GROSS OPERATING COSTS		187,717	174,583
OPERATING INCOME			
Less Income from Repayment Customers	2	(22,865)	(22,714)
NET OPERATING COST	14	164,852	151,869

All activities undertaken during the year are continuing

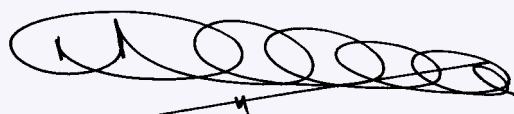
Statement of Recognised Gains and Losses *for the year ended 31 March 2002*

		2001/2002	2000/2001
	Notes	£'000	£'000
Net gain on revaluation credited to the revaluation reserve	13	100	507
Recognised gains during the year		100	507

The notes on pages 43 to 55 form part of these accounts.

Balance Sheet *as at 31 March 2002*

		2002	2002	2001	2001
		£'000	£'000	£'000	£'000
FIXED ASSETS	Notes				
Tangible Assets	8		24,801		23,815
CURRENT ASSETS					
Stock	9	629		578	
Debtors: Amounts falling due within 1 year	10	4,145		5,655	
Debtors: Amounts falling due after more than 1 year	10	659		689	
		5,433		6,922	
CURRENT LIABILITIES					
Creditors: amounts falling due within 1 year	11	(5,233)		(3,941)	
NET CURRENT ASSETS			200		2,981
TOTAL ASSETS LESS CURRENT LIABILITIES			25,001		26,796
Provision for Liabilities and Charges	12		(1,034)		(578)
NET ASSETS			23,967		26,218
TAXPAYERS EQUITY					
General Fund	14		21,405		23,756
Revaluation Reserve	13		2,562		2,462
GOVERNMENT FUNDS	15		23,967		26,218



D L Clarke
Chief Executive
15 July 2002

The notes on pages 43 to 55 form part of these accounts.

Cash Flow Statement *for the year ended 31 March 2002*

		2001/2002	2000/2001
	Notes	£'000	£'000
Net Cash Outflow From Operating Activities		144,473	133,169
Capital Expenditure	21e	4,674	2,377
Net Financing from the Defence Resource Account	21d	(149,147)	(135,546)
Change in Cash in Period		0	0

Reconciliation of Operating Cost to Operating Cashflow		2001/2002	2000/2001
	Notes	£'000	£'000
Net Operating Cost		164,852	151,869
Depreciation	8	(4,651)	(3,550)
Impairment Arising from a Fall in Market Value of Fixed Assets	8	(124)	(28)
Gain/(Loss) on Disposal of Tangible Fixed Assets		190	(169)
MoD Non-cash Transactions (Excluding movement in early retirement provision)	21a	(12,557)	(13,035)
Adjustments for Movements in Working Capital other than Cash	21b	(2,781)	(1,801)
Movements in Provisions for Liabilities and Charges	21c	(456)	(117)
Net Cash outflow from Operating Activities		144,473	133,169

Analysis of Capital Expenditure and Financial Investments		2001/2002	2000/2001
	Notes	£'000	£'000
Acquisition of Fixed Assets	21e	4,955	2,714
Proceeds from Disposal of Fixed Assets		(281)	(337)
Net Cash Outflow from Investing Activities		4,674	2,377

Analysis of Financing		2001/2002	2000/2001
	Notes	£'000	£'000
From the Defence Resource Account	21d	149,147	135,546
Change in Cash		0	0
Net Cash Requirement		149,147	135,546

The notes on pages 43 to 55 form part of these accounts.

Notes to the Accounts

1 - STATEMENT OF ACCOUNTING POLICIES

a. Basis of Accounting

These accounts have been prepared in accordance with the Resource Accounting Manual issued by HM Treasury. The principal accounting policies adopted by the Agency are summarised below. The policies set out the framework within which the Agency conducts financial management and have been applied consistently in dealing with items considered material to the accounts.

The accounts have been prepared under the historical cost convention, modified to include the revaluation of tangible fixed assets to reflect their current cost.

The Agency does not pay or receive money on its own account. Cash payments are made and receipts collected by the MoD central accounting organisation on behalf of the Agency.

b. Value Added Tax

The Agency is not separately registered for Value Added Tax (VAT) since VAT is accounted for centrally by the MoD. Input VAT on certain contracted-out services is recovered by the Agency through the MoD registration under specific Treasury direction. All other input VAT is considered irrecoverable by the Agency as central recoveries are not attributed to individual agencies by the MoD. Such irrecoverable input VAT is therefore included in the cost of the related expenditure or asset. The funding of the Agency by MoD is reported inclusive of VAT in the Defence Resource Account.

c. Income

Income represents the invoiced value of transactions with the private sector, the wider public sector and Government Departments other than the MoD. Income is accounted for and recognised in the Operating Cost Statement net of VAT.

d. Tangible Fixed Assets

Land & Buildings

Where MDP is the principal beneficial user of Departmental Estate it is treated as an asset of the Agency although legal ownership rests with the Secretary of State for Defence. Land and Buildings are capitalised where their value exceeds the Agency's capitalisation threshold.

Land and Buildings are revalued by indices provided by the MoD in the periods between quinquennial professional valuations.

Other Assets

Generally, other assets are subject to indexation. Asset values and useful economic lives are reviewed annually. The principal asset categories and their estimated useful economic lives are as follows:

Land and Buildings:	
Land:	indefinite, not depreciated
Freehold Buildings:	20-50 years
Weapons	10 years
Vehicles:	
Vehicles	4-10 years
Boats	6-20 years
Computer Equipment:	3-5 years
Communications Equipment:	12 years
Other Equipment:	3-10 years

Plant, equipment, computers, boats and vehicles are capitalised where their cost or estimated purchase price is equal to or exceeds the Agency's capitalisation threshold and where their useful life exceeds one year. For weapons, IT and communications equipment the capitalisation threshold relates to grouped assets.

The value of these capitalised assets is reviewed annually and adjusted using the relevant indices promulgated by MoD.

Depreciation

Depreciation is calculated so as to write off the cost, or valuation, of tangible fixed assets, less their estimated residual values, on a straight line basis over their estimated useful economic lives.

Depreciation of vehicles commences after they have been commissioned for policing activities.

Disposal of Tangible Fixed Assets

Assets declared for disposal are removed from tangible fixed assets only on disposal to a third party and any surplus or deficit is shown in the Operating Cost Statement under operating costs.

e. Stock

Stocks are stated at the lower of current replacement cost (or historical cost, if not materially different from current replacement cost) or net realisable value.

f. Reserves

The revaluation reserve reflects the unrealised element of the cumulative balance of revaluation and indexation adjustments on fixed assets.

g. Notional and Non Cash Charges

Intra-Departmental Charges

Non-cash amounts are included in the Operating Cost Statement for charges in respect of services provided from other areas of the MoD. The amounts so charged are calculated to reflect the full cost of providing these services to the Agency and include centrally provided training and administration costs.

With specific regard to accommodation on other sites, the costs communicated are based on actual costs supplied by the host establishment or estimates where actual costs were unavailable.

Audit Fee

MDP is not charged an audit fee by the National Audit Office. The audit fee shown represents the notional charge to the Operating Cost Statement based on the cost of the services provided.

h. Capital Charge

A charge reflecting the cost of capital utilised by the Agency is included in operating costs. The charge is calculated using HM Treasury's standard rate of 6% of the average value of net total assets.

i. Early Retirement Scheme

The Civil Service White Paper, 'Continuity and Change' (CM2627) published in July 1994, announced new arrangements for funding early departure costs of civil servants departing between 1 October 1994 and 31 March 1997. Under these arrangements 20 per cent of the cost was to be borne by Agencies and departments and the remaining 80 per cent, which would have otherwise fallen upon the Departments' running costs, was to be met centrally from the Civil Superannuation Vote. For 1996/97 the 80:20 arrangements applied only after the body had used all its existing 1996/97 expenditure provision for early departure costs.

HM Treasury issued a direction that the 20% borne by the Agency should be charged to the Operating Cost Statement straight away and taken to a Provision on the Balance Sheet. The Treasury also directed that a notional charge for the 80% element borne by the Civil Superannuation Vote should be reflected in the Agency's Operating Cost Statement each year. However, from 1 April 1999 H M Treasury's Resource Accounting Manual no longer requires this notional charge to be made.

With regard to retirements that took place after 1 April 1997, the MDP Agency has made 100% provision for liabilities to be incurred in future years.

j. Leases

Rentals payable under operating leases are charged to the Operating Cost Statement over the term of the lease.

There are no assets held on finance leases or on hire purchase agreements.

k. Salary Advances

Where applicable, MoD staff are entitled to salary advances for house purchase, in accordance with MoD regulations, which are paid through the payroll system. An MDP debtor is therefore created. Future repayments are also reflected in payroll costs. Balances outstanding relate to 156 MDP Officers and are included in Debtors at Note 10.

l. Taxation and Social Security

As the Ministry of Defence charges the Agency during the year with the gross payments, inclusive of PAYE and National Insurance contributions, due to Agency employees, the Department is liable for the payment of any liabilities which may be due to the Inland Revenue or Department for Work and Pensions at the balance sheet date, and these are not disclosed in the Agency's balance sheet.

m. Pensions

Past and present employees are covered by the provision of the Principal Civil Service Pension Scheme (PCSPS) and the Armed Forces Pension Scheme (AFPS) which are defined benefit schemes and are unfunded and non-contributory.

The Agency 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 or AFPS of amounts calculated on an accruing basis.

Liability for payment of future benefits is a charge on the PCSPS or AFPS.

2 - INCOME

In addition to Policing, Guarding and Criminal Investigation services provided to the MoD Estate, MDP also provides these services to non-MoD Customers on repayment. UK Customers include COMAX, Royal Ordnance (RO) and The Royal Mint.

The Overseas Customer is the United States Government for services provided at sites utilised by US Visiting Forces (USVF).

Other Income derives from the use of parts of the MDP estate by non-MoD organisations.

The Agency is required, in accordance with the Treasury's Fees and Charges Guide, to disclose performance results for the areas of its activities where fees and charges are made. The segmental analysis is not intended to meet the requirements of Statement of Standard Accounting Practice 25: Segmental Reporting. Full cost recovery includes certain items not charged to operating costs.

	2001/2002			2000/2001		
	Turnover £'000	Cost £'000	Surplus/(Deficit) £'000	Turnover £'000	Cost £'000	Surplus/(Deficit) £'000
Repayment Work for non-MoD Customers	13,698	17,718	(4,020)	16,604	18,374	(1,770)
Repayment Work for Overseas Customers	8,043	11,051	(3,008)	5,497	7,900	(2,403)
Other Income	1,124	1,124	0	613	613	0
Total Activity	22,865	29,893	(7,028)	22,714	26,887	(4,173)

This shortfall stems from separate inherited agreements with USVF and RO which prevent MDP from claiming the full cost of services provided.

The services provided to the Royal Ordnance terminated during the year. MDP withdrew from the final station in February 2002.

3 STAFF COSTS

a. Staff costs during the year were as follows:

	2001/2002				2000/2001			
	MDP £'000	Civilian £'000	Service £'000	Total £'000	MDP £'000	Civilian £'000	Service £'000	Total £'000
Wages and salaries	116,949	11,106	37	128,092	108,566	11,065	61	119,692
Social Security costs (ERNIC)	9,992	927	2	10,921	9,527	934	4	10,465
Superannuation	11,563	1,228	4	12,795	11,445	1,302	10	12,757
Early Retirement Costs	1,153	0	0	1,153	428	0	0	428
Total	139,657	13,261	43	152,961	129,966	13,301	75	143,342

b. The average number of persons employed during the year was as follows:

	2001/2000	2000/2001
	Number	Number
MDP	3,292	3,435
Civilian, Non-Industrials and Industrial	265	268
Service	1	3
Total	3,558	3,706

c. The PCSPS and AFPS are unfunded multi employer defined benefit schemes but the Agency is unable to identify its share of the underlying assets and liabilities.

A full actuarial valuation was carried out at 31 March 1999 for the PCSPS and at 31 March 1997 for the AFPS. Details can be found in the resource accounts of these schemes which are published and laid before the House of Commons. PCSPS accounts are also available on www.civilservice-pensions.gov.uk

For 2001/2002, employers' contributions of £12,791,378 were payable to the PCSPS, (£12,747,063 in 2000/2001) at one of four rates in the range of 12% to 18.5% of pensionable pay based on salary bands. Rates will remain the same for the next two years subject to revalorisation of the salary bands. Employer contribution rates are to be reviewed every four years following a full scheme valuation by the Government Actuary.

The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

For 2001/2002 employers' contributions of £4,455 (2000/2001 £10,365) were also made to the AFPS in respect of staff paid by MDP and these were similarly based on rates determined by the Government Actuary and advised by the Treasury. The applicable rate was 33.8% for officers and 18.2% for other ranks. Employers' contributions for the AFPS are to be reviewed during 2002/2003.

The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Early departure costs are partly funded from the Civil Superannuation Resource Account under the 80:20 scheme. The amount borne by the Agency in 2001/2002 was £1,153,104 (£428,196 in 2000/2001).

d. The salary and pension entitlements of the most senior members of the Ministry of Defence Police Agency were as follows:

	Year	Age	Salary £'000	Real increase in pension at 60 £'000	Total accrued pension at 60 at 31/3/02 £'000
D L Clarke	2001/2002	49	95-100	0-2.5	0-5
	2000/2001	48	30-35	0-2.5	0-5
A V Comben	2001/2002	59	90-95	0-2.5	5-10
	2000/2001	58	80-85	0-2.5	5-10
B J Smith	2001/2002	58	65-70	0-2.5	30-35
	2000/2001	57	65-70	2.5-5.0	30-35
D A Ray	2001/2002	55	70-75	0-2.5	0-5
	2000/2001	54	70-75	0-2.5	0-5
R G Miles	2001/2002	53	75-80	0-2.5	0-5
	2000/2001	52	65-70	0-2.5	0-5
P A Crowther	2001/2002	56	65-70	0-2.5	25-30
	2000/2001	55	60-65	0-2.5	25-30
G Nicholls	2001/2002	53	15-20	0-2.5	0-2.5
D Holley	2001/2002	56	15-20	0-2.5	25-30

Mr Comben left in October 2001 and was succeeded by Mr Ray in the same month.

Other senior staff who joined or left the board in the year moved from or to other posts within the Agency. This note only reflects the remuneration appropriate to their period of tenure as members of the Agency Management Board.

“Salary” includes gross salary; performance pay or bonuses; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. None of the above received benefit in kind.

Pension benefits are provided through the Principal Civil Service Pension Scheme. This is a statutory scheme which provides benefits on a “final salary” basis at a normal retirement age of 60. Benefits accrue at the rate of 1/80th of pensionable salary for each year of service. In addition a lump sum equivalent to 3 years’ pension is payable on retirement. Members pay contributions of 1½% of pensionable earnings. Pensions increase in payment in line with the Retail Prices Index. On death, pensions are payable to the surviving spouse at a rate of half the member’s pension. On death in service, the scheme pays a lump sum benefit of twice pensionable pay and also provides a service enhancement on computing the spouse’s pension. The enhancement depends on length of service and cannot exceed 10 years. Medical retirement is possible in the event of serious ill-health. In this case pensions are brought into payment immediately without actuarial reduction and with service enhanced as for widow(er) pensions.

e. Remuneration of the Members of the Advisory Board

	2001/2000	2000/2001
	£	£
Board Members' Fees	11,006	6,898
	<u>11,006</u>	<u>6,898</u>

Advisory Board Members are employees of the MoD with the exception of four. Of these Board Members two receive fees for their services as board members and these are shown above. In addition to these fees, travel costs of £1,224 were incurred by the Agency for these Board Members.

4 - SUPPLIES AND SERVICES CONSUMED

	2001/2000	2000/2001
	£'000	£'000
Depreciation on Fixed Assets - excluding Land and Buildings	3,788	2,710
Impairment Arising from a Fall in Market Value of Fixed Assets	124	28
Write down of Stock	29	(3)
MoD Stores and services	1,558	1,624
Vehicle/Equipment Support	2,260	3,141
(Gain)/Loss on Disposal of Tangible Fixed Assets	(190)	169
	<u>7,569</u>	<u>7,669</u>

5 - ACCOMMODATION COSTS

	2001/2002	2000/2001
	£'000	£'000
Utilities Consumed	362	386
Rent & Other Charges (CILOR)	744	22
Estates & Facilities Management Services	2,648	1,739
Depreciation on Buildings	863	840
Accommodation Stores	233	203
Communicated Costs Relating to Accommodation on Other MoD Sites	3,389	3,778
	<u>8,239</u>	<u>6,968</u>

6 - OTHER ADMINISTRATION COSTS

	2001/2002	2000/2001
	£'000	£'000
MoD HQ Overheads	5,994	6,400
Permanent Transfers	2,600	2,158
Travel and Subistence	4,287	2,004
IT Maintenance and Software	1,311	1,757
Telecommunications	578	742
Leased Office Equipment	58	78
Professional Fees	772	816
Audit Fees	53	51
Recruitment	55	41
Amortised Shared Cost of Training	8	20
External Education, Medical and Welfare	586	454
Administration Services, Supplies & Expenses Excluding Leased Equipment	588	488
Unwinding of Discount on Provisions	35	20
Entertainment and Hospitality	18	6
Bad debts written off	147	0
Provision for Bad and Doubtful Debts	134	(19)
Interest on Capital employed	1,724	1,588
	18,948	16,604

7 - INTEREST ON CAPITAL

	2001/2002	2000/2001
	£'000	£'000
Land and Buildings	617	658
Vehicles	576	529
Weapons	190	170
IT & Comms	91	73
Net Current Assets	250	158
	1,724	1,588

8 - TANGIBLE FIXED ASSETS

	Land and Buildings £'000	Plant, Machinery & Vehicles £'000	Weapons £'000	IT & Comms £'000	Total £'000
Cost or Valuation as at 1 April 2001	13,223	18,124	2,891	1,851	36,089
Additions	0	4,029	669	1,020	5,718
Disposals	(74)	(1,382)	0	0	(1,456)
Revaluations	279	23	0	(132)	170
Cost or valuation as at 31 March 2002	13,428	20,794	3,560	2,739	40,521
Depreciation to 1 April 2001	2,520	9,142	0	612	12,274
Current year Charge	863	3,103	356	329	4,651
Adjustment on Disposal	0	(1,291)	0	0	(1,291)
Adjustment on Revaluation	68	57	0	(39)	86
Depreciation to 31 March 2002	3,451	11,011	356	902	15,720
Net Book Value as at 31 March 2002	9,977	9,783	3,204	1,837	24,801
Net Book Value as at 1 April 2001	10,703	8,982	2,891	1,239	23,815

The properties occupied by the Agency were valued by external valuers, Weatherall, Green & Smith Chartered Surveyors, as at 1 January 1998. These operational properties were valued on the basis of existing use value, or where this could not be assessed because there was no market for the subject asset, the depreciated replacement cost subject to prospect and viability of the occupation and use.

A valuation of existing IT assets was performed in January 1998 by an independent Chartered Surveyor. Subsequent acquisitions have been brought on at their invoiced value.

A proportion of the Communications assets were relifed during 1998.

Motor Vehicles and Other Equipment were brought on at cost, then indexed and depreciated from the date of purchase or commissioning into service, as appropriate.

Each type of weapon was valued during 1996 or 1997 by an Army valuer. Weapons are inspected biannually and, where necessary, replaced on a one-for-one basis. Weapons of the same type are deemed to have the same value.

Land valued at £74,000 was transferred to Defence Estates at book value for disposal. The General Fund has been adjusted to reflect this transfer (note 14).

The downward revaluation of IT and Comms is net of an upward revaluation of £31,000 and a downward revaluation of £163,000. The £124,000 adjustment arising from the downward revaluation of IT and Comms (£163,000 less £39,000) is regarded as an impairment and has been charged to the operating cost statement under the heading of supplies and services consumed (note 4).

9 - STOCK

	2001/2002 £'000	2000/2001 £'000
Ammunition Stores	270	274
IT Stores/Vehicle Management Team Stores	90	54
Clothing Stores	311	263
Gross Total	671	591
Less Provision for Slow Moving Clothing Stock	(42)	(13)
Net Total	629	578

10 – DEBTORS

	2001/2002 £'000	2000/2001 £'000
Amounts Falling Due within One Year		
Trade Debtors	1,352	735
VAT Recoverable	269	514
Prepayments and Accrued Income	2,568	4,310
Advance of Salary for House Purchase	96	102
	4,285	5,661
Less Provision for Bad and Doubtful Debts	(140)	(6)
	4,145	5,655
Amounts Falling Due in more than One Year		
Advance of Salary for House Purchase	659	689
	4,804	6,344

11 – CREDITORS

	2001/2002 £'000	2000/2001 £'000
Amounts Falling Due within One Year		
Trade Creditors	1,517	1,176
Accruals and Deferred Income	3,716	2,765
	5,233	3,941

12 - PROVISION FOR LIABILITIES AND CHARGES

	2001/2002 £'000	2000/2001 £'000
Provision for early retirement as at 1 April	578	461
Provided in Year	1,153	428
Paid in Year	(732)	(331)
Unwinding of Discount on Provision	35	20
Provision for early retirement as at 31 March	<u>1,034</u>	<u>578</u>

The table below analyses Early Retirement costs still to be incurred at current prices and discounted to the Balance Sheet date:

	Undiscounted £'000	Discounted £'000
At 31 March 2002	1,242	1,034
At 31 March 2001	701	578

13 - REVALUATION RESERVE

	2001/2002 £'000	2000/2001 £'000
Revaluation Reserve as at 1 April	2,462	1,955
Add: Surplus on Revaluation of Fixed Assets	333	1,108
Less: Adjustment on Revaluation and Disposal	0	(3)
Less: Backlog Depreciation	(125)	(297)
Transfer to General Fund	(108)	(301)
Revaluation Reserve as at 31 March	<u>2,562</u>	<u>2,462</u>

14 - GENERAL FUND

	2001/2002 £'000	2000/2001 £'000
General Fund as at 1 April	23,756	26,174
Add: Net Financing from the Defence Resource Account	149,147	135,546
Non-cash Expenditure Items (excluding movement in early retirement provision)	12,557	13,035
Non-cash Capital Expenditure	763	569
Transfer of assets to Defence Estates	(74)	0
Less: Net Departmental Cost of Output	(164,852)	(151,869)
Transfer from Revaluation Reserve	108	301
General Fund as at 31 March	<u>21,405</u>	<u>23,756</u>

15 - RECONCILIATION OF MOVEMENTS IN GOVERNMENT FUNDS

	2001/2002	2000/2001
	£'000	£'000
Government Fund as at 1 April	26,218	28,129
Revaluation Reserve Movements in Year	100	507
General Fund Movement in Year	(2,351)	(2,418)
Government Funds as at 31 March	23,967	26,218

16 - CAPITAL COMMITMENTS

There were capital commitments of £6,602 as at 31 March 2002.

17 - OTHER FINANCIAL COMMITMENTS

At 31 March 2002, the Agency was committed to making the following payments under non-cancellable operating leases in the year to 31 March 2002. These leases were in respect of office equipment.

	2001/2002	2000/2001
	£'000	£'000
Leases expiring:		
Within 1 Year	58	40
Within 2 to 5 Years	55	34
	113	74

18 - CONTINGENT LIABILITIES

No contingent liabilities have been identified in 2001/2002.

19 - POST BALANCE SHEET EVENTS

There have been no adjusting post balance sheet events. Land and buildings assets were revalued by the Valuation Office Agency (VOA), under a contract let by the Defence Estates Agency as part of the MoD Quinquennial review of fixed assets. The review provided a revised revaluation as at 1 April 2002 of £15.423m for the land and buildings on a basis of Market Value for Existing Use. This will increase the Agency's net assets, depreciation and interest charges from 2002/03 onwards. Under Paragraph 3.2.16 of the Treasury's Resource Accounting Manual (RAM), we are required to reflect the increase in value in the year that the increase takes effect.

20 - RELATED PARTY TRANSACTIONS

The Ministry of Defence Police is an executive agency of the Ministry of Defence.

The Ministry of Defence is regarded as a related party. During the year, the Ministry of Defence Police had a significant number of material transactions with the Ministry of Defence and with other entities for which the Ministry of Defence is regarded as the parent department. These include the Army Base Repair Organisation.

In addition, the Ministry of Defence Police has had a significant number of transactions with the Royal Mint.

During the year none of the Board Members, key management staff or other related parties has undertaken any material transactions with the Ministry of Defence Police.

21 - NOTES TO THE CASH FLOW STATEMENT

	2001/2002 £'000	2000/2001 £'000
a - Notional and Non-cash Costs		
Shared Cost of Training Services	8	20
MoD Training Costs Specific to MDP	462	610
Notional NAO Audit Fee	53	51
MoD Purchased Ammunition Stores	166	175
MoD Purchased Clothing Stores	29	82
Communicated Costs Relating to Accommodation on other MoD sites	3,389	3,778
Notional Interest on Capital	1,724	1,588
MoD HQ Overhead	5,994	6,400
Early Retirement Costs	1,153	428
Unwinding of Provisions Discount	35	20
	13,013	13,152
b - Movements in Working Capital other than Cash		
(Increase) in Stocks	(80)	(53)
Movement in Slow moving Clothing Provision	29	(2)
Decrease in Debtors	1,540	566
Increase in Creditors	1,292	1,290
	2,781	1,801
c - Movement in Provision for liabilities and charges		
Increase in Provision for Early Retirement	456	117
d - Financing		
Payments on Defence Resource Account	167,245	154,879
Receipts on Defence Resource Account	(18,098)	(19,333)
	149,147	135,546
e - Capital Expenditure		
Payments to Acquire Tangible Fixed Assets	4,955	2,714
Receipts from Sales of Fixed Assets	(281)	(337)
	4,674	2,377

f - Major Non-cash Transactions through the MoD
 MoD non-cash costs which flow through the Operating Cost Statement are shown in note a above.

The total capital expenditure in the year was as follows:

	Note	2001/2002 £'000	2000/2001 £'000
Cash payments to acquire tangible fixed assets		4,955	2,714
Non-cash payments to acquire tangible fixed assets		763	569
Total Capital Expenditure	8	5,718	3,283

Accounts Direction Given by the Treasury in Accordance with Section 7(2) of the Government Resources and Accounts Act 2000

1. This direction applies to the Ministry of Defence Police Agency.
2. The Ministry of Defence Police Agency shall prepare accounts for the year ended 31 March 2002 in compliance with the accounting principles and disclosure requirements of the edition of the Resource Accounting Manual issued by H M Treasury which is in force for 2001-2002.
3. The accounts shall be prepared so as to give a true and fair view of the income and expenditure, recognised gains and losses, and cash flows of the Ministry of Defence Police Agency for the financial year and of the state of affairs as at 31 March 2002.
4. Compliance with the requirements of the Resource Accounting Manual will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. If, in these exceptional circumstances, compliance with the requirements of the Resource Accounting Manual is inconsistent with the requirement to give a true and fair view the requirements of the Resource Accounting Manual should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgement should be used to devise an appropriate alternative treatment which should be consistent with both the economic characteristics of the circumstances concerned and the spirit of the Resource Accounting Manual. Any material departure from the Resource Accounting Manual should be discussed in the first instance with the Treasury.

David Loweth
Head of the Central Accountancy Team, Her Majesty's Treasury
26 February 2002