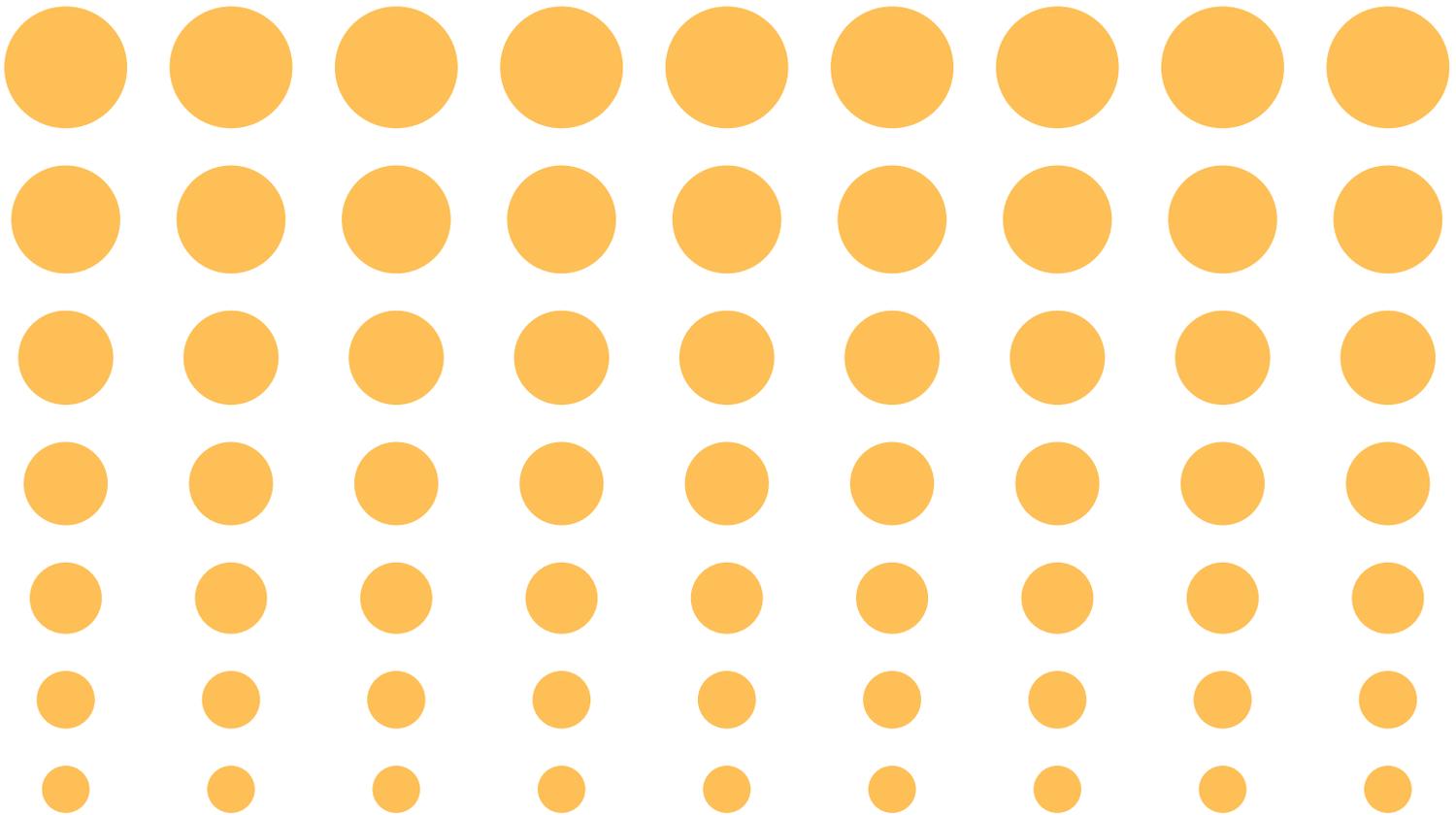


YOUTH JUSTICE AGENCY

ANNUAL REPORT AND ACCOUNTS
2005 - 2006





ANNUAL REPORT AND ACCOUNTS 2005 **2006**

Report on the work of the Youth Justice Agency of Northern Ireland 2005 - 2006

Presented to Parliament in accordance with Section 7 (2) of the Government Resource and Accounts Act 2000.

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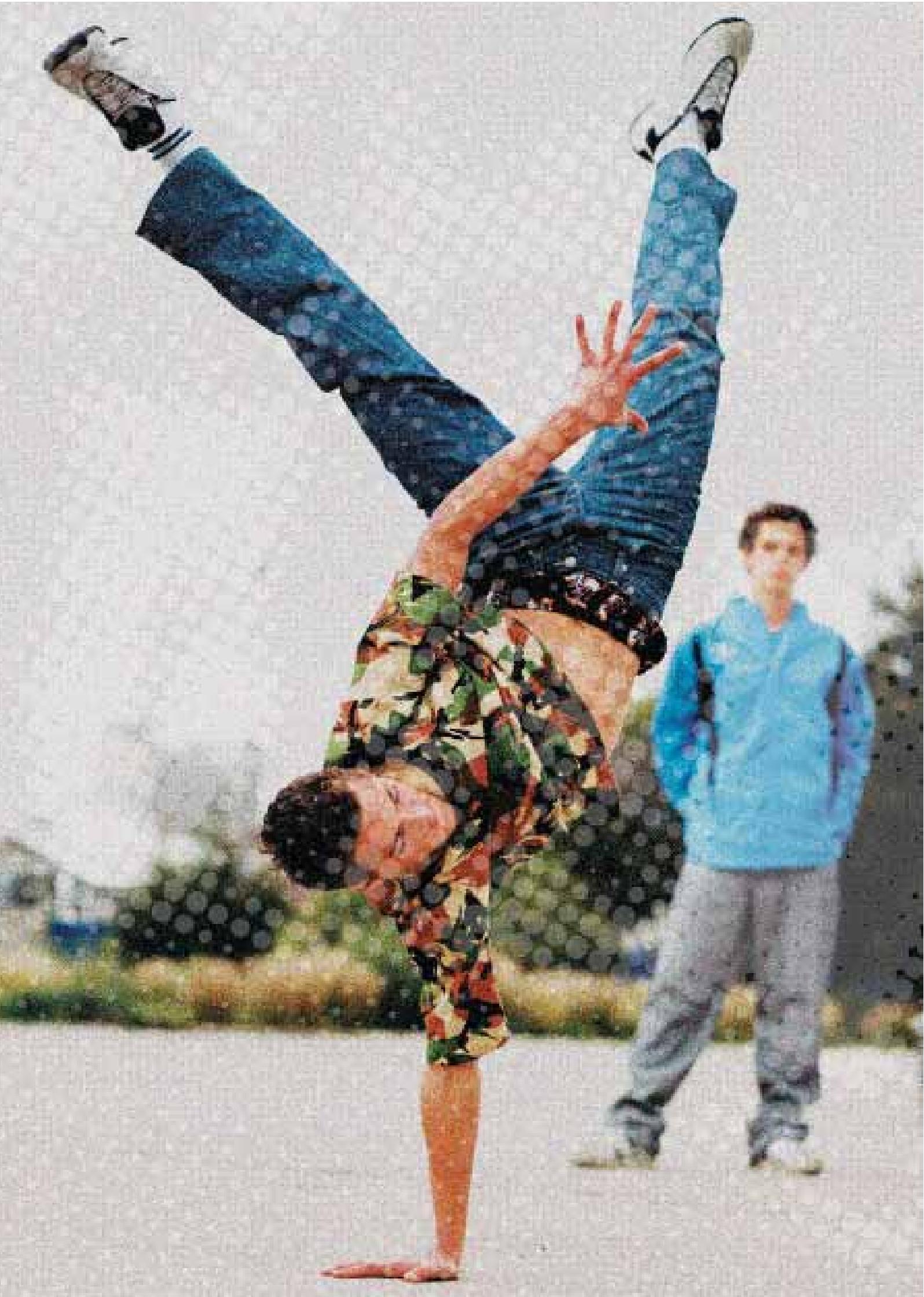
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FOREWORD BY THE CHIEF EXECUTIVE

The Youth Justice Agency has had a number of significant achievements over the past year. The Youth Conference Service has continued its roll out and now covers the Belfast, Fermanagh and Tyrone, Armagh, Newry and Banbridge court areas. It is hoped to have complete coverage of Northern Ireland by the end of 2006. We are now a world leader in terms of restorative justice practice as evidenced by the wide interest and participation in the International Conference held in Belfast during March 2006.

We have established our network of Community Services delivery centres, which allows us to offer a comprehensive range of locally based initiatives aimed at reducing offending by children and young people. In addition to our court ordered work we accept referrals from other agencies such as Health and Social Services Trusts, the police and Education Welfare designed to provide early intervention and divert young people away from crime.



The Northern Ireland Human Rights Commission completed follow up research into “In Our Care: Promoting the rights of children in custody” which it published in March 2002. It is pleasing to note that it found a number of improvements in relation to child-centred practice, better health and education services and a more enthusiastic, motivated and trained staff compared to the situation in 2002. The building of the new purpose designed Juvenile Justice Centre is now well underway. This is part of a major change management process which when completed in early 2007 will put Northern Ireland at the forefront of international best practice in providing custodial care for young people.

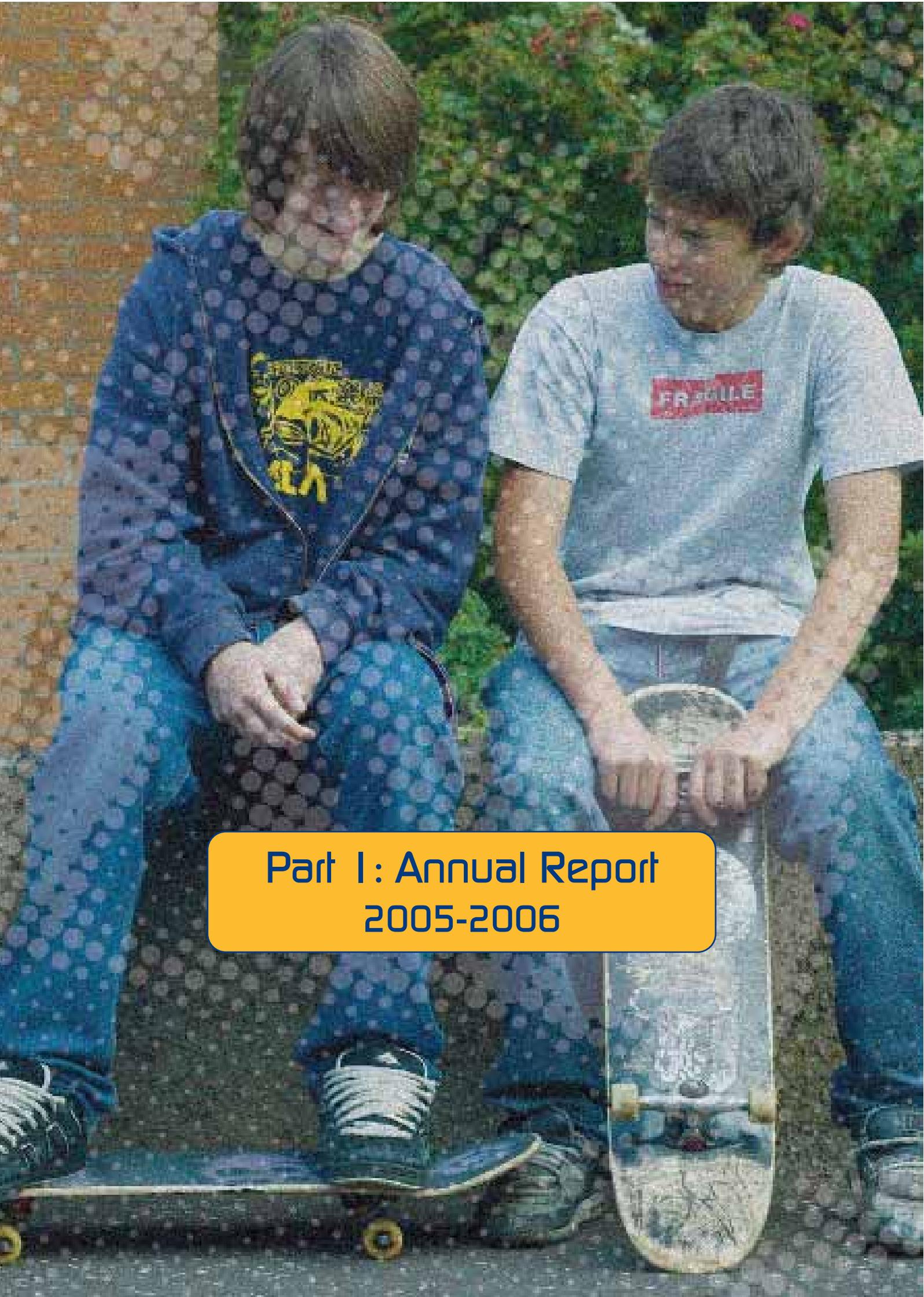
Overall we achieved nine out of the ten key targets set out in our Business Plan for 2005-2006. Unfortunately we were not able to meet our target in relation to staff training largely due to operational requirements at the Juvenile Justice Centre. We did, however, meet all of our 17 development objectives for the year.

We are operating at a time of tight financial stringency. In this context it is important that the Youth Justice Agency demonstrates that it is well managed and offers value for money. We asked the NIO Internal Audit to conduct an assessment of the level of assurance in respect of controls in place within the Agency to meet the requirements of the HM Treasury Corporate Governance Code of Practice (July 2005). The audit concluded that there was generally a sound framework of control with only some minor shortcomings identified. A number of other reviews were undertaken which demonstrated that the public can have confidence in our ability to deliver cost-effective services. Furthermore, since September 2005 17 year olds have come under the remit of the Youth Court. The Youth Justice Agency is endeavouring to provide a full range of services to many of these young people within existing resources. This will be a real challenge as the number of 17 year olds referred by the courts increases.

During the past year we have undertaken a fundamental review of the Agency's work and strategic direction. This has included wide public consultation. The new Corporate Plan 2006-2009 sets out a challenging vision which we can only achieve in partnership with others and with public support. I would like to thank our staff, our partners and the many other people who have supported us over the last three years. Together we can make the next three years a period of challenge and success.

Bill Lockhart

Bill Lockhart
Chief Executive



**Part I: Annual Report
2005-2006**



DIRECTORS' REPORT

History and Statutory Background

The Youth Justice Agency was launched as an Executive Agency, as recommended in the Criminal Justice Review, on 1 April 2003. It was established to take on the range of responsibilities which, up to that date, had fallen to the Juvenile Justice Board (a Non-Departmental Public Body), and to introduce a Youth Conferencing Service. It is the fourth agency to be established within the Northern Ireland Office.

The Agency's policy framework is set by Ministers and the Agency is directly accountable to Ministers, through its Chief Executive, for the delivery of services and the management of resources in accordance with this policy.

Aims and Objectives

The principal aim of the Agency is to prevent offending by children.

The Agency is part of the wider criminal justice system and contributes alongside other partners, to achieving the system's overall aims and objectives. Indicators have been set to measure the success of the Agency within a framework of efficiency and economy, consistent with the NIO Public Service Agreement target relating to the criminal justice system. The Agency will contribute to this target by providing a range of services aimed at crime avoidance by children. Further details can be found in the Operating & Financial Review.

Management

The Youth Justice Agency is headed by the Chief Executive who is supported by the Management Board. The Chief Executive for the year ending 31 March 2006 was Bill Lockhart.

The Management Board of the Agency is responsible for the strategic and business management of the Agency's operations.

The Management Board structure for the year ended 31 March 2006 was as follows:

Chief Executive	Mr Bill Lockhart
Director Community Services	Mr Artie O'Neill
Director Youth Conference Service	Mrs Alice Chapman
Director Custody	Mr Philip Tooze
Director Corporate Services	Mr Martin Gunning
Non-Executive Director	Mr Shane Logan



Appointments to the Management Board since the creation of the Agency are made in accordance with the Civil Service Commission's general regulations.

Details of the salary and benefits of the Management Board members are disclosed in the Remuneration Report on pages 8 to 11.



Youth Justice Agency Management Board

Back row (L-R): Shane Logan, Non-Executive Director, Artie O'Neill, Director of Community Services, Martin Gunning, Director of Corporate Services.
Front row (L-R): Phil Tooze, Director of Custody, Bill Lockhart, Chief Executive, Alice Chapman, Director of Youth Conference Service.

Board Members' Interest

None of the Board Members held any interests or directorships during the year which would conflict with their management responsibilities to the Agency.

Business Review & Future Developments

The net cost of operations for the year ended 31 March 2006 was £18,981k (2004-2005, £14,581k). The primary reason for this increase was the expansion of front line services. A full review of the Agency's business for the year and its future development, including any research and development activities, and the exposure of the Agency to risk is set out in the Operating & Financial Review, and in the Agency's Corporate and Business Plan 2004-2007.

Post Balance Sheet Events

There have been no significant events which have occurred since the year end.

Pension Liabilities

The Youth Justice Agency makes employer contributions to four pension providers:

- Principal Civil Service Pension Scheme GB (PCSPS GB)
- Principal Civil Service Pension Scheme NI (PCSPS NI)
- Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC)
- Teachers' Superannuation Scheme (TSS)

Details of the above schemes are disclosed in the Management Board Remuneration Report on pages 8 to 11. The treatment of pension liabilities in the financial statements is disclosed in the accounting policies note (Note 1) on page 52.

Health & Safety

The Youth Justice Agency is committed to providing for staff, young people and visitors, an environment that is as far as possible safe and free from risk to health. The Agency will comply with all relevant Health and Safety Regulations.



Disabled Employees and Equal Opportunities

Section 75 of the Northern Ireland Act 1998 requires public authorities to promote equality of opportunity and good relations, to ensure that equality issues are integral to the whole range of public policy decision making. The NIO, which includes the Youth Justice Agency, has submitted its Equality Scheme to the Equality Commission for Northern Ireland. The Youth Justice Agency is fully committed to the Equality Scheme and will ensure that appropriate training is delivered to staff. The average number of disabled employees employed during the year was 4 (2004-2005, 3).

Employee Consultation

The Youth Justice Agency recognises the importance of good industrial relations and is committed to effective employee communications. Regular meetings are held with representatives of the trade unions.

Charitable Donations

There were no charitable donations made by the Youth Justice Agency during the year.

Payment of Suppliers

In line with the Better Payment Practice Code, the Agency's policy is to pay all invoices not in dispute within 30 days, or within agreed contractual terms if otherwise specified (may be over 30 days). The Agency has been set a target to pay 100% of invoices, including disputed invoices once the dispute has been settled, within these terms.

During the year ended 31 March 2006 the Agency paid 96% (2004-2005, 81.97%) of all invoices received within the terms of its payment policy.

Accounting Responsibilities

The financial statements of the Agency have been prepared in accordance with DAO (Gen) 01/06 – the direction issued by Treasury in pursuance of Section 7(2) of the Government Resources and Accounts Act 2000.

Audit

The financial statements of the Agency are audited by the Comptroller and Auditor General (C&AG) who is appointed by statute and reports to Parliament on the audit examination. His certificate is set out in pages 46 - 47. The notional audit fee of these financial statements was £15k (2004-2005, £17k).

The Chief Executive has taken appropriate steps to make himself aware of relevant audit information and to establish that the C&AG is aware of that information. To his knowledge, there is no relevant audit information of which the C&AG is unaware.

The C&AG may also undertake other statutory activities that are not related to the audit of the Agency's financial statements such as Value for Money reports. No such activity took place during the year.

Bill Lockhart

Bill Lockhart
Chief Executive
12 June 2006



MANAGEMENT BOARD REMUNERATION REPORT

Remuneration Policy

The Agency does not have a remuneration committee. Appointments to the Management Board since the creation of the Agency are made in accordance with the Civil Service Commission's general regulations.

The remuneration of the Non-Executive Director is determined by the Chief Executive in consultation with the Director of Corporate Services.

Service Contracts

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

Unless stated below, the Directors of the Youth Justice Agency hold appointments, which are open-ended until they reach the normal retiring age. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

The Non-Executive Director has been appointed for 3 years, renewable by agreement.

Further information about the work of the Civil Service Commissioners can be found at www.civilservicecommissioners.gov.uk.

Bonuses

Bonuses are not payable to the Management Board, with the exception of the Chief Executive who is eligible to receive a bonus as a member of the Senior Civil Service.

Salary & Benefits

Shane Logan received total remuneration of £7,000 (2004-2005, NIL) for his role as Non-Executive Director.

The salary and pension details of the remainder of the Management Board for 2005-2006 are disclosed in the Table overleaf. Salaries include gross salaries and any allowance or performance bonuses payable. The salary range reflects remuneration for the months in office. The Agency did not make any contributions to a Board Member's partnership pension account nor did it pay any compensation or make any award to former members of the Management Board.

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the Inland Revenue as a taxable emolument.



The salary, pension entitlements and taxable benefits of the Youth Justice Agency Management Board for 2005-2006 Financial Year

Board Member	Salary incl perf pay £000 (04/05)	Benefit in kind £00 (04/05)	Real inc in pension and related lump sum at age 60 £000 (04/05)	Total accrued pension at 60 & related lump sum at 31/03/06 £000 (04/05)	CETV at 31/03/05 £000	CETV at 31/03/06 £000	Real increase in CETV after adj for inflation and changes in market investment factors £000	Employer contribution to partnership pension account including risk benefit cover £000
Mr Bill Lockhart Chief Executive	65-70 (50-55)	N/A	0-2.5 (0-2.5) plus lump sum 0-2.5 (0-2.5)	0 (0)	215	285	23	N/A
Mr Artie O'Neill Director Community Services	45-50 (50-55)	N/A	0-2.5 (0-2.5) plus lump sum 0-2.5 (0-2.5)	20-22.5 (20-22.5) plus lump sum 67.5-70 (60-65)	382	417	35	N/A
Mr Martin Gunning Director Corporate Services	45-50 (40-45)	N/A	0-2.5 (0-2.5) plus lump sum 0-2.5 (0-2.5)	17.5-20 (15-20) plus lump sum 52.5-55 (45-50)	272	296	15	N/A
Mr Philip Tooze Director Custodial Services	Consent Withheld	Consent Withheld	Consent Withheld	Consent Withheld	Consent Withheld	Consent Withheld	Consent Withheld	Consent Withheld
Mrs Alice Chapman Director Youth Conference Service	40-45 (40-45)	N/A	0-2.5 (0-2.5) plus lump sum 2.5-5 (0-2.5)	15-17.5 (15-20) plus lump sum 47.5-50 (45-50)	245	278	20	N/A
Mr Shane Logan Non-Executive Director	5-10 (N/A)	N/A	N/A	N/A	N/A	N/A	N/A	N/A



Chief Executive

The Chief Executive received total remuneration excluding pension contributions of £65,807 (2004-2005, £54,313). The Chief Executive is an ordinary member of the Principal Civil Service Pension Scheme (GB).

Pensions

Pension benefits are provided through the Principal Civil Service (PCS) pension arrangements, the Northern Ireland Local Government's Officers' Superannuation Scheme (NILGOSC) and the Teachers' Superannuation Scheme (TSS).

Principal Civil Service Pension Arrangements

From 1 October 2002, civil servants may be in one of three statutory based "final salary" defined benefit schemes (classic, premium and classic plus). The schemes are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, and classic plus are increased annually in line with changes in the Retail Prices Index. New entrants after 1 October 2002 may choose between membership of premium or joining a good quality "money purchase" stakeholder arrangement with a significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium and classic plus. Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic Plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

Further details about the Civil Service Pension arrangements can be found at the website www.civilservicepensions.gov.uk

The Northern Ireland Local Government Officers' Superannuation Committee Scheme (NILGOSC)

This scheme is defined benefits type, and the fund is invested in suitable investments, managed by the Committee. For 2005-2006 the contribution rates were 8.6% employers, and 6% employees.

The pension costs are assessed in accordance with the advice of independent qualified actuaries using the market led approach. The latest actuarial valuations of the scheme were at 31 March 2004.

Teachers' Superannuation Scheme (TSS)

The Teachers' Superannuation Scheme is a contributory scheme administered by the Department of Education. The conditions of the Superannuation (NI) Order 1972, the Teachers' Superannuation Regulations (NI) 1998, and subsequent amendments apply to the scheme. The scheme is presently notionally funded. The rate of the employer's contribution is determined from time to time by the Government actuary and advised by the Department of Finance and Personnel. For 2005-2006 the contribution rates were 14% employers and 6% employees.



Cash Equivalent Transfer Value (CETV)

A CETV is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when a member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-2004 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the CSP arrangements and for which the CS Vote has received a transfer of payment commensurate to the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries.

The Real Increase in the Value of the CETV

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



FINANCIAL REVIEW

Financial Provision & Cash Flow

The Youth Justice Agency is financed as part of the overall Northern Ireland Office (NIO) Departmental Expenditure Limit voted by Parliament. The total cash requirement for the year from NIO was £18,676k (2004-2005, £13,141k).

Resource Costs

The expenditure incurred by the Agency during the year compared to the 2004-2005 and 2003-2004 financial years was as follows.

	2005-2006 £000	2004-2005 £000	2003-2004 £000
Income	(106)	(283)	(356)
Staff Costs	11,945	10,185	8,263
Other Costs	7,142	4,679	4,943
Net Operating Costs	18,981	14,581	12,850

The income of the Agency reduced by £177k (62.5%) in 2005-2006. This was as a result of the Education & Library Boards withdrawing their funding for some of the Community Services projects. The Agency was able to make up this shortfall in funding from within their budget.

During 2005-2006, staff costs increased by £1,760k (17.3%) and other costs by £2,463k (52.3%). This was a result of the Agency's expansion, with two new Community Services projects having been set up and funded and the further roll out of the Youth Conference Service. In addition to its increase in size, the Agency has also taken on direct responsibility for providing additional services which had previously been administered by the core department. These included the provision of services in the prevention area and the expansion of the Bail Support and Remand Fostering schemes for which funding was transferred to the Agency.

From the summer of 2005, 17 year olds came within the Youth Justice system and programmes were developed to meet the specific needs of this age group within existing resources.

Capital Expenditure

Significant capital expenditure of £6,971k was incurred during the year, largely on behalf of the Agency by the NIO Core Department on commencement of construction of a new Juvenile Justice Centre at Rathgael at a cost of £6,560k during 2005-2006. Construction was ongoing at 31 March 2006 and the expenditure has been capitalised in the financial statements as an Asset Under Construction. The Centre is due for completion in 2007 at an estimated total cost of £16.4m.

Details of the movement of fixed assets which also include expenditure on IT and fixtures & fittings and plant & equipment to support the Agency's activities are set out in Notes 6 & 7 to the financial statements.



Financial Position

The total net assets of the Agency at 31 March 2006 were £17,789k representing an increase of £7,345k during the year. This was largely due to the capitalisation of expenditure of £6,560k on the construction of the new Juvenile Justice Centre and the settlement of a large part of the early retirement provision during the year of £1,482k offset by an increase in creditors payable within one year, consisting mainly of the bank overdraft.

	2005-2006 £000	2004-2005 £000	2003-2004 £000
Fixed Assets	19,214	12,796	12,758
Other Assets	403	498	343
Provisions	(354)	(1,905)	(2,214)
Other Liabilities	(1,474)	(945)	(934)
Net Assets	17,789	10,444	9,953

Financial Risk

The Youth Justice Agency relies primarily on the Northern Ireland Office for funding, transacts and holds its assets & liabilities in sterling, and has no significant borrowings. The Agency is therefore not materially exposed to liquidity risk.



ROLE AND TASK

The Agency operates under the terms of a Framework Document which defines the responsibilities of, and the relationship between, the Agency, the NIO, Ministers, and Parliament. The Chief Executive is responsible for the efficient and effective operation of the Agency in accordance with the Framework Document. Youth justice policy is separate from the functions of the Agency and is one of the responsibilities of the Criminal Justice Directorate of the NIO.

The Agency's Management Board is its top management group and focuses primarily on policy, planning and priority setting and monitoring of business performance. The Agency has an Audit Committee, chaired by the Non-Executive Director, which supports the Chief Executive in discharging his Accounting Officer responsibilities in relation to risk, control and governance and associated assurances.

The Chief Executive of the Agency is a member of the NIO Criminal Justice Board, which aims to secure an improved service to the public through better cooperation, coordination and accountability in the administration of the Northern Ireland criminal justice system.

The Agency is concerned with delivering a range of services, often in partnership with others. The emphasis is on helping children to address their offending behaviour, diverting them from crime, assisting their integration into the community and also meeting the needs of the victims of crime. This is achieved through shared standards, protocols and service level agreements.

All the services delivered by the Agency are subject to inspection and review by the Chief Inspector of Criminal Justice. Similarly, these services may be subject to review by the Northern Ireland Commissioner for Children and Young People and the Northern Ireland Human Rights Commission.

There are three operational strands to the service provided by the Agency:

- Community Services
- Youth Conference Service
- Custodial Services.

A Corporate Services Directorate provides for the management and delivery of personnel, finance, business planning and support functions on behalf of the Chief Executive.

Community Services

Community Services is tasked with the provision and delivery of community based interventions with the objective of reducing offending by children and young people. These interventions address family, community and education issues and include all those who have a significant impact on the child's life.

Community Services work closely with young people in custody as well as contributing to the prevention of youth crime through funding and partnership initiatives. Services are delivered from 23 projects across Northern Ireland by multi-disciplinary teams including social workers, teachers and youth workers thus ensuring a multi-modal approach.

Community Services deliver a range of court orders:

- Attendance centre orders;
- Reparation orders;
- Community responsibility orders.



Community Services contributes to the Agency bail strategy by operating the Bail Support and Supervision Scheme and by providing access, in partnership with others, to intensive bail support and to bail fostering. In addition to court ordered work, Community Services accept referrals from Health and Social Services Trusts, the Probation Board for Northern Ireland, the Police Service of Northern Ireland, the Youth Conference Service and the education sector, providing, for each referral, individually tailored programmes. These are designed to challenge and support young people in avoiding offending, encourage integration with their communities and promote restorative principles.

An independent evaluation of Community Services, published in July 2004, concluded that the multi-modal model of practice in use accords with the international research on what works for young people in conflict with the law and appears to be successful in challenging offending behaviour.

Youth Conference Service

The Criminal Justice Review recommended that restorative justice should be integrated into the youth justice system in Northern Ireland, using a youth conference model based in statute. The Youth Conference Service was established in December 2003, initially in the greater Belfast area, and has been subsequently rolled out to Fermanagh and Tyrone in May 2004 and Newry, Banbridge and Armagh in June 2005.

The Youth Conference Service is a restorative approach which brings together the young person, family and victim to discuss the impact of the crime. It offers the young offender the opportunity to make amends to the victim and together they can agree a plan of action which repairs the harm and contributes to the prevention of re-offending. The youth conference is facilitated by a trained youth conference coordinator.

Referrals are received by either of two criminal justice processes:

- Young people who admit their offence and consent can be referred by the Public Prosecution Service for a pre-court diversionary conference
- Those who have appeared before the court, have been found guilty of an offence and have consented will also, in most circumstances, be referred to the Youth Conference Service.

The youth conferencing system focuses on:

- Reparative justice and meeting the needs of victims, so giving them a real place in the youth conference, rather than just regarding it as a means to reform the young person who has offended;
- Rehabilitative justice, where what is important is the prevention of re-offending by the young person, so that the youth conference focuses on offending behaviour;
- Proportionality, rather than pure retributive justice;
- Making amends for the harm done, clearly separating the young person who has offended from the offence and focusing on the potential for reintegrating the young person into the community and on the prevention of re-offending;
- Repairing relationships which have been damaged or broken by crime;
- Devolving power to youth conference participants to create the youth conference and the plan, but requiring subsequent approval for the plan from the court for cases which have gone to court; and
- Encouraging participation by young people who have offended, victims, and significant others in the process.



Custodial Services

The rationalisation of the Juvenile Justice Estate is being taken forward on a phased basis, with the refurbished Juvenile Justice Centre in Bangor now the only juvenile custodial facility in Northern Ireland. A new purpose designed centre is planned to be completed in 2006-2007 and will not only provide an improved physical environment for children in custody, but also the opportunity to enhance educational and supporting programmes.

The existing Centre has a capacity of 40 places for boys and girls who are housed in five residential units including an Intensive Support and Assessment Unit. There is also an education and skills facility and sports and leisure facilities located within the campus.

The aim of the Centre is to provide children sent to custody by the courts with a safe and secure environment, to reduce their offending behaviour and successfully re-integrate them into the community by making a positive contribution to their knowledge, life skills and experience. There is a strong focus on education and enhancing the children's attainments. The programmes addressing the causes of offending behaviour have been greatly strengthened and include victim awareness, anger management, substance abuse, as well as cognitive skills behaviour therapy and the Impact Car Theft Prevention Initiative.

Corporate Services

Corporate Services provide support and advice to the three service delivery directorates on functions such as personnel, finance, payroll, procurement, business planning, information technology and communications. The directorate consists of 4 branches:

- Financial Management Services;
- Personnel;
- Planning & Communications;
- Resource Accounts.

Corporate Services provides a central point of reference for those requiring information about the Agency. It is responsible for the coordination and distribution of Agency publications such as the Corporate and Business Plan; Annual Report and Accounts; Youth Justice Connections magazine; and also maintains the Agency's generic e-mail account and website.



MISSION STATEMENT AND VALUES

The Youth Justice Agency has a mission statement and a set of values. [NOTE: these relate to the 2005-2006 business year but have since been substantially revised for the 2006-2007 business year and beyond.]

MISSION STATEMENT

“Our aim is to prevent offending by children”

We will achieve this by:

- Providing community based services, youth conferencing services, attendance centres and secure custody.
- Working with children sent to us by the courts or referred by other agencies.
- Operating safe, secure and caring environments that address the needs of the child whilst reducing the risk to and from others.
- Coordinated training planning, whether in the community or in custody, linked to effective programmes that help children avoid crime, and supported by community strategies that prevent offending.
- Taking account of the views of victims of crime and using restorative principles in our work.
- Continually evaluating the effectiveness of our work.
- Working in partnership with other statutory and voluntary agencies.

For the children in our care

- The needs of the child will be our most important consideration. We will ensure that their human rights are protected and that they receive the highest standards of care whilst with us.
- We will work to enhance their physical, emotional, psychological, spiritual and educational wellbeing and assist their reintegration into the community.

For victims of crime

- We recognise the rights of victims to redress and will meet these through youth conferencing where the victim will be given a real opportunity to participate.

For our staff

- We will provide a working environment that minimises risk and which enables the provision of a high quality service.
- We will develop and use their talents to best effect in carrying out our work.



VALUES

In seeking to achieve the goals set in our mission statement we will strive for the following values:

Care for children

- Children will be treated with fairness, justice and respect as individuals.
- They will be given reasons for decisions and will be consulted about matters affecting them.
- We will involve their families and others in the community fully in our work with a child.

Respect for victims

- The needs of victims will be respected throughout the youth justice process.

Integrity

- This will be central to all that we do.
- We will meet our legal obligations and attain the best international standards for our children.
- We will always act with honesty and openness, and use the resources provided to us by the taxpayer effectively.

Commitment

- We are committed to the children, their families and communities and to the public.
- We will achieve this by commitment from our staff and to our staff.
- They are our most valuable and important assets.
- They will be enabled to develop and use their abilities to the full, and will be held accountable for their performance.
- Teamwork will be our key operating principle.
- Staff will be treated with fairness, respect and openness.

Innovation and improvement

- These are essential to the success of our work.
- We will embrace change and strive to deliver continuing improvements in quality and efficiency.

Equality

- We are committed to equality of opportunity and treatment and the elimination of discrimination whether this is for reasons of religious beliefs, political opinions, racial groupings, gender, marital status, sexual orientation, disability, age, or having dependants or not.



REVIEW OF PERFORMANCE 2005 – 2006

LOOKING BACK OVER 2005 – 2006

The operation of the Youth Justice Agency and its ability to deliver its programmes of work are directly influenced by the sentencing practice of the courts, the resources available to the Agency and by legislative and policy initiatives, particularly from other parts of the criminal justice system.

The Agency operated in a very demanding environment with a growing volume of major changes and developments within the youth and wider criminal justice system. These included:

- 17 year olds coming under the jurisdiction of the youth court with effect from August 2005;
- The appointment of Northern Ireland's first Minister for Children;
- The development of a Children and Young People's Strategy for Northern Ireland.

At a corporate level, with a view to improving future operational effectiveness and ensuring compliance with statutory responsibilities, the Agency commissioned a number of strategic reviews. These included:

- An evaluation of the Youth Conference Service;
- An independent evaluation of the Bail Supervision and Support Scheme, which embraces the Bail Support Team, the Bail Fostering Scheme and Inside Out – the intensive bail support service;
- A review of 10 to 13 year olds entering custody;
- Parental/family involvement in Agency intervention programmes;
- Mental health needs of young people referred to the Agency;
- Access for young people to mainstream services such as education, health and accommodation.



Bail Fostering Scheme representatives: Marie-Louise Miskelly (Youth Justice Agency); Nadine Kirk (Down Lisburn Trust); John Hunsdale (Extern)



Patricia McKeaveney, Community Services Project Manager and report author, speaking at the official launch of the research report "Review of 10-13 Year Olds Entering Custody".

Furthermore implementation plans are being developed to take forward the findings of the following strategic reviews commissioned in 2004-2005:

- Implementation of an integrated IT structure across the Agency that will support a networked case management system and enable full integration with the Causeway programme
- Rationalisation of the Agency estate.

Other significant policies, procedures and initiatives introduced in 2005-2006 included:

- The launch of “Youth Zone”, an interactive area on the Agency’s website where children can test their skill and knowledge and at the same time learn about the youth justice system in Northern Ireland.
- The introduction of an Agency Child Protection Policy and a Complaints Charter.
- The introduction of an Agency Victims’ Charter.
- Agency representation on the Ministerial Children and Young People’s Sub-Committee established by the Minister for Children.
- Agency representation, at Chief Executive level, on the Community Action Group which is an inter-agency group comprising the Department of Social Development; Community Relations Council; Department of Education; Arts Council; Housing Executive and OFMDFM.



Bill Lockhart, Chief Executive with a young person at the launch of Youth Zone.

In response to feedback obtained through participation in the 2005 Continuous Household Survey for Northern Ireland, a communications strategy was developed and implemented to promote awareness of, and develop confidence in, the role of the Agency and the services it provides to young people, the public, and to criminal justice partners. This included the production and transmission of the Agency’s first ever television advertisement.

HIGHLIGHTS OF THE YEAR

During 2005-2006 highlights included:

- The roll-out of the Youth Conference Service to Newry, Banbridge and Armagh.
- The provision of additional Community Service facilities for Limavady and Lisburn.
- The opening of shared Community Service and Youth Conference Service premises and facilities in Omagh.
- The commencement of construction work on the new purpose designed Juvenile Justice Centre (Phase 2) which will become operational during 2006-2007 and will have a capacity to house 48 young people.
- The publication of an independent evaluation of the youth conference scheme, conducted by the Institute of Criminology and Criminal Justice School of Law at Queens University. The evaluation concluded that conferencing was progressing well and during the period of the research had established as a mainstream approach to young people who come into contact with the criminal justice system. One of the main findings was the high level of participation and satisfaction of offenders and victim with the new system which compares favourably with similar schemes in operation internationally.



- The highly successful hosting of an International Conference on Restorative Conferencing held in Belfast in March 2006 with an opening address by Criminal Justice Minister, David Hanson MP. The conference highlighted best practice in youth restorative practices from a wide range of jurisdictions across the world and showcased to an international audience the excellent work in youth conferencing being undertaken by the Youth Justice Agency.
- Production and transmission of the Agency's first ever television advertisement aimed at raising its public profile.
- An unannounced inspection of the Juvenile Justice Centre by Social Services Inspectorate (SSI) which concluded that "overall the Centre is being well managed and the young people have good opportunity to make use of the amenities, examine their offending behaviour, catch up on education and make representation if they have issues or problems".
- The participation of the Criminal Justice Minister, David Hanson MP, at a Community Services staff conference based upon the theme of working with families.
- Active Agency participation at the Association of Chief Police Officers annual conference.
- Participation in a cross-sectoral working group aimed at reducing delay in the youth justice system.
- Participation, along with other youth and criminal justice organisations, in "Criminal Justice Fortnight" which was aimed at highlighting awareness of the youth and criminal justice systems within Northern Ireland and in particular the service available to young people, their families and to the victims of youth crime.
- Hosting of a restorative justice poetry competition open to all young people attending post primary school or other youth provision.



Bill Lockhart, Chief Executive performs the official opening of the shared Community Services and Youth Conference Service premises and facilities in Omagh.



An aerial view of early construction work at the new Juvenile Justice Centre site



The first ever television advertisement for the Youth Justice Agency aired on the eve of the International Conference on Restorative Conferencing.



Criminal Justice Minister, David Hanson MP delivers the opening address at the International Conference on Restorative Conferencing.



Pictured at the roll out of Youth Conference Service to Newry, Banbridge and Armagh are Aideen McLaughlin, Assistant Director and Alice Chapman, Director.



Criminal Justice Minister, David Hanson MP (centre) with guest speakers at the Community Services staff day.



A young prizewinner of the Restorative Justice Poetry Competition receives her prize from Vincent Bent, Quaker Service Committee N.I. Looking on are Martin McAnallen, Youth Conference Co-ordinator and Janette McKnight, Quaker Service Committee N.I.

PERFORMANCE AGAINST KEY TARGETS

The Minister set ten key targets and these were contained in the Youth Justice Agency Business Plan for 2005–2006. The Agency met nine of its key targets as described below.

KEY BUSINESS AREA	KEY PERFORMANCE TARGET	OUTTURN 2005-2006	OUTTURN 2004-2005
PREVENTION OF OFFENDING	1. All young people sentenced or remanded to the Juvenile Justice Centre for more than one week will have an educational assessment and individual learning plan.	Target Met	Not applicable
	2. 90% of all young people sentenced to custody will commence an approved scheme of tackling offending programme during the custodial element of their sentence.	Target Met In excess of 90%	Not applicable
	3. Achieve 80% completion* in all community orders supervised by the Agency.	Target Met 89.5%	Not applicable
SECURITY	4. No escapes from within the Juvenile Justice Centre.	Target Met During 2005-2006 there were no escapes from within the Juvenile Justice Centre.	No escapes from the Juvenile Justice Centre.
SAFETY	5. Over the year no more than 2% of the total new referrals/admissions to the Agency should be non-accidentally** injured.	Target Met One incident which equates to 0.3% of total new admissions.	One incident in the Juvenile Justice Centre which equates to 0.3%
	6. Over the year no more than 2% of the total members of staff should be non-accidentally** injured while engaged in the work of the Agency.	Target Met Two incidents during the year which equates to 0.5%.	No staff injuries of a serious nature.
	7. No members of the public should be non-accidentally** injured whilst accessing Agency services.	Target Met No incidents during the year.	No incidents occurred.

* Measurement: the number of orders actually completed as a percentage of those due to be completed during the period in question.

**Definition: 'When the victim has sustained an injury resulting in his death, or his detention in hospital as an inpatient, or any of the following injuries whether or not detained in hospital:- fractures, concussion, internal injuries, crushing, severe cuts or lacerations, severe bruising, burns or scalds, broken teeth, or severe general shock requiring medical treatment.'



<p>DELIVERING RESULTS THROUGH STAFF</p>	<p>8. Deliver at least 75% of the planned training days specified in the Corporate Training Priorities Plan for 2005-2006.</p>	<p>Target Not Met 56% achieved. Shortfall was due largely to operational requirements at the Juvenile Justice Centre.</p>	<p>78% of the planned training days delivered.</p>
<p>MANAGING RESOURCES & PROMOTING SERVICES</p>	<p>9. Agency expenditure is within approved budgetary limits.</p> <p>10. Achieve a victim participation rate of at least 50% at youth conferences.</p>	<p>Target Met</p> <p>Target Met 69% victim attendance.</p>	<p>Expenditure within approved budgetary limits.</p> <p>Not applicable.</p>



PERFORMANCE AGAINST DEVELOPMENT OBJECTIVES

The Business Plan for 2005–2006 also set out a comprehensive and challenging programme of 17 development objectives for the Agency, all of which were met. The following chart provides a performance report against each objective.

KEY BUSINESS AREA	DEVELOPMENT OBJECTIVE	PERFORMANCE REPORT
PREVENTION OF OFFENDING	1. Arrange for Community Services' facilities in Limavady and Lisburn.	Objective Met Limavady: Service established and provided from Foyle office. Extent of service required is being evaluated. Lisburn: Service established and operated from temporary accommodation in Whitefield building. New premises agreed.
	2. Extend the Youth Conference Service to Newry, Banbridge and Armagh.	Objective Met Operational from 6 June 2005.
	3. Ensure that 90% of all young people sentenced or remanded to the Juvenile Justice Centre for more than one week will be linked to a local Community Services Project for Bail Support, Remand Fostering, or preventative services.	Objective Met Information regarding all new admissions passed to Community Services on reception, Community Services invited to attend all case reviews. 100% referral at year end.
	4. Design and pilot a range of interventions to meet the specific needs of 17 year olds coming within the youth justice system from the summer of 2005 onwards.	Objective Met Achieved within existing resources.
	5. Develop an additional agreed tackling offending programme for use both in custody and in the community.	Objective Met Family work in custody being developed through Community Services. A new programme has been developed, further discussion regarding roll-out taking place.
	6. Develop a strategy for improving parental/family involvement in Agency intervention programmes.	Objective Met Model of Practice has been implemented and family involvement increased.
	7. Develop a strategy for keeping 10-13 year olds out of custody.	Objective Met Report on the review of 10-13 year olds in custody was published in November and launched on 3 March 2006.
SECURITY	8. Participate fully in the Phase 2 Juvenile Justice Centre development to ensure improved levels of security.	Objective Met Final business case agreed and approved with financial close having occurred at end of August. Building programme fully underway. Change process has commenced.



KEY BUSINESS AREA	DEVELOPMENT OBJECTIVE	PERFORMANCE REPORT
SAFETY	<p>9. Ensure that Agency management is represented on Area Child Protection Committees.</p> <p>10. Research and develop a strategy to meet the mental health needs of young people referred to the Agency.</p>	<p>Objective Met Agency represented on all four committees.</p> <p>Objective Met Strategy has now been drafted and is out for consultation.</p>
DELIVERING RESULTS THROUGH STAFF	<p>11. Introduce new staff performance management system and personal development plans across the Agency.</p> <p>12. Carry out a survey across the Agency to ensure that the views of staff are taken into account in the development of relevant policies.</p>	<p>Objective Met Implemented with effect from 1 April 2006.</p> <p>Objective Met Staff survey completed in November 2005. Results analysed in December 2005 and action plans prepared.</p>
MANAGING RESOURCES & PROMOTING SERVICES	<p>13. Deliver a programme to promote awareness of and develop confidence in the work of the Agency in relation to the public and criminal justice partners.</p> <p>14. Develop a networked IT infrastructure across the Agency, on a phased basis, which will support an integrated case management system and facilitate the extension of the NIO Causeway Programme.</p> <p>15. Produce a plan to implement the agreed findings of the strategic review of the Agency estate.</p> <p>16. Develop a strategy to improve access for young people to mainstream services such as education, health, and accommodation.</p> <p>17. Participate in a cross-sectoral working group aimed at reducing delay in the youth justice system.</p>	<p>Objective Met A communications strategy has been developed and a range of supporting activities have been delivered.</p> <p>Objective Met Implementation to begin in 2006-2007 subject to necessary funding being secured. Approval received for gaining access to Causeway Criminal Record Viewer - implementation to be completed during April 2006.</p> <p>Objective Met Strategic review of the Agency estate completed and implementation plan agreed.</p> <p>Objective Met Strategy is now encompassed under “Delivering Positive Outcomes for Young People” in the Agency Corporate Plan 2006-2009. Community Services leading a consortium of all four Children and Young People’s Committees on youth justice to develop a strategy for prevention of offending by children through improving access to universal services.</p> <p>Objective Met Youth Justice mapping exercise started.</p>

COMMUNITY SERVICES REVIEW

2005-2006 saw the completion of roll-out of Community Services across the jurisdiction. This brings the number of service delivery centres to 23 with the inclusion this year of Limavady and Lisburn. As can be seen from the statistics (Appendix 1) during the year Community Services were involved with in excess of one thousand young people. This is a landmark figure and demonstrates the commitment of the directorate to providing appropriate levels of intervention at the right place at the right time.

Staffing has been strengthened by the addition of teachers, youth workers, social workers, a training manager and administration staff. In particular this year the expansion of the senior management team through the appointment of two new Assistant Directors has enabled a structural reorganisation to meet the accountability and supervisory requirements of the Agency.

Two staff days were held to develop Community Services commitment to working with families and to engaging with the community. The former was opened by the Justice Minister David Hanson and the latter by Dr Duncan Morrow, Chief Executive of the Community Relations Council.

The report "Review of 10-13 year olds Entering Custody"¹ published and launched in March 2006 has had a significant impact on the care and justice systems. Work has begun on a strategy for the prevention of offending by children commissioned by the Chairs of the four Children and Young People's Committees. An emphasis on practice standards has impacted on the quality of work and led to greater consistency of service delivery across the projects.

Community Services has taken responsibility for the youth justice system's investment in early intervention and has thus an enhanced capability to deliver appropriate services. The two "Strength to Strength" projects in Lisburn and North Down show early signs of effectiveness. The Bail Support Strategy continues to have a significant impact and, as its evaluation comes to a conclusion, there is evidence of much that is positive to build on in the future.

The Estates review conducted during the year has provided a baseline for the development of the Community Services infrastructure and establishes youth justice alongside its partners in social services and education and confirms our model of community based services.

Caseload 2005-2006

In 2005-2006 Community Services worked with 1107 children and young people - 381 on caseload on 1 April 2005 and 726 new admissions in the course of the year. These figures show a continuing year on year increase partially explained by the increase in accessibility but also by the inclusion of 17 year olds within the youth justice system. Seventy seven young people aged over 16 were admitted this year.

The overwhelming majority of children were referred by Courts and justice agencies (62%) while a still significant number were referred by colleagues in Health and Social Services (27%) and Education (6%) as a preventative measure, thus illustrating the continuing role of the Community Services in working both with children known to have offended and with children vulnerable to offending. A notable feature has been a number of self-referrals by families (30 cases).

A breakdown of caseload by project can be found at Appendix 1.



Duncan Morrow, Chief Executive of the Community Relations Council (4th from right), with guest speakers at the Community Services staff day



Pictured at the launch of the report is (L-R): Patricia McKeaveney, Project Manager, Tony Kavanagh, Youth Justice Policy Unit, Lisa Higgins, Youth Justice Policy Unit, Artie O'Neill, Director of Community Services.

¹ "Review of 10-13 year olds entering custody January 2003 - August 2004" McKeaveney, P (2005) Youth Justice Agency



YOUTH CONFERENCE SERVICE REVIEW

The Youth Conference Service received 444 referrals during 2005-2006 and 299 youth conference plans were approved by the Courts or Public Prosecution Service. Of plans due to complete during 2005-2006, the completion rate was 95% with the remaining 5% breached for non-compliance. Victim attendance during the year was 69%.

Youth Conferences were delivered in the areas of Belfast, Fermanagh and Tyrone, Armagh, Newry and Banbridge to young people and children who offended aged 10-17.

An increasing number of conferences had in attendance representation from the community either by neighbourhood or community of interest. These included representatives of ethnic minorities, older people, disabled, gay organisations, fire service, the business and faith community.



Alice Chapman, Director of Youth Conference Service speaking at the International Conference on Restorative Conferencing.

A range of programme providers delivered reparation in the community as requested by victims in the conferences, for example, community, animal protection, conservation organisations and sports organisations.

One of the major successes of the Youth Conference Service during 2005 has been the success of coordinators in engaging victims in the process. Victim attendance and participation rates have remained high throughout the year and the feedback from victims given to the interim evaluation stressed their satisfaction with the process and their willingness to recommend youth conferencing to other victims.

March 2006 saw the publication of the Queens University Belfast evaluation of the Youth Conference Service. It recognised the Youth Conference Service 'when compared to similar schemes internationally, victim participation in conferences is high at 69%'. The evaluation now places the youth conference on an international achievement of a leader in youth restorative justice:

- all victims and vast majority of offenders were happy with information received before the conference;
- vast majority of offenders (91%) and victims (89%) thought the plan fair or very fair to the offender;
- vast majority of offenders (90) and victims (81) thought the plan fair or very fair to the victim;
- all victims said they would recommend conferencing to other victims.

Success is due to a competent trained workforce. In March the Youth Conference Coordinators became the first in Europe to receive a post graduate certificate in restorative practices awarded by the University of Ulster.

March also saw the successful International conference in youth restorative justice in Belfast with speakers from a variety of countries delivering similar schemes.

The year saw the achievement of a variety of awareness seminars including the judiciary, law society, schools, PSNI, conferences in the UK, the business community, social workers and other practitioners.



Pictured at the launch of the Queens University Belfast evaluation of the Youth Conference Service is (L-R): Bill Lockhart, Chief Executive, Criminal Justice Minister, David Hanson and Chief District Court Judge from New Zealand, David Carruthers.



Donna Traynor, BBC Presenter, with Youth Conference Service staff at the International Conference

Actual Case Study

“Matt”, aged 13 was convicted of a serious assault on a younger boy which resulted in the victim sustaining a fractured wrist. The incident had arisen after the boys who were from different schools had got off their respective buses. The assault took place in the main street of the town in front of a range of shoppers, residents and other school children.

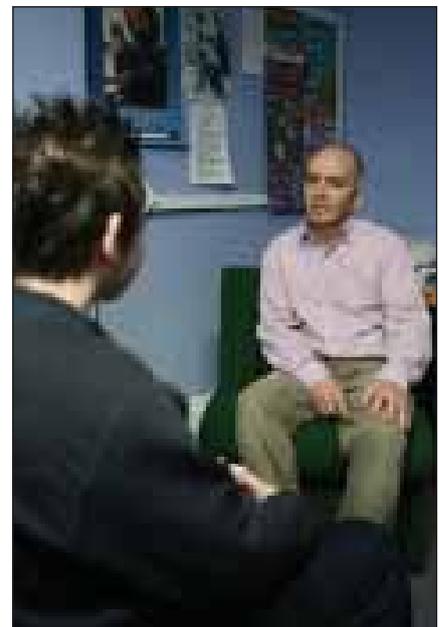
“Matt” agreed to participate in a court-ordered Youth Conference and the coordinator liaised with the young victim and his mother. The victim did not wish to attend the conference face to face and instead chose to write an account of how the assault had affected them and during the conference those feelings were relayed to “Matt” and his mother. “Matt” heard how this incident had impacted on the young person and of both the physical and emotional hurt caused by this offence. The victim wanted a guarantee that he would not be harmed by the young person again and asked that “Matt” demonstrate his sincerity through making a financial contribution to him for damage caused to his clothing as a result of this attack. The school was involved in this process too and “Matt” heard how his school aims to challenge bullying both inside and outside the premises.

“Matt” wrote a letter of apology to his victim in which he reassured him that what he had done would not happen again and he also agreed to undertake a programme of individual work to address his behaviour. The victim too had been very scared by this incident and was given support and guidance as where to access ongoing support and counselling services to meet his needs.

As part of his Youth Conference Order, “Matt” agreed to abide by restrictions regarding times to come home and his mother commented that this was particularly positive. “Matt now comes home at the right time. He used to hang around with other lads aged 16 or 17 and they used to set him up to fight someone. He doesn’t mix with these older lads now and only sees friends his own age. I hope he’ll now stay out of trouble.”

“Matt” too has spoken about the benefits of his Youth Conference Order and in his sessions with a counsellor he has been able to look at issues around resisting peer pressure and not reacting and losing his temper. “I try to think before I act.”

“Matt” has completed a six month Order and on reviewing “Matt’s” progress the coordinator has witnessed a change in him over this period. “The Youth Conference allowed “Matt” to gain an awareness of the consequences of his actions on the victim and the victim’s family. He has learnt coping mechanisms to deal with situations and through an individual programme of work he has learnt to change his behaviour”. “Matt” agreed to write up an article for his local paper about the impact of bullying and how young people can seek help if they are being bullied, so hopefully other young people who may be victims of assault or bullying can feel confident in approaching organisations who can help.



Gerard Preshur, counsellor, chats with “Matt”.
Photograph courtesy of Banbridge Chronicle.



CUSTODIAL SERVICES REVIEW

Following on from the successes of the past year, the Juvenile Justice Centre for Northern Ireland (JJCNI) continues to develop its services for young people who have been committed or remanded.

In line with business targets, JJCNI had no escapes from the Centre. JJCNI has generated a business target of ensuring the safe and appropriate use of custody and will strive to monitor admissions to custody.

The table below shows 413 admissions to custody during 2005-2006 including Police and Criminal Evidence (NI) Order 1989 (P.A.C.E.), Remand and Committal. While Remand and Committal numbers have remained similar, JJCNI has worked in partnership with the Police Service for Northern Ireland to reduce the number of young people coming into the Centre on P.A.C.E. Inappropriate P.A.C.E. placements for very young people have been reduced and JJCNI will continue to monitor this situation. A detailed analysis of admissions can be found at Appendix 3.

Status	Admissions 2003-2004	Admissions 2004-2005	Admissions 2005-2006
P.A.C.E.	184	197	134
REMAND	176	216	223
COMMITTAL	45	51	56
TOTAL	405	464	413

As in previous years the variation in admission status and monthly fluctuations is an ongoing problem. During 2005-2006 JJCNI has worked with Criminal Justice Inspectorate in relation to 'delay' and with Social Services Inspectorate in relation to high numbers of young people who are remanded to custody but are from a Care background and are 'Looked After Children'.

The building of the new Juvenile Justice Centre has continued and is due to open in January 2007. All levels of staff have been involved in the process of preparing for the move.

The Change Process and Task Group Strategy has involved over 40 staff with additional staff being invited to contribute as and when their specialist knowledge was required. Information events were held to update staff on the progress of the building along with regular newsletters. Key staff have visited other Centres throughout Great Britain to help plan the change process.



An artist's impression of the new Juvenile Justice Centre

A group of staff twice 'tested' the sample bedroom which has allowed us to test furniture and equipment. They have made recommendations as to how to improve what goes into the Centre in terms of safety and security.

Include Youth, a young persons organisation, has worked proactively with young people and staff on a range of themes which have included discussions about the new build and young people's issues.

The Northern Ireland Human Rights Commission completed a follow up visit to their report 'In Our Care'. They are due to publish their findings shortly.

An innovative development with the Fire and Rescue Service for Northern Ireland was introduced in 2005. An individualised 'fire-setters' programme is now being offered to young people within the Centre. Young People have the opportunity to engage in the 'LIFE' programme. This programme is specifically developed by the Fire and Rescue Service to build self-esteem with young people learning some of the skills of a regular fire fighter.

Young people gain confidence, develop team building skills, communication skills, decision making, citizenship, and become aware of the consequences of setting fires.

Achievements by young people remains a priority for all staff within the Centre. Young people continue to work on AQA domestic training programmes within the house units. They continue to be engaged in offending programmes, moral reasoning, conflict resolution, and anger management – all designed to prepare and support young people’s return to the community. New qualifications in areas such as Healthy Life Styles; Music Decks Mixing Skills; Oppression and Discrimination were added to the Centre’s curriculum menu and these have been delivered within the house units and in the Youth Club.



Young people working towards their Healthy Lifestyles qualification at the Juvenile Justice Centre.

Three psychiatric nurses appointed to the Health Care Team are helping to deliver the Youth Justice Agency’s mental health strategy, and are also piloting a mental health screening tool. The work they are doing complements the existing psychologist and medical services.

Within education young people continue to work purposefully and excel. A development within the formal curriculum has been the inclusion of ‘essential skills’ and ‘occupational skills’ as part of a strategy to enhance employability.

Outside the formal curriculum young people have been involved with the Prison Arts Foundation and have taken part in a programme of ‘Circus Skills’. This has been running for ten months and there have been a number of performances by young people, these have proved a great success both with young people and invited guests.

Additionally, JJCNI hosted the world premiere of a film - ‘The Big One’. A joint project which lasted five months between school and House 7, four young people were enabled to write a script, produce and direct the film, and organise an Oscar ceremony when family and staff attended.



Teacher Stevie Lee and a young person from the Juvenile Justice Centre during filming of “The Big One”.

As part of the Chaplain’s strategy of ‘Thinking About Others’ and to raise awareness and empathy, the young people hosted a ‘circus skills’ performance for Balloo Adult Learning and Training Centre. The 35 visitors and their carers thoroughly enjoyed the young people’s performances in stilt walking, Diablo, juggling. Afterwards guests and performers enjoyed refreshments prepared and served by young people from the Centre. The event was made more memorable by the positive behaviour and obvious pleasure gained by our young people who delivered to this special and appreciative audience. This event was also used as part of the young people’s service component for the Duke of Edinburgh Award.

The Duke of Edinburgh Award Scheme has been further embedded into the work of the Centre. Ten staff completed their leader’s award.

Additionally JJCNI staff have completed a range of in-service training and mandatory Agency corporate training. Of note, five staff completed their Diploma in Social Work (work-based route) and over ten staff have completed their NVQ III award in Criminal Justice.



Young people taking part in the Circus Skills programme at the Juvenile Justice Centre perform for visitors from the local Balloo Adult Learning and Training Centre.



JJCNi has introduced a Healthy Life Styles Strategy in relation to the food, menus and the dietary requirements of young people in unit living. Even the tuck shop was affected by this strategy and young people are now beginning to understand why maintaining a healthy lifestyle and healthy choices is important – but they still want their chips.

The Director and nineteen staff (fourteen JJCNi and five YJA Abbey Project) trained and ran relay teams in the Belfast City marathon, raising money for Autism (NI). Paralleling this on the day young people and staff across JJCNi ran laps of the football pitch to complete a marathon. An elite team of young people ran to match the time of the best staff teams. In that time young people covered 46 miles and not 26 miles.

JJCNi in partnership with NIACRO are piloting a ‘Parents Group’ in Belfast. Reports indicate that this has been a useful experience for the participants. As a direct result of this NIACRO intend to expand their service provision and partnerships with the Centre.



The Youth Justice Agency team who competed in the Belfast City marathon.

SUSTAINABILITY REPORT

The design and procurement of the new Juvenile Justice Centre for Northern Ireland has from the outset sought to minimise the immediate and long term impacts on the local and wider environment. This has been evident at all stages of the Project and will continue to inform decision making as the Project proceeds towards completion and the Centre becomes operational.

Key policies included in the Invitation to Tender document have reinforced the need to conserve resources and reduce pollution and ensure sustainability in the construction as it impacts on the environment, Home Office Greening Operations Policy (revised 2002).

The important issue of timber procurement is addressed under a commitment to the Convention on International Trade in Endangered Species of Wild Flora and Fauna (CITES).

The assessment of the design for the new Centre ensured that the building itself not only complies with all modern standards but its position on the site does not impact adversely on the local ecosystem. Indeed the landscaping proposed for the new Centre will complement the immediate environment.

Use of modern technologies such as Building Energy Management Systems allow flexibility of use but also valuable reporting options that will monitor and help optimise energy use.

Overall, the new Centre will have been designed, sited, constructed and managed to promote sustainable development and be well placed to take advantages of future developments that may improve its performance in this critical area.



LOOKING FORWARD TO 2006-2007

The Agency will build upon the achievements of its first three years and focus on organisation development, evaluation of services provided including location and use of facilities, and enhancing public awareness of the services it provides. The Corporate Plan 2006-2009 and Business Plan 2006-2007 is the product of a fundamental review of the Agency's key priorities over the next three years. As the Agency has now been in existence for the past three years it was seen as an opportune time to carry out this review.

The main developments planned for 2006-2007 include:

- The further roll-out of the Youth Conference Service to cover all Youth Courts in Northern Ireland.
- The new purpose designed Juvenile Justice Centre (Phase 2) which will become operational during the year.
- Investment in a prevention strategy in cooperation with Children and Young Peoples Committees.
- The development and delivery of a range of specialist programmes to meet the complex needs of 17 year olds.
- The achievement of Investor in People accreditation by March 2007.
- Integration with the NIO Causeway Programme.
- Implementation of a networked IT infrastructure across the Agency to support an integrated case management system.
- Implementation of a revised brand architecture for the Agency.



Noel Thompson, BBC Presenter, with guest speakers at the Corporate Planning workshop – February 2006

The key performance targets set by the Minister for 2006-2007 are given below:

KEY BUSINESS AREA	KEY PERFORMANCE TARGET FOR 2006-2007
REDUCING OFFENDING	1. Contribute towards the delivery of the NIO PSA target to reduce domestic burglary by 15% by April 2007 and reduce theft of and from vehicles by 10% by April 2007.
INCREASING CONFIDENCE IN THE YOUTH JUSTICE AGENCY	2. Develop 50 new partnership working arrangements with local community groups across Northern Ireland to reduce crime, promote the work of the Agency and build confidence.
DEVELOPING RESTORATIVE JUSTICE	3. Achieve an offender participation rate of 80% and satisfaction rate of 70% in youth conferences. 4. Achieve a victim participation rate of 60% and satisfaction rate of 75% in youth conferences.
DELIVERING POSITIVE OUTCOMES FOR YOUNG PEOPLE	5. Establish a system to measure outcomes for young people and their families.
ENSURING SAFE AND APPROPRIATE USE OF CUSTODY	6. All new admissions have a risk assessment conducted within 24 hours. 7. No high risk escapes from the Juvenile Justice Centre. 8. 90% of young people remanded by the Courts to have a bail assessment completed within 7 days.
MANAGING RESOURCES	9. Achieve Investor in People accreditation by March 2007. 10. Maintain expenditure within approved budgetary limits.

A further 23 development objectives have also been set for 2006-2007. Details of these can be found in the Agency's Corporate and Business Plan 2006-2009 which was published on 13 June 2006. Copies may be obtained via the publications section of the Agency website: www.youthjusticeagencyni.gov.uk



APPENDIX I CASELOAD BY COMMUNITY SERVICES PROJECT

2005-2006 REFERRALS, ADMISSIONS & DISCHARGES					
Project	No of Existing Cases at 1 April 2005	New Referrals Accepted 2005-2006	Total Casework for Year 2005-2006	Cases Discharged during 2005-2006	No of Existing Cases at 31 March 2006
Abbey, Bangor	16	34	50	30	20
Antrim	13	17	30	13	17
Armagh	21	43	64	41	23
Ballymena	45	39	84	38	46
Banbridge	17	18	35	24	11
Coleraine	8	17	25	15	10
Craigbann	22	32	54	42	12
Down	11	23	34	19	15
Enniskillen	18	35	53	28	25
Foyle	12	70	82	41	41
Larne	3	26	29	13	16
Lisburn	0	24	24	9	15
Mid Ulster	10	21	31	16	15
Newry	24	32	56	32	24
Newtownabbey	21	31	52	39	13
Northside	20	53	73	44	29
Omagh	12	32	44	30	14
Outerwest	17	34	51	36	15
South	18	26	44	25	19
Strabane	0	14	14	7	7
Towers	22	23	45	20	25
Westside	26	44	70	48	22
WEB	25	38	63	31	32
Total for Year	381	726	1107	641	466

[Note - care should be taken not to make direct comparisons between Community Services Projects on the basis of these statistics since there are a number of local variable factors which differentiate between them including environmental factors (differing geographical areas covered); differing project sizes and staffing levels; not all projects have been in operation for the full business year; etc]



APPENDIX 1 SOURCE OF REFERRALS 2005-2006

Attendance Centre Orders	140
Community Responsibility Orders	47
Reparation Orders	5
Youth Conference Plans and Orders	78
Other Justice Agencies	182
Health and Social Services	198
Education Services	46
Self Referrals	30
TOTAL	726

APPENDIX 2 REFERRALS TO YOUTH CONFERENCE SERVICE

PLANS APPROVED BY AREA AND SOURCE APRIL 2005–MARCH 2006

	Diversionary	Court	Total
Belfast	43	99	142
Fermanagh and Tyrone	33	82	115
Banbridge, Armagh, Newry	13	29	42
Total	89	210	299

REVOCATIONS BY AREA AND SOURCE APRIL 2005-MARCH 2006

Belfast	Diversionary	Plans revoked	2
	Court	Orders revoked	2
Fermanagh and Tyrone	Diversionary	Plans revoked	0
	Court	Orders revoked	6
Banbridge, Armagh, Newry	Diversionary	Plans revoked	0
	Court	Orders revoked	0



APPENDIX 3 ANALYSIS OF ADMISSIONS TO CUSTODY 2005-2006

ADMISSIONS TO CUSTODY BY STATUS FROM 1 APRIL 2005-31 MARCH 2006

Status	Admissions
P.A.C.E	134
Remand	223
Committal	56

ADMISSIONS TO CUSTODY BY STATUS AND MONTH OF ADMISSION 1 APRIL 2005-31 MARCH 2006

Status	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Total
P.A.C.E.	4	7	14	13	16	10	8	8	8	12	21	13	134
Remand	21	14	16	21	24	25	19	15	10	14	24	20	223
Committal	7	3	6	6	5	6	5	0	5	3	8	2	56

ADMISSIONS BY STATUS AND SEX FROM 1 APRIL 2005-31 MARCH 2006

Status	Male	Female	Total
P.A.C.E.	112	22	134
Remand	190	33	223
Committal	52	4	56



APPENDIX 4 RECRUITMENT AND SELECTION CODE OF PRACTICE

The Youth Justice Agency has systems in place to ensure that selection for appointment is made in accordance with the Civil Service Commissioners for Northern Ireland recruitment code.

All applicants are considered systematically against the Agency's recruitment practices and in line with published suitability criteria. The recruitment systems are evaluated on a regular basis to ensure they meet with the Commissioners' guidelines and are in line with best practice as recommended by the Chartered Institute of Personnel & Development and the Equality Commission.

No appointments were made under regulation 3 of the Commissioners' general regulations.

A statistical summary follows of the applicants' and appointees' religious affiliation and gender for the following recruitment campaigns:

- Assistant Director – Community Services
- Night Manager
- Project Worker
- Vocational Skills Teacher
- General Subjects Teacher
- Catering Assistant (2 competitions)
- Staff Nurse
- Relief Careworker
- Assistant Director – Youth Conference Service
- Careworker
- Social Worker
- Training & Development Officer
- PE & General Subjects Teacher
- Driver
- Domestic Assistant
- Cook
- Youth Conference Coordinator (2 competitions)

APPLICANTS		APPOINTEES	
Religious Affiliation		Religious Affiliation	
Protestant	224	Protestant	15
Roman Catholic	186	Roman Catholic	20
Non-determined	80	Non-determined	5
Total	490	Total	40

Gender		Gender	
Male	235	Male	20
Female	255	Female	20
Total	490	Total	40

The Religious affiliation and gender breakdown of the workforce within the Youth Justice Agency is provided to Department of Finance and Personnel.



APPENDIX 5 ADDRESSES AND CONTACT DETAILS

Telephone: 028 9031 6400
Website: www.youthjusticeagencyni.gov.uk
E-mail: info@yjani.gov.uk

Corporate Services and Chief Executive

41-43 Waring Street
BELFAST
BT1 2DY
Telephone: (028) 9031 6452

Community Services Headquarters

41-43 Waring Street
BELFAST
BT1 2DY
Telephone: (028) 9031 6477

Youth Conference Service Headquarters

41-43 Waring Street
BELFAST
BT1 2DY
Telephone: (028) 9031 6418

Juvenile Justice Centre for Northern Ireland

School Avenue
BANGOR
BT19 1TB
Telephone: (028) 9127 2244

Community Services Centres

Youth Justice Community Services Andersonstown and Colin

2 The Hawthorns
BELFAST
BT10 0NR
Telephone: (028) 9030 1611

Youth Justice Community Services Antrim

10A Dublin Road
ANTRIM
BT41 4EA
Telephone: (028) 9448 7556

Youth Justice Community Services Armagh & Dungannon

15 Abbey Street
ARMAGH
BT61 7DX
Telephone: (028) 3751 0122

Youth Justice Community Services Ballymena

2 Broadway Avenue
BALLYMENA
BT43 7AA
Telephone: (028) 2563 8288

Youth Justice Community Services Banbridge

15 Castlewellan Road
BANBRIDGE
BT32 4AX
Telephone: (028) 4066 0884

Youth Justice Community Services Bangor

54 Abbey Street
BANGOR
BT20 4JB
Telephone: (028) 9146 4577

Youth Justice Community Services Coleraine

The Sandal Centre
Knocklyn Road
COLERAINE
BT52 1WT
Telephone: (028) 7032 9346

Youth Justice Community Services Craigavon

Unit 7 Legahory Centre
Brownlow
CRAIGAVON
BT65 5BE
Telephone: (028) 3834 4257

Youth Justice Community Services Downpatrick

13A English Street
DOWNPATRICK
BT30 6AB
Telephone: (028) 4461 2817

Youth Justice Community Services East Belfast

8 Library Court
Upper Newtownards Road
BELFAST
BT4 3EY
Telephone: (028) 9065 2440

Youth Justice Community Services Enniskillen

18A Shore Road
ENNISKILLEN
BT74 7EF
Telephone: (028) 6632 0560



Youth Justice Community Services Falls

471 Falls Road
BELFAST
BT12 6DD
Telephone: (028) 9024 5858

Youth Justice Community Services Foyle

4th Floor
Embassy Building
Strand Road
LONDONDERRY
BT48 7BH
Telephone: (028) 7136 5593

Youth Justice Community Services Larne

41 Point Street
LARNE
BT40 1HU
Telephone: 07717 732115 (temp)

Youth Justice Community Services Lisburn

2 The Hawthorns
BELFAST
BT10 0NR
Telephone: (028) 9030 1611

Youth Justice Community Services Magherafelt

9A Broad Street
MAGHERAFELT
BT45 6EB
Telephone: (028) 7963 4943

Youth Justice Community Services Newry

14A The Mall
NEWRY
BT34 1BJ
Telephone: (028) 3025 1115

**Youth Justice Community Services Newtownabbey
& Carrickfergus**

The Norah Bain 'A' House
Whiteabbey Hospital
Doagh Road
NEWTOWNABBEY
BT37 9RH
Telephone: (028) 9086 2990

Youth Justice Community Services Newtownards

19 Mill Street
NEWTOWNARDS
BT23 4LU
Telephone: (028) 9182 0611

Youth Justice Community Services North Belfast

171-179 Duncairn Gardens
BELFAST
BT15 2GE
Telephone: (028) 9035 1982

Youth Justice Community Services Omagh

1st Floor
Anderson House
Market Street
OMAGH
BT78 1EE
Telephone: (028) 8225 2398

Youth Justice Community Services South Belfast

2 The Hawthorns
BELFAST
BT10 0NR
Telephone: (028) 9030 1611

Youth Justice Community Services Strabane

4th Floor
Embassy Building
Strand Road
LONDONDERRY
BT48 7BH
Telephone: (028) 7136 5593

Youth Conference Service Centres

Youth Conference Service - Belfast Area

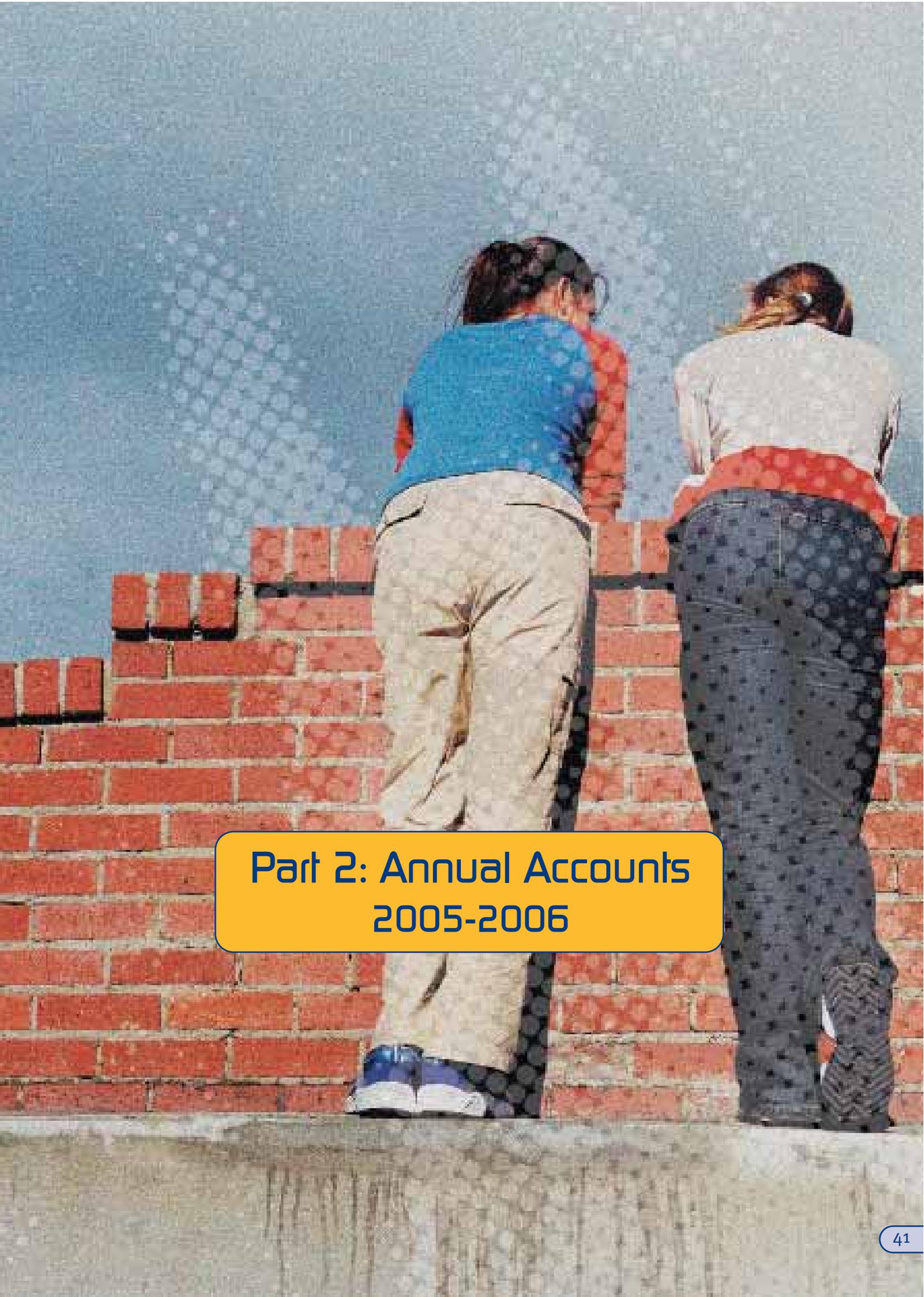
41-43 Waring Street
BELFAST
BT1 2DY
Telephone: (028) 9031 6418

Youth Conference Service - South East

15 Castlewellan Road
BANBRIDGE
BT32 4AX
Telephone: (028) 4062 9158

Youth Conference Service - South West

1st Floor
Anderson House
Market Street
OMAGH
BT78 1EH
Telephone: (028) 8225 9313



Part 2: Annual Accounts 2005-2006



STATEMENT OF AGENCY'S AND CHIEF EXECUTIVE'S RESPONSIBILITIES

- (i) Under Section 7 of the Government Resources and Accounts Act 2000, Treasury has directed the Youth Justice Agency of Northern Ireland to prepare a statement of account for the financial year ended 31 March 2006 in the form and on the basis set out in its accounts direction. 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 income and expenditure, recognised gains and losses and cash flows for the financial year.
- (ii) In preparing the accounts the Agency is required to:
- Observe the accounts direction issued by 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.
- (iii) The Accounting Officer of the Northern Ireland Office has designated the Chief Executive of the Youth Justice Agency of Northern Ireland as the Accounting Officer for the Agency. The relevant responsibilities as Agency 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 Officer's Memorandum, issued by Treasury.



STATEMENT OF INTERNAL CONTROL

1. Scope of Responsibilities

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

The Youth Justice Agency was launched as an Executive Agency, as recommended in the Criminal Justice Review on 1 April 2003. It replaced the former Juvenile Justice Board, a Non-Departmental Public Body, and is one of four agencies established within the Northern Ireland Office.

I am supported by the Management Board of the Agency which consists of the Director of each of the four directorates of the Agency – Youth Conference Service, Community Services, Custodial Provision and Corporate Services and a Non-Executive Director.

The Agency's Audit Committee is chaired by the Non-Executive Director and the other members are:

- The Chief Executive
- The Director of Corporate Services
- The Director of Custodial Services
- The Director of the Youth Conference Service
- The Director of Community Services
- Head of Financial Management Services for the Agency

The NIO Internal Audit and the Northern Ireland Audit Office are also represented.

The Audit Committee operates under the agreed Terms of Reference below which are reviewed as and when required.

Role of Audit Committee

To support the Accounting Officer with his responsibilities for issues of risk, control, governance and associated assurances.

Objectives of the Audit Committee

To advise the Accounting Officer on:

- The Agency's risk management process and preparation and updating of the risk management framework.
- The adequacy of arrangements for internal control and risk management including the preparation of the Statement of Internal Control.
- The accounting policies, the accounts and the annual report of the organisation, including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors.
- Planned activity of internal audit and external audit.
- The results of internal and external audit activity including ensuring appropriate action has been taken.
- Assurances relating to the corporate governance requirements for the organisation.

A Risk Management Framework for the Agency has been produced, taking into account the findings of the Agency review of risk and management assurance. This framework has been accepted by the Audit Committee, and has been adopted throughout the Agency.

The framework has taken into account recommendations made by Internal Audit arising from their completed audits for the Agency.

2. Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Agency's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Youth Justice Agency for the year ended 31 March 2006 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

3. Capacity to Handle Risk

The management of risk is driven by the Youth Justice Agency's Management Board and Audit Committee:

- The Chief Executive and Directors are responsible for risk management within their areas;
- Each quarter the Management Board and Audit Committee review and if necessary re-order the risk rankings associated with the high level risks facing the Agency.

It is the responsibility of the Agency's Management Board to identify and control the risks faced by the Agency in order to minimise any potential losses. The Management Board will set the tone and promote an anti-fraud culture, supported by Deputy Directors and their staff who are best placed to recognise the potential for fraud within the everyday operations of their teams. The Fraud Policy for the Agency has been issued to all managers, and a summarised version has been issued to all staff.

4. The Risk and Control Framework

Each key performance target and development objective within the 2005–2006 Business Plan was risk assessed. Each quarter the Management Board reviews progress against each target and objective and reassesses the risk of non-achievement. The quarterly performance report subsequently issued to the Departmental Sponsor and Minister also contains the risk assessment against targets and objectives.

A risk management policy for the Agency has been produced and ensures that the management of risk is embedded in policy making, planning and delivery of the Agency's aims and objectives. It includes a plan setting out the Agency's co-ordinated approach to risk management, what it involves and how it should be conducted. The 'NIO Risk Management – A Practical Guide' has been used to provide clear approaches to risk management in the Agency. A top risks register for the Agency, containing twelve major risks is reviewed, normally quarterly, by both the Management Board and the Audit Committee. Each Directorate of the Agency also maintains a risk register.

The risk management policy of the Agency outlines the requirements the Agency needs to meet in terms of evidencing fully embedded risk management – particularly appropriate accountability, internal control and assurance mechanisms – which underpins the Agency's future Statements of Internal Control.



5. Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the 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. I have been advised on the implications of the results of my review of the effectiveness of the system on internal control by the Board, the Audit Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

A review of the system of internal control takes place at each quarterly Audit Committee meeting and a review of the risk register has been introduced as a quarterly standing item at each Management Board meeting.

I have ensured effective management of financial and non-financial resources, by following good management practice as well as specific guidelines or instruction issued by Personnel Services Division, Financial Services Division and from elsewhere in the Northern Ireland Office. The budgets which were delegated to me have not been exceeded (except where approval from Financial Services Division has been received).

During this 2005-2006 year I commissioned two internal audits for the Agency – one on the transport system and controls, and the other on our compliance with HM Treasury Corporate Governance Code of Good Practice. Both of these Internal Audit reports have been received in draft form and we will be working to implement reasonable and practical arrangements in 2006-2007.

Virtually all of the recommendations contained in the Northern Ireland Audit Office Management Letter pertaining to 2005-2006 Accounts have been implemented.

6. Significant Internal Control Problems

The outcome of an internal audit review on the use of overtime in the Youth Justice Agency identified control weaknesses. An action plan has been put in place by the relevant Director to address these weaknesses and implementation has resulted in much greater control over the allocation of, and the need for, overtime working.

Bill Lockhart
Accounting Officer
12 June 2006



THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSE OF COMMONS

I certify that I have audited the financial statements of Youth Justice Agency of Northern Ireland for the year ended 31 March 2006 under the Government Resources and Accounts Act 2000. These comprise the Operating Cost Statement and Statement of Recognised Gains and Losses, the Balance Sheet, the Cashflow Statement and the related notes. These financial statements have been prepared under the accounting policies set out within them.

Respective responsibilities of the Agency, the Chief Executive and Auditor

The Agency and Chief Executive are responsible for preparing the Annual Report and the financial statements in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions made thereunder and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Agency's and Chief Executive's Responsibilities.

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

I report to you my opinion as to whether the financial statements give a true and fair view and whether the Financial Statements and the part of the Management Board Remuneration Report to be audited have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000. I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report to you if, in my opinion, the Annual Report is not consistent with the financial statements, if the Agency has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by relevant authorities regarding remuneration and other transactions is not disclosed.

I review whether the statement on pages 43-45 reflects the Agency's compliance with HM Treasury's guidance on the Statement on Internal Control, and I report if it does not. I am not required to consider whether the Accounting Officer's statements on internal control cover all risks and controls, or to form an opinion on the effectiveness of the Agency's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises only the Directors' Report, the Financial Review, and the unaudited part of the Management Board Remuneration Report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.



Basis of audit opinion

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Management Board Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Agency and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are most 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 and the part of the Management Board Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error and that in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Management Board Remuneration Report to be audited.

Opinions

In my opinion:

- the financial statements give a true and fair view, in accordance with the Government Resources and Accounts Act 2000 and directions made thereunder by HM Treasury, of the state of the Agency's affairs as at 31 March 2006 and of the net cost of operations, recognised gains and losses and cashflows for the year then ended;
- the financial statements and the part of the Management Board Remuneration Report to be audited have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000; 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
National Audit Office
157-197 Buckingham Palace Road
Victoria
London SW1W 9SP
7 July 2006



FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006

OPERATING COST STATEMENT

For the Year Ended 31 March 2006

	Notes	2005-2006 £000	2004-2005 £000
Income	2	(106)	(283)
Expenditure			
Staff Costs	3	11,945	10,185
Depreciation	6&7	1,532	1,386
Other Current Expenditure	4	5,113	2,937
Total Expenditure		18,590	14,508
Net Operating Costs Before Interest		18,484	14,225
Cost of Capital Charges	5	497	356
Net Cost of Operations		18,981	14,581

The results of the Agency Operating Statement derive from operating activities, all of which are continuing.

STATEMENT OF RECOGNISED GAINS & LOSSES

For the Year Ended 31 March 2006

	Notes	2005-2006 £000	2004-2005 £000
Net Gain on Revaluation of Tangible Fixed Assets	13	1,002	1,236

The notes on pages 51 to 66 form part of these financial statements.



FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006

BALANCE SHEET AT 31 MARCH 2006

	Notes	2005-2006 £000	2004-2005 £000
Fixed Assets			
Tangible Fixed Assets	6	19,130	12,697
Intangible Fixed Assets	7	84	99
		19,214	12,796
Current Assets			
Debtors Due in Less Than One Year	8	386	214
Debtors Due in More Than One Year	8	0	0
Cash at Bank and in Hand	9	17	284
		403	498
Current Liabilities			
Creditors Due Within One Year	10	(1,474)	(945)
Net Current Liabilities		(1,071)	(447)
Total Assets less Current Liabilities		18,143	12,349
Provisions for Liabilities and Charges	12	(354)	(1,905)
		17,789	10,444
Taxpayers' Equity			
General Fund	13	15,550	9,207
Revaluation Reserve	13	2,239	1,237
		17,789	10,444

Bill Lockhart

Bill Lockhart
Accounting Officer
12 June 2006



FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2006

CASH FLOW STATEMENT

For the Year Ended 31 March 2006

	Notes	2005-2006 £000	2004-2005 £000
Operating Activities			
Net Cash Outflow from Operating Activities	14(i)	(18,490)	(12,978)
Capital Expenditure and Financial Investment			
Net Cash Outflow from Capital Expenditure	14(ii)	(189)	(165)
Proceeds of Disposals of Fixed Assets		3	2
Net Cash Outflow before Financing		(18,676)	(13,141)
Financing from the Consolidated Fund		18,022	13,398
Decrease in Cash	14(iii)	(654)	257

The notes on pages 51 to 66 form part of these financial statements.



NOTES TO THE FINANCIAL STATEMENTS

1. Statement of Accounting Policies

The financial statements have been prepared in accordance with the requirements of the 2005-2006 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM follow UK generally accepted accounting practice for companies (UK GAAP) to the extent that it is meaningful and appropriate to the public sector.

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

Accounting Convention

The financial statements have been prepared under the historical cost convention modified to account for the revaluation of fixed assets, at their value to the Agency by reference to their current costs.

Tangible Fixed Assets

Land & buildings are subject to professional valuation at least once every 5 years and revalued using Valuation and Lands Agency indices in intervening years. Other capital assets are carried at current cost using indices compiled by the Office for National Statistics. The standard threshold for capitalisation is £1,000, with the capitalisation threshold for computer processing units being £400. The Agency pools and capitalises printers and office furniture on an annual basis.

Properties regarded by the Agency as operational are valued on the basis of existing use, or where this could not be assessed because there is no market value for the property, its depreciated replacement cost. Properties regarded by the Agency as non-operational are valued on the basis of open market value.

Provision for depreciation is made to write-off the cost of fixed assets on a straight-line basis over the expected useful lives of the assets concerned. Land, assets under construction, or assets awaiting disposal are not depreciated. The expected useful lives of assets are as follows:

	Useful life
Land & buildings (including temporary buildings)	Up to 40 years
Plant & machinery	4 – 15 years
Computer equipment	5 years
Intangibles	5 years



Tangible Fixed Assets cont'd

Plant & machinery includes :

- Plant & machinery
- Motor vehicles
- Furniture & fittings
- Office equipment
- Telecommunications equipment
- Security equipment
- Medical equipment

The current Juvenile Justice Centre at Rathgael has been depreciated over 5 years on the advice of Valuation and Lands Agency due to the expected completion of the new centre within this time period.

Assets in the Course of Construction

Costs that are directly attributable to bringing an asset into its working condition for its intended use have been capitalised as an asset in the course of construction.

Intangible Fixed Assets

Purchased computer software is capitalised as intangible fixed assets where expenditure of £400 or more is incurred. Intangible assets are stated at their current cost. Intangible fixed assets are amortised on a straight-line basis over the expected useful lives of the assets concerned. The expected useful life of purchased computer software is 5 years.

Provision for Liabilities & Charges

The Agency provides for legal and constructive obligations, which are of uncertain timing, or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation.

Pension Costs

The Agency's staff belong to one of four principal pension schemes, the Principal Civil Service Pension Scheme (PCSPS – for Home Civil Service and Northern Ireland Civil Service staff), the Teachers' Superannuation Scheme (TSS – for all teaching staff), and the Northern Ireland Local Government Officers' Superannuation Committee Scheme (NILGOSC – for all other staff). Payment of future benefits is a charge to the PCSPS (GB), PCSPS(NI), TSS, and NILGOSC. The Agency meets the cost of pension cover through the payment of charges calculated on an accruing basis. Contributions are charged to the Operating Cost Statement as incurred.

Operating Leases

Operating lease rentals are charged to the Operating Cost Statement over the lease term.

Early Retirement Costs

The Agency is required to meet the cost of paying pensions of employees who have retired early, from the date of their retirement through the life time of the pensioner / widow/er. The Agency has provided in full for this cost.

VAT

The majority of the activities of the Agency are outside the scope of VAT. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.



Notional Costs

A notional cost reflecting the cost of capital utilised by the Agency, is included in operating costs. The charge is calculated at the Government's standard rate of 3.5% of the average capital employed, defined as total assets less total liabilities.

Notional amounts are also included as charges in respect of costs to the Agency borne by other Government Departments or organisations.

Insurance

Except where there is a statutory requirement to do so, the Agency does not take out general insurance. Instead, expenditure in connection with uninsured risks is charged as incurred.

Funding

The Youth Justice Agency is financed by Supply Estimates voted by Parliament. Its provision is currently set out in Request for Resources 1 of the Northern Ireland Office.

2. OPERATING INCOME

	2005-2006 £000	2004-2005 £000
Administration Income		
Rental	0	1
Catering	0	6
Other	4	3
	4	10
Programme Income		
Contribution to Running Costs	96	100
Contribution to Projects	0	169
Youth Conference Income	2	1
Student Placement Income	3	2
Miscellaneous Income	1	1
	102	273
Total Operating Income	106	283

3. STAFF COSTS & NUMBERS

(i) Staff costs consist of:

	Permanent Staff £000	Others £000	Total 2005-2006 £000	Total 2004-2005 £000
Wages & salaries	9,948	237	10,185	9,103
Social security costs	875	10	885	827
Employer's pension contributions	873	2	875	255
Total Employment Costs	11,696	249	11,945	10,185

(ii) Employee Numbers

The average number of persons employed during the year is set out below.

	Permanent Staff	Others	Total 2005-2006	Total 2004-2005
Admin & support staff	29	0	29	26
Operational staff	324	18	342	313
Total	353	18	371	339

(iii) Pensions

Pension benefits are provided through the Principal Civil Service (PCS) pension arrangements and through the Northern Ireland Local Government's Officers' Superannuation Scheme (NILGOSC) and the Teachers' Superannuation Scheme (TSS).

Principal Civil Service Pension Arrangements

From 1 October 2002, civil servants may be in one of three statutory based "final salary" defined benefit schemes (classic, premium and classic plus). The schemes are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, and classic plus are increased annually in line with changes in the Retail Prices Index. New entrants after 1 October 2002 may choose between membership of premium or joining a good quality "money purchase" stakeholder arrangement with a significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium and classic plus. Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic Plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution).



Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

Further details about the Civil Service Pension arrangements can be found at the website www.civilservicepensions.gov.uk.

The Principal Civil Service Pension Scheme (GB)

The Principal Civil Service Pension Scheme - PCSPS (GB) is an unfunded multi-employer defined benefit scheme, but the Youth Justice Agency is unable to identify its share of underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2003. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

For 2005-2006 employers contributions detailed in the table below were payable at one of four rates in the range 16.2 to 24.6 per cent of pensionable pay, based on salary bands.

Pension Provider	Contribution 01/04/05 – 31/03/06 £000	Contribution 01/04/04 – 31/03/05 £000
PCSPS (GB)	23	15

The Scheme's Actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Employees joining after 1 October 2002 could opt to open a partnership pension account, a stakeholder pension with an employer contribution. No Youth Justice Agency staff have taken up this option.

Nil staff retired early on ill-health grounds.

The Principal Civil Service Pension Scheme (NI)

The Principal Civil Service Pension Scheme - PCSPS (NI) is an unfunded defined benefit scheme which produces its own resource accounts, but the Youth Justice Agency is unable to identify its share of underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31 March 2003 and details of this valuation are available in the Department of Finance and Personnel Superannuation and other Allowances Account (www.civilservicepensions.ni.gov.uk).

For 2005-2006 employers contributions detailed in the table below were payable to the PCSPS(NI) at one of four rates in the range 16.5 to 23.5 per cent of pensionable pay, based on salary bands.

Pension Provider	Contribution 01/04/05 – 31/03/06 £000	Contribution 01/04/04 – 31/03/05 £000
PCSPS (NI)	195	170

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

Employees joining after 1 October 2002 could opt to open a partnership pension account, a stakeholder pension with an employer contribution. No Youth Justice Agency staff have taken up this option.

Nil staff retired early on ill-health grounds.

The Teachers' Superannuation Scheme (TSS)

The Teachers' Superannuation Scheme is a contributory scheme administered by the Department of Education. The conditions of the Superannuation (NI) Order 1972, the Teachers' Superannuation Regulations (NI) 1998, and subsequent amendments apply to the scheme. The scheme is presently notionally funded. The rate of the employer's contribution is determined from time to time by the Government actuary and advised by the Department of Finance and Personnel. For 2005-2006 the contribution rates were 14% employers, and 6% employees.

The total employer pension cost under the scheme was £122k (2004-2005, £67k).

The Northern Ireland Local Government Officers' Superannuation Committee Scheme (NILGOSC)

This scheme is defined benefits type, and the fund is invested in suitable investments, managed by the committee. For 2005-2006 the contribution rates were 8.6% employers, and 6% employees. For manual workers previously paid on a weekly basis the contribution rates were 4.6% employer and 5% employee.

The total employer pension cost under the scheme was £504k (2004-2005, £236k).

The pension costs are assessed in accordance with the advice of independent qualified actuaries using the market led approach. The latest actuarial valuations of the scheme were at 31 March 2004. The assumptions that have the most significant effect on the valuations and other relevant data are as follows:

Rate of return on investment –	After Retirement	6.3% pa
	Before Retirement	6.3% pa
Rate of increase in salaries		4.4% pa
Rate of increase in pensions		2.9%
Market value of the assets at the		£2,152 million
date of the last valuation		at 31/03/2004

The actuarial value of the assets of NILGOSC was sufficient to cover all the benefits which had accrued to members after allowing for future increases in earnings, resulting in a funding level of 85%.



4. OTHER CURRENT EXPENDITURE

	2005-2006 £000	2004-2005 £000
Administration Costs		
Staff Related Costs	434	221
Travel, Subsistence, Hospitality	234	192
Support Services	56	36
Accommodation Costs	142	17
Utilities	259	216
Insurance	27	13
Office Costs	523	383
Maintenance & Repairs	855	333
Professional Services & Advisory Costs	405	315
Rentals Under Operating Leases – Land & Buildings	472	397
Rentals Under Operating Leases – Non Land & Buildings	36	35
Loss on Disposal of Fixed Assets	10	0
Permanent Diminution of Fixed Assets	10	32
Unwinding of Discount	64	17
Other Administration Costs	168	120
	3,695	2,327
Programme Costs		
Supplies, Services & Stores	428	421
Compensation	6	3
Current Initiatives	749	136
Other Programme Costs	212	25
	1,395	585
Notional Costs		
Provided by Other Departments & Agencies:		
Audit Fee	15	17
Miscellaneous Costs	8	8
	23	25
Total Other Current Expenditure	5,113	2,937



5. COST OF CAPITAL & INTEREST

The Agency bears a notional charge calculated at the government standard rate of 3.5% on the average capital employed, defined as total assets less total liabilities. In 2005-2006 this amounted to £497k (2004-2005, £356k).

6. Tangible Fixed Assets

	Land & Buildings £000	Furniture & Fittings £000	Vehicles £000	Plant & Equipment £000	IT Equipment £000	Assets Under Construction £000	Total 2005-2006 £000	Total 2004-2005 £000
Cost or Valuation								
At 1 April	13,228	307	279	356	350	1,056	15,576	14,093
Additions	141	84	0	77	97	6,560	6,959	580
Disposals	0	(1)	(44)	0	0	0	(45)	(466)
Revaluation	1,176	3	2	7	(17)	0	1,171	1,369
At 31 March	14,545	393	237	440	430	7,616	23,661	15,576

Depreciation

At 1 April	2,480	72	94	123	110	0	2,879	1,412
Charge for Year	1,293	33	35	64	80	0	1,505	1,366
Disposals	0	(1)	(31)	0	0	0	(32)	(64)
Revaluation	183	1	0	2	(7)	0	179	165
At 31 March	3,956	105	98	189	183	0	4,531	2,879

Net Book Value

At 31 March 2006	10,589	288	139	251	247	7,616	19,130
At 31 March 2005	10,748	235	185	233	240	1,056	12,697

All land & buildings disclosed above are freehold. Land held by the Agency was valued at £7,537k at 31/03/06 (£6,468k at 31/03/05).

The Asset Under Construction relates to a valuation for the part-construction of the new Juvenile Justice Centre at the Rathgael site.

Basis of Valuation

The Valuation & Lands Agency last carried out a full valuation of land and buildings at 31 March 2003, in accordance with the RICS Appraisal and Valuation Manual. The next full valuation of land and buildings will be at 31 March 2008.



7. INTANGIBLE FIXED ASSETS

	2005-2006 £000	2004-2005 £000
Cost or Valuation		
At 1 April	129	87
Additions	12	42
Disposals	0	0
Revaluation	0	0
At 31 March	141	129
Depreciation		
At 1 April	30	10
Charged in year	27	20
Disposals	0	0
Revaluation	0	0
At 31 March	57	30
Net Book Value		
At 31 March 2006	84	
At 31 March 2005	99	

8. DEBTORS

	2005-2006 £000	2004-2005 £000
(i) Amounts due in less than 1 year		
Recoverable VAT	104	38
Prepayments & Accrued Income	232	56
Other Debtors	50	120
	386	214



9. CASH AT BANK AND IN HAND

	2005-2006 £000	2004-2005 £000
Bank	11	279
Cash in Hand	6	5
	17	284
Bank Overdraft	(387)	0
Total Cash at Bank and in Hand	(370)	284

The above figures do not include bank accounts with balances of £1k in respect of non-public funds held for the benefit of young people in custody (2004-2005, £1k).

10. CREDITORS

	2005-2006 £000	2004-2005 £000
(i) Due within one year		
Trade Creditors	394	41
Accruals & Deferred Income	682	584
Taxation & Social Security	11	320
	1,087	945
Bank Overdraft	387	0
	1,474	945



11. INTRA GOVERNMENTAL BALANCES

Included in debtors and creditors are the following intra-governmental balances at 31 March 2006

	Debtors: Amounts Falling Due within one year £000	Debtors: Amounts Falling Due after one year £000	Creditors: Amounts Falling Due within one year £000	Creditors: Amount Falling Due after one year £000
NIO Core, its Agencies & NDPBs	0	0	605	0
Other Central Government Bodies	136	0	36	0
Local Authorities	0	0	2	0
NHS Trusts	58	0	18	0
Public Corporations & Trading Funds	0	0	0	0
Bodies External to Government	192	0	426	0
	386	0	1,087	0

Included in debtors and creditors are the following intra-governmental balances at 31 March 2005

NIO Core, its Agencies & NDPBs	0	0	0	0
Other Central Government Bodies	64	0	170	0
Local Authorities	0	0	3	0
NHS Trusts	85	0	1	0
Public Corporations & Trading Funds	0	0	0	0
Bodies External to Government	65	0	771	0
	214	0	945	0

12. PROVISIONS FOR LIABILITIES & CHARGES

	Legal Cost Provision £000	Early Retirement Provision £000	Total 2005-2006 £000	Total 2004-2005 £000
At 1 April	94	1,811	1,905	2,214
Provided in the Year	0	0	0	54
Provision Utilised in Year	(57)	(1,482)	(1,539)	(147)
Amounts Released	(21)	(55)	(76)	(233)
Unwinding of Discount	0	64	64	17
At 31 March	16	338	354	1,905

The provisions for liabilities and charges represent the best estimate of the amount payable at the balance sheet date. Where the effect of the time value of money is significant, the cash-flows have been discounted using the Treasury discount rate of 3.5%.

The early retirement provision relates to inherited pension costs associated with the early departure of staff in the years prior to creation of the Agency. The costs are payable to NILGOSC and are ongoing over the lifetime of the retired staff member and his/her spouse (where applicable).

The legal cost provision relates to cases against the Agency which will be settled in the next financial year.

13. RECONCILIATION OF MOVEMENT IN RESERVES

	General Fund £000	Revaluation Reserve £000	Total 2005-2006 £000	Total 2004-2005 £000
At 1 April	9,207	1,237	10,444	9,953
Net Vote Funding in Year	18,022	0	18,022	13,398
Net Cost of Operations	(18,981)	0	(18,981)	(14,581)
Agency Expenditure Funded by Dept	6,782	0	6,782	457
Revenue Reserves	0	0	0	(400)
Surplus on Revaluation	0	1,002	1,002	1,236
Notional Costs	23	0	23	25
Interest on Capital Employed	497	0	497	356
At 31 March	15,550	2,239	17,789	10,444



14. NOTES TO THE CASH FLOW STATEMENT

	Notes	2005-2006 £000	2004-2005 £000
(i) Reconciliation of Net Cost of Operations to Net Cash Flow from Operating Activities			
Net Cost of Operations		(18,981)	(14,581)
Adjustment for non-cash transactions			
Depreciation	6&7	1,532	1,386
Impairment of Fixed Assets	6	10	32
Loss on Disposal of Fixed Assets	6	10	0
Notional Cost of Capital	5	497	356
Notional Costs	4	23	25
Unwinding of Discount	12	64	17
Net Provision Released in Year	12	(76)	(179)
Adjustments for movements in provisions & working capital			
Increase in Debtors	8	(172)	102
Decrease in Creditors Less than 1 Year	10	142	11
Provision Utilised in Year	12	(1,539)	(147)
Net Cash Outflow from Operating Activities		(18,490)	(12,978)
(ii) Reconciliation of Purchase of Fixed Assets			
Total Capital Additions in Year	6&7	(6,971)	(622)
Less Non-Cash Additions in Year Funded by Parent Dept	6&7	6,782	457
Total Cash Additions in Year		(189)	(165)
(iii) Reconciliation of Net Cash Flow to Movement in Net Funds			
Decrease in Cash During the Year	9	(654)	257
Net Funds at Start of Year	9	284	27
Net Funds at End of Year		(370)	284
Net funds comprise of:			
Cash at Bank and in Hand	9	17	284
Bank Overdraft		(387)	0
		(370)	284



15. CAPITAL COMMITMENTS

	2005-2006 £000	2004-2005 £000
Capital expenditure, which at year-end was contracted for but not provided for in the accounts	10,600	0

This relates to the Asset in the Course of Construction disclosed in Note 6.

16. LEASING COMMITMENTS

	2005-2006 £000	2004-2005 £000
Land & Buildings		
Expiry within 1 year	165	67
Expiry after 1 year but not more than 5 years	204	230
Expiry thereafter	103	100
	472	397
Other		
Expiry within 1 year	4	3
Expiry after 1 year but not more than 5 years	23	20
Expiry thereafter	0	0
	27	23

17. OTHER FINANCIAL COMMITMENTS

There were no non cancellable financial commitments at 31 March 2006.

18. CONTINGENT LIABILITIES

The Agency is currently in negotiations with UNISON re allowances payable to their members. If successful the allowances due to the staff will be paid from 01 April 2003. The possible cost to the Agency has been estimated at £175k.



19. RELATED PARTY TRANSACTIONS

The Youth Justice Agency is an Executive Agency of the Northern Ireland Office, which is regarded as a related party. The Agency also transacts with other entities for which the NIO is the parent Department, viz:

- The Northern Ireland Prison Service
- The Crown Solicitor's Office
- Forensic Science Northern Ireland
- The Compensation Agency
- Northern Ireland Policing Board
- Police Service of Northern Ireland
- The Probation Board for Northern Ireland

The Agency also has various transactions with other Government Departments and central government bodies. Most of these transactions have been with the Department of Health & Social Services, the Department of Finance & Personnel and related Agencies. During the year, none of the key management staff or other related parties has undertaken any material transactions with the Agency.

20. FINANCIAL INSTRUMENTS

FRS 13, Derivatives and Other Financial Instruments, requires disclosure of the role which financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the largely non-trading nature of its activities and the way in which it is financed, the Youth Justice Agency is not exposed to the degree of financial risk faced by business entities. Moreover, financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which FRS 13 mainly applies. The Youth Justice Agency has no powers to borrow or invest surplus funds. Financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing the Agency in undertaking its activities.

As permitted by FRS 13, debtors and creditors which mature or become payable within twelve months from the balance sheet date have been omitted from the currency profile.

Liquidity Risk

The Youth Justice Agency's net revenue resource requirements are financed by resources voted annually by Parliament, as is its capital expenditure. The Youth Justice Agency is not therefore exposed to liquidity risk.

Interest Rate Risk

The Youth Justice Agency is not exposed to any interest rate risk.

Foreign Currency Risk

The Youth Justice Agency is not exposed to any foreign currency risk.

21. POST BALANCE SHEET EVENTS

There have been no Post Balance Sheet Events which impact on these financial statements.



22. THIRD PARTY ASSETS

The young people in custody have a private cash facility for the lodgement of their pocket money and funding of tuckshop purchases. When the young people are discharged they are paid in full the balance on their account.

	31 March 2005 £000	Gross Inflows £000	Gross Outflows £000	31 March 2006 £000
Monetary assets such as bank balances and balances on deposit	1	15	15	1

23. ACCOUNTABILITY

No exceptional kinds of expenditure such as losses and special payments that require separate disclosure because of their nature or amount were incurred.



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