Derbyshire
Probation Trust

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Annual Report and Accounts
2012–2013

HC 415

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Mission and Aims

Our mission: Transforming Lives, Reducing Crime

Our aims are to:

- protect the public
- reduce re-offending
- ensure proper punishment of offenders in the community
- ensure that offenders are aware of the effects of crime on the victims and the public
- rehabilitate offenders

Foreword

Derbyshire is a large geographical county with a population of approximately one million comprising both urban and rural communities. Its shared borders both within and outside the East Midlands region mean that the people of Derbyshire often seek their work and entertainment opportunities outside the county boundaries in areas ranging from Sheffield and Manchester in the North, to Nottingham in the East and Staffordshire to the West. According to the 2011 census, Derby was at that time the 18th largest settlement in England, measured by urban area.

Derbyshire's geographical, social and economic contrasts present a range of challenges for delivering probation services. The City of Derby comprises a mixed population with a wide range of ethnic groups making up approximately 14% of the population. The City has areas of significant deprivation but a City centre that has undergone some major regeneration in the last two years. The County has a mix of towns and rural populations. Amidst areas of affluence and the tourist attraction of the Peak District there are a number of ex-mining communities that still show the impact of the closure of pits 25 years ago.

The Peak District National Park, an area of outstanding natural beauty, accounts for more than a third of the County's total land area and stretches beyond Derbyshire.

The County is easily accessible from surrounding areas, with more than 8.4 million people living within 30 kilometres of its boundary.

Work continued against the backdrop of:

- Major structural change and uncertainty amongst Probation Trusts following the Government's provisional decisions on the future shape of Probation and consultation on Transforming Rehabilitation.
- Uncertainty of the length and type of contract Derbyshire Probation will be awarded.
- The scope of community sentences following the Government's decisions following consultation on the topic.
- The election of a Police and Crime Commissioner for Derbyshire and uncertainty in the short term about the role. In the medium term the Government has launched a Consultation Document on a proposal to introduce legislation to allow Police and Crime Commissioners to introduce legislation for a "Community Remedy" to allow Police and Crime Commissioners to give victims of low level crime (such as low level criminal damage and low value thefts and anti-social behaviour) a say in the punishment of the offender.

Derbyshire Probation is well placed to face the future with its high ranking in the national Probation Trust Rating Scheme for actions to transform lives and reduce crime, 4* Recognised for Excellence against the European Foundation Quality Model (April 2012), the Matrix Standard (November 2013), Customer Service Excellence (January 2012), RoSPA Gold Award (April 2013) and Investors in People (January 2013).

All of our costs in 2011/12 (the latest available), according to the national PreView exercise, are at or below the national average for Trusts of our size and rurality.

We had low turnover, both in 2011/12 of 5.8% and between April and December 2012 of 5.4%, providing stability in the workforce. We have a well qualified (e.g. 70% of PSO's are qualified to VQ3 level) and relatively young workforce (61% under the age of 45).

In the Staff Survey in December 2012, 72% of staff responded and of those 81% agreed or strongly agreed that their motivation was good.

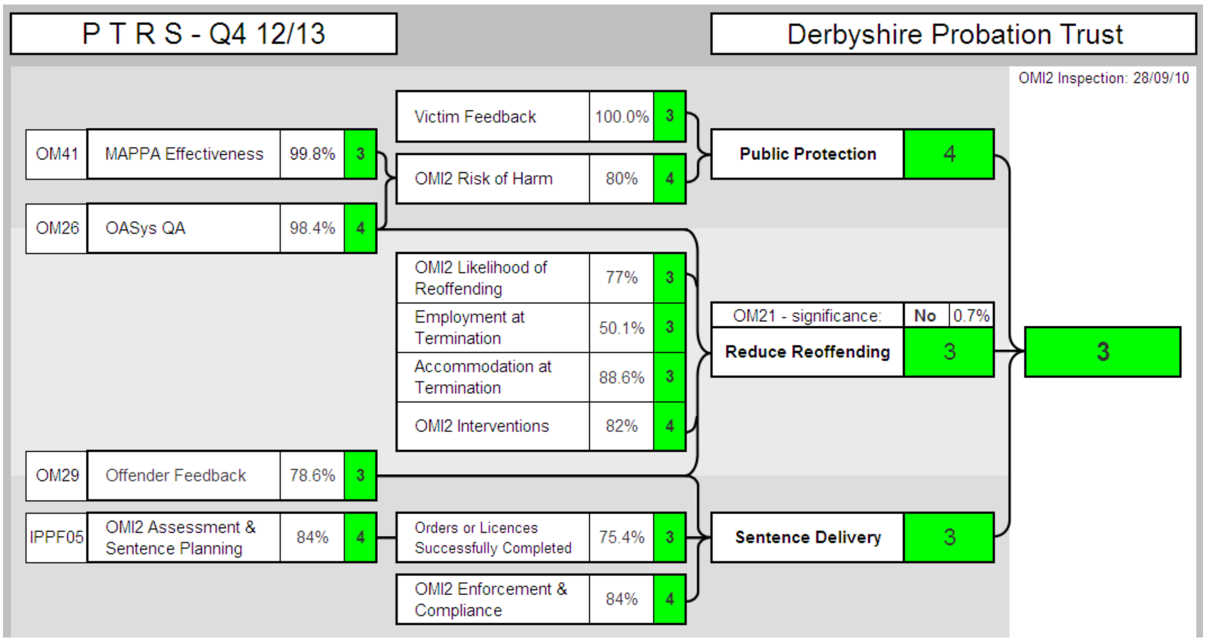
We confidently affirm our belief in our abilities to succeed in the future.

Jo Mead
Accountable Officer

27th June 2013

1. Operational & Performance Review 2012–13

The Trust ended the year with 19 strengths across the Probation Trust Rating System (PTRS), Contract and Local Delivery Requirements, and 6 areas for improvement. The validated PTRS published on 19/02/13 confirms that overall we are achieving level 3.



PTRS is intended to provide Probation Trusts, Contract Managers and the NOMS Agency with a picture of performance built on the general principles of:

- Rounded picture of performance
- Fair and robust Assessment
- Encourage on-going improvement
- Timely & accurate
- Multiple customers
- Interactive & user friendly product
- Uses trusted data
- Streamlined production

PTRS has been developed from the 2010/11 PTRS, which was based on the 2009/10 Integrated Probation Performance Framework (IPPF). These frameworks have been updated over a number of annual cycles, with stakeholders reviewing the framework each year to provide advice and requirements for further development for the succeeding year.

The notable strengths include:

- OM20 Orders or Licences Successfully completed, remains above the 74% target at 75.4% for the year to date;
- The number of Compliance Specified Activity starts and Bail Accommodation Referrals and Reports targets have been exceeded;
- 20% reduction in supervision requirements for low risk of harm and reoffending cases has risen above target to 29.1%.
- OM21 Reduce Reoffending Rate: the actual rate of reoffending has continued its downward trajectory, still not statistically significant and is at its lowest rate since the September 2009 cohort;
- OM26 OASys Quality Assurance to Q4 is showing exceptional performance at 98.4%, was the 3rd best performance nationally and above our 93% stretch target;
- Multi Agency Public Protection Agency Effectiveness at 99.8% YTD (target 90%) is indicative of the strategic importance of public protection.

The notable Areas For Improvement include:

- OM39 OASys Final Reviews, performance for the year has not met the target of 90% although it should be noted that performance has been improving since January 2013 and March 2013 saw performance rise to 92.4% which if sustained over the next year will ensure we meet the target;
- Below target performance in terms of both General (113 against a target of 170) and Domestic Violence (66 against a target of 70) accredited programme completions;
- Despite improvements, we have not met our target to increase the proportion of Court reports delivered as Oral or FDR (59.9% vs target 65%) although sustaining recent improvements will lead to success next year;
- We need to continue to increase the volume of starts on Education, Training and Employment specified activity requirements.

Demand Management (Crime & Caseload quarterly; Commencements updated monthly)

Description	Current Year	Previous Year	% Difference
Volume (Apr – Mar 13)			
All Crime	51,440	61,351	-16.15%
Burglary (Domestic and Other)	6,965	7,970	-12.61%
Robbery	529	542	-2.40%
Vehicle Crime	5,170	5,602	-7.71%
Violence against the person (excl sexual)	9,820	11,440	-14.16%
Anti Social Behaviour	50,092	57,386	-12.71%
Caseload snapshot			
Caseload (Q4)	3,591	4,154	-13.55%
Community Order Caseload (Q4)	1,228	1,507	-18.51%
Suspended Sentence Order Caseload (Q4)	665	846	-21.39%
Community Licenses (Q4)	668	619	7.92%
Custody Licenses (Q4)	1,023	1,175	-12.94%
Commencements (Rolling 12 month comparison)			
Supervision Reqt Commencements	1,743	1,999	-12.81%
Drug Treatment & Testing Order/Drug Rehabilitation Requirement Commencements	270	241	12.03%
Community Payback/Unpaid Work Requirement Commencements	1,745	2,244	-22.24%
Accredited Prog. Reqt Commencements	463	484	-4.34%
Alcohol Treatment Reqt Commencements	207	277	-25.27%
Curfew Reqt Commencements	855	1055	-18.96%
ETE Reqt Commencements	309	,318	-2.83%
Community Order Commencements	2,188	2,492	-12.20%
Suspended Sentence Order Commencements	1,042	1,190	-12.44%
Pre Release Custody Commencements	625	788	-20.69%
Post Release Custody Commencements	913	934	-2.25%
Total Commencements (Community Order, Suspended Sentence Order, Pre Release)	3,855	4,470	-13.76%
Standard Delivery Report	1,357	1,650	-17.76%
Fast Delivery Report	1,137	1,354	-16.03%
Oral Reports	817	883	-7.47%
Total Reports	3,512	4,225	-16.88%

2. Management Commentary

Statutory background

The Probation Trusts were established under the Offender Management Act 2007 (OM Act). Each Trust is a corporate body under the OM Act and a Non-Departmental Public Body (NDPB) which reports to the National Offender Management Service (NOMS). This Trust came into existence on 1 April 2010 (following transition from Derbyshire Probation Board which was established in 2001).

These accounts have been prepared in accordance with the Government Financial Reporting Manual (FReM) issued by HM Treasury (HMT) and in accordance with the accounts direction issued, on page 56, by the Secretary of State under the OM Act.

Principal activities

Derbyshire Probation Trust covers the Derbyshire police area, as defined in Schedule 1 of the Police Act 1996, serving a population of 1,010,600. During the year, the Trust employed some 301 staff who worked from 8 buildings, 2 Prisons and 1 hostel across the area.

Each Trust provides assistance to the courts in determining the appropriate sentences to pass, and making other decisions in respect of persons charged with or convicted of offences, and to assist in the supervision and rehabilitation of such persons.

The discharge of policies as established by the Ministry of Justice are designed to ensure:

- the protection of the public;
- the reduction of re-offending;
- the proper punishment of offenders;
- ensuring offenders' awareness of the effects of crime on the victims of crime and the public; and
- the rehabilitation of offenders.

The Chief Executive Officer (CEO) is a statutory office holder appointed by the Secretary of State. The CEO is the Accountable Officer for the Board and is accountable to the Director General in his position as the Principal Accountable Officer (PAO) for the National Probation Directorate. The PAO, in turn, is accountable to the Accounting Officer of the Ministry of Justice, who is directly accountable to Parliament for safeguarding public funds.

Operational Performance during 2012–13

An analysis of performance outcomes is summarised in the Operational and Performance review on pages 5 to 7.

Results for the year

The Statement of Comprehensive Net Expenditure (SoCNE) for the year is shown on page 26. The Statement of Changes in Taxpayers' Equity is shown on page 29.

Operating costs

The net operating cost before tax for 2012–13 stands at £648,000 compared to £310,000 for 2011–12. The reason for the increase is due to a lower than expected return on pension assets.

Statement of Financial Position and Statement of Cash Flows

The Statement of Financial Position and Statement of Cash Flows are on pages 27 and 28.

The net asset position has decreased from £14,337,000 at March 2012 to £19,488,000 at March 2013. The largest single movement in net assets is £4,944,000 due to increased pension liabilities.

Payment of creditors

In the year to 31 March 2013, the Trust paid 1,944 trade invoices with a value of £3,098,000. The percentage of undisputed invoices paid within 30 days by the Trust was 91.6% compared to 83.6% in 2011–12.

Treatment of Pension Liabilities

Past and present employees of the Probation Trusts are covered by the provisions of the Local Government Pension Scheme (LGPS). This is a funded defined benefit scheme meaning that retirement benefits are determined independently of the investments of the scheme, and employers are obliged to make additional contributions where assets are insufficient to meet retirement benefits. Further information can be found in **Note 4** to the Accounts.

Sickness absence data

The average levels of absence due to staff sickness were 8 days across the Trust (2011–12 8.4 days).

Personal data related incidents

The following gives a summary report of significant personal data related incidents in 2012–13, which were formally reported to the Information Commissioner's Office (ICO).

Date of incident (month)	Nature of incident	Nature of data involved	Number of people potentially affected	Notification of steps
October	Inappropriate disclosure of third party data.	Sex Offender personal details.	3	Internal disciplinary investigation and review of relevant processes. Awaiting formal response from ICO (only receipt of report acknowledged).
October – Feb	Loss of DVD recordings	Video of groupwork programme showing tutors and sex offenders.	8	Redrafting contract and security procedures with groupwork provider. Awaiting formal response from ICO (only receipt of report acknowledged).

In all the above cases, a risk assessment was carried out to assess who, if anyone should be notified and to ensure measures were in place to mitigate risk to individuals and prevent recurrence of the incident. All staff undertake a compulsory Information Assurance training course when joining the department and an annual refresher course.

Events after the reporting period

In accordance with the requirements of IAS 10, events after the reporting period are considered up to the date on which the accounts are authorised for issue. This is interpreted as the date of the Audit Certificate of the Comptroller and Auditor General.

Going Concern

In March 2012 the Secretary of State announced the start of consultation exercises on the future of probation services in England and Wales and on planned reforms to community sentences. This consultation ended at the end of June 2012. A further consultation commenced in January 2013 building on the previous consultation last year which set out plans to contract out probation services more widely and increase the use of Payment by Results. The consultation period ended on 22 February 2013 and the results of these consultations were published in "Transforming Rehabilitation: A strategy for Reform", on 9 May 2013 by the Secretary of State for Justice.

The recommendations of the report will change the way in which probation services are commissioned and delivered. A new National Probation Service will be created to protect the public from the most dangerous offenders and manage the provision of probation services. England and Wales will be divided into 21 contract areas which align closely with local authorities and Police and Crime Commissioner areas. MoJ/NOMS will be responsible for commissioning rehabilitation services. Probation service local delivery units will support the gathering of intelligence on needs and priorities at a local level, including from key partners (e.g. local authority needs assessments) to feed into the MoJ/NOMS commissioning process. The implications of the new arrangements for individual Trusts are not provided in the consultation announcement at this stage. Specifically, the announcement does not provide sufficient detail to form a judgement on whether the material functions, assets and liabilities will be transferred for continuing use in the public sector in the context of the FReM paragraph 2.2.15. This is likely to become clearer during 2013–14 as the proposals are further developed and implemented.

Implementation of the new arrangements will require a Statutory Instrument to be issue by the Secretary of State under the Offender Management Act 2007, subject to negative affirmation. This had not been drafted at the date the Annual Report and Accounts were approved. Senior management has concluded therefore that, having reviewed the results of the consultation within the context of the Financial Reporting Manual (FReM), it is appropriate for the Trust to prepare the 2012–13 Annual Report and Accounts on a going concern basis, with disclosure of a ‘material uncertainty’ around going concern, arising from the recommendations of the report, Transforming Rehabilitation: A strategy for Reform.

Sustainable development

The Trust falls within the scope of reporting under the Greening Government commitment. As such we have produced a separate sustainability report showing performance against sustainability targets for greenhouse gas emissions, waste minimisation and management and the use of finite resources and their related expenditure. The Sustainability Report is shown on pages 58 to 61.

Audit

In accordance with the direction given by the Secretary of State, these accounts have been prepared in accordance with the FReM. With effect from 1 April 2012, the external Auditor changed from the Audit Commission to the National Audit Office. This change of the external Auditors was driven by a Department for Communities and Local Government decision to disband the Audit Commission and was made by HMT via a 2012 order to the Government Resource Accounts Act 2000. The Comptroller and Auditor General is appointed by statute to audit the Trust and reports on the truth and fairness of the annual financial statements and the regularity of income and expenditure. The Audit Certificate of the Comptroller and Auditor General is attached to the Accounts on page 24.

Total audit fees reported in the Accounts are £24,000. The audit fees for 2011–12 relate to the previous external auditor.

As Accountable Officer, I have taken all steps to ensure that:

- I am aware of any relevant audit information
- the Auditor is aware of that information, and
- there is no relevant audit information of which the Auditor is unaware.

The Derbyshire Probation Trust Management Board

Membership of the Board is set out in the table below:

Position	Name	Date appointment commenced / ended (during 2012–13) where appropriate
Chief Executive	Jo Mead	January 2012
Chair	Gillian Wilmot	July 2011
Board Member	Dennis Gammage	April 2007
Board Member	Adrian Evans	April 2007
Board Member	Eric Galvin	April 2010
Board Member	Patricia Coleman	April 2010
Board Member	Isabella Stone	April 2010
Board Member	John Burns	Ended March 2013

My thanks and appreciation is extended to all past and present members of the Board for their hard work and effort during this reporting year.

Jo Mead
Accountable Officer
27th June 2013

Remuneration Report

Appointments

The Chair, the Chief Executive, and other members of the Trust Board are all appointed by the Secretary of State in line with the Commissioner for Public Appointments' "Guidance on Appointments to Public Bodies". The emoluments of these persons are paid for through Ministry of Justice funds.

The salary and pension entitlements of the senior managers and non-executive directors of the Derbyshire Probation Trust were as follows:

A) REMUNERATION – AUDITED

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

	2012/13			2011/12		
	Salary (as defined below) £000s	**Bonus £000s**	**Benefits in kind (rounded to the nearest £100) £**	**Salary (as defined below) £000s**	**Bonus £000s**	**Benefits in kind (rounded to the nearest £100) £**
Jo Mead	75–80	0	0	75–80	0	0
Gillian Wilmot	15–20	0	0	10–15	0	0
Dennis Gammage	0–5	0	0	0–5	0	0
Adrian Evans	0–5	0	0	0–5	0	0
Eric Galvin	0–5	0	0	0–5	0	0
Patricia Coleman	0–5	0	0	0–5	0	0
Isabella Stone	0–5	0	0	0–5	0	0
John Burns	0–5	0	0	0–5	0	0

All MoJ appointed Trust Board members receive non-pensionable remuneration of £15.40 per hour, with the exception of the Chief Executive and the Chair. Trusts at their discretion may pay a travelling allowance and any other relevant expenses incurred.

The total remuneration of the highest paid Director and the median total remuneration for other staff are shown in the table below.

	Total Full-time Equivalent Remuneration	
	2012–13	**2011–12**
Highest paid Director (pay band)	£75,000–£80,000	£75,000–£80,000
Median for other staff	£23,382	£23,605
Pay multiple ratio	3.3:1	3.3:1

The median remuneration is the total remuneration of the staff member(s) lying in the middle of the linear distribution of the total staff, excluding the highest paid Director. The pay multiple ratio is ratio between the total remuneration of the highest paid Director and the median for other staff.

Salary

'Salary' includes the gross salary; overtime; etc as applicable to Trusts.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. The benefits received are in respect of costs for accommodation, travel and the pecuniary liability in respect of tax paid under the employer PAYE settlement agreement with HM Revenue and Customs.

B) PENSION BENEFITS – AUDITED

	Total accrued pension at pension age as at 31 March 2013 & related lump sum	Real increase/ (decrease) in pension and related lump sum at pension age	CETV at 31 March 2013	CETV at 31 March 2012	Real increase/ (decrease) in CETV after adjustment for inflation and changes in market investment factors
	£000s	£000s	£000s	£000s	£000s
Jo Mead	15–20 Lump Sum = 0	0–2.5 Lump Sum = 0	262	241	20

This scheme provides benefits on a 'final salary' basis at a normal retirement age of 65. Benefits accrue at the rate of 1/60th of pensionable salary for service from 1 April 2008 with no automatic lump sum. For pensionable service up to 31 March 2008, benefits accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to 3/80ths of final pay of every year of total membership is payable on retirement. The scheme permits employees to take an increase in their lump sum payment on retirement in exchange for a reduction in their future annual pension. Members pay contributions of between 5.5% and 7.5% of pensionable earnings. Employers pay the balance of the cost of providing benefits, after taking into account investment returns.

Cash Equivalent Transfer Value (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service Pension arrangements and for which the Civil Service Vote has received a transfer payment commensurate to the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries, and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn.

Real increase in CETV

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

Jo Mead
Accountable Officer

27th June 2013

Statement of Accountable Officer's Responsibilities

Under the Schedule 1, paragraph 13(1)(b) of the Offender Management Act 2007, the Secretary of State has directed the Derbyshire Probation Trust to prepare for each financial year, a statement of accounts detailing the resources acquired, held or disposed of during the year and the use of resources by the Trust during the year. The accounts are prepared on an accrual basis and must give a true and fair view of the state of affairs of the Trust and of its income and expenditure, changes in taxpayers' equity and cash flows for the financial year.

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

- Observe the Accounts Direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgments and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain material departures in the financial statements; and
- Prepare the financial statements on a going concern basis unless it is inappropriate to do so.

The Secretary of State has appointed the Chief Executive as the Accountable Officer of the Trust. The responsibilities of the Accountable Officer, including responsibility for the propriety and regularity of the public finances for which the Accountable Officer is answerable, for keeping proper records and for safeguarding the Trust's assets, are set out in Managing Public Money published by HM Treasury.

3. Governance Statement

Introduction

As Accountable Officer, I have responsibility for maintaining the sound system of internal governance that supports the achievement of the Derbyshire Probation Trust's policies, aims and objectives, set by the Ministry of Justice Ministers, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money. I came into post on 1 January 2012. I attended nationally arranged Accountable Officer training on 21 February 2012 organised by the National School of Government.

The Purpose of the System of Internal Governance

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 policies, aims and objectives of the National Offender Management Service and the Derbyshire Probation Trust, 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 Derbyshire Probation Area for all of the financial year ended 31 March 2013 and up to the date of approval of the Annual Report and Accounts, and accords with HM Treasury guidance.

Structure and the Capacity to Handle Risk

I work with the Trust Board, Audit Committee, Treasurer and internal and external auditors to lead the risk management process. A table of Board Member attendance is provided on page 23. The Director of Business Services works directly day to day with other senior and middle managers at divisional and functional level to assess risks and track their management. This is a dynamic process requiring constant vigilance. There are quarterly reports to the Senior Management Team, quarterly reports to the Audit Committee and a report to the full Board as part of the Business Plan for the forthcoming financial year. This Statement reports on the outcomes of the risk management actions during the year.

During 2012/13 there were Lead Board members responsible for Business Services, Performance, Finance, Diversity, Health and Safety, Midlands Training Consortium, Approved Premises, Interventions, County and City Local Delivery Unit, Audit Committee, Human Resources and the Local Joint Negotiation and Consultative Committee; they regularly attended meetings with lead managers and/or attended Panels/meetings to exercise their governance and strategic role including their responsibilities in relation to risk to the Trust.

All operational staff are trained in risk assessment and management and all our work (with offenders) is subject to ongoing dynamic risk assessment; our core unique skill is risk assessment of offenders. Other professionally qualified managers organise supporting functions. All managers are involved with organisational risk management with functional leads reporting upwardly on risks related to local and team plans; senior managers are actively involved in risk management policy, risk reviews with the auditors and risks related to organisational performance.

Risk management and control in relation to offenders is the core business of the Probation Service and all staff deal with risk issues as part of their day to day job. Managers are directly involved in operational risk management including all offenders recalls to Prison and strategic issues with appropriate escalation and approval requirement depending on the level of risk presented. A rota of weekend and Bank Holiday cover was maintained in support of the first line of response via the 24/7 Approved Premise.

Risk assessment and management also underpinned the approach to health and safety with a prioritised training plan focussing on key risk assessment work in Community Punishment. The Trust achieved a

Gold Award from RoSPA for its Occupational Health and Safety in the Awards Programme 2011, 2012 and 2013. The Lead Board member attended meetings of the Health and Safety Panel.

There is a Service Level Agreement for the provision of internal audit produced nationally and signed locally, which applied to 2012/13. There is a parallel approach with the external auditors who submit an Audit Plan and subsequent reports to the Audit Committee.

The National Audit Office took over responsibility for the external audit of all Probation Trusts in 2012/13.

The Audit Committee comprises a Chair, appointed by the full Trust Board, and two other members, with substitutes from other Board members if required. The Committee meets on a quarterly schedule and its minutes are submitted to the following Board meeting. The Audit Committee met four times in 2012/13. I attended all four meetings, as did the Internal Auditor. External Audit attended three out of the four meetings. Each meeting was chaired by the appointed Chair, and of the two other Board Members, one attended all four meetings and one attended three of the four meetings, with a substitute attending in their place for the other meeting. Business comprised principally around the following topics:

1. Approval of the Statement of Accounts and public availability of the accounts. The terms of the Audit Committee include approval of the Trust's account on behalf of the Board.
2. Determining the topics for coverage by the Internal Audit Team and consideration of their reports back. Concern was also taken up about the delay in receiving back finalised internal audit reports following the field work.
3. Planning for External Audit and the change to Comptroller and Auditor General rather than the Audit Commission for 2012/13. In consideration of the External Audit Management Letter (produced by the Audit Commission) the Audit Committee noted relatively insignificant errors in the accounts and welcomed the unqualified opinion.
4. Approval of the high level Risk Register for the Trust at each meeting.
5. Publication and implementation of the Probation Finance Manual.
6. Noted the liability of the Probation Trust for Corporation Tax.
7. Information Risk Ownership arrangements within the Trust.
8. A bank failure in dealing properly with the BACS transfer for the October 2012 payroll.

On behalf of the Board the Audit Committee approved the Annual Report and Accounts for 2012/13 following a presentation by the Finance Manager and external auditor at a meeting on 10 June 2013.

Internal Audit rating reviews were as follows:

Internal Audit Rating	Audit
Green	LDU Management of Interaction and Communications (1 moderate recommendation made and accepted) Financial Control Framework (3 moderate recommendations made and accepted)
Amber/Green	Breach Action (3 moderate recommendations made and accepted)
Amber/Green	Offender Management (Revised National Standards) (1 moderate recommendation made and accepted)

The Internal Audit programme was based on the Ministry of Justice centrally determined core audits and the local risk register. For 2012/13 the internal auditor had scheduled 36 days of audit time – 30 days were completed. The Internal Audit review was not completed in year of Specified Activity Requirements; it will be completed in Quarter 2 of 2013/14. The Audit Committee Chair attended a national meeting of Audit Committee Chairs on 23 April 2013 where best practice and experience was shared and the Service Level Agreement discussed.

On 11 March 2013 the Chair of the Committee met with Internal and External Auditors without management being present. The aim was to discuss the Auditors remit and any issues arising from audits that had been carried out. There were no issues of concern. Both auditors are aware of their right of direct access at any time to the Committee Chair and Chair of the Board.

Also at its meeting on 11 March 2013 the Committee agreed the Internal Audit Plan for 2013/14.

The National Audit Office issued an unqualified audit opinion on the financial statement and remuneration report for 2012/13.

The Risk and Control Framework

The Trust's Business Risk Management Policy was last updated and approved by the Audit Committee in November 2011. There was some minor tidying up and it was made clear that the Audit Committee would only review the whole organisational risks giving concern (and not the lower level Directorate risks), and that signed annual assurance statements by each Director would be completed regarding their role in Risk Management.

There was the annual reminder to all staff of the need for compliance with the Trust's Whistleblowing, Fraud and Corruption Policy and also a reminder about need for compliance with the Trust's Code of Conduct through the staff newsletter in February 2013.

Management of Business Risks 2012/13

The Area Business Plan included in addition to the planned activities, milestones and a risk assessment of the impact and likelihood of the organisations objectives not being met. The Board agreed the Business Plan and key risks to its achievement prior to the start of the financial year and reviewed progress quarterly. All required objectives were achieved. The high level generic risk priorities at the start of the year were managed with the following outcomes:

	Risk	Outcome
1.1	The Probation Review fundamentally affects the Derbyshire Probation Trust identity.	Government decisions following the consultation process were published in January 2013 and are very significant. Implementation of Community Sentences Review is assumed to be tied up with the structural review. Board approved an open approach with concerns to be expressed re. dangers if plans pursued. Staff are being kept fully informed. Limited impact in 2012/13.
1.2	The percentage of Orders of the Court and releases from custody on Licence successfully completed is below the Trust contract target.	The year end outturn was 75.38%, which is above the 74% contract target.
1.3	Supervision requirements on low risk offenders are not reduced.	29.1% reduction in low risk of harm and re-offending cases, exceeding the 20% target.
1.4	Use of accredited programmes is not maximised according to offender need.	34 Sex Offender Groupwork completions (target 32). Programme targets for general offending behaviour and domestic violence were not achieved: • general; 113 compared to a target of 170. • Domestic Violence; 66 compared to a targets of 70.

	Risk	Outcome
1.5	Reducing re-offending is not significantly reduced.	The actual rate of re-offending has reduced from 8.34% (statistically higher than predicted) for the December 2011 cohort; to 7.79% (not significantly different to predicted -7.74% for the September 2012 cohort.
1.6	Quality Assurance Framework not implemented to satisfaction of Commissioner.	Rollout of Framework was delayed slightly in last quarter. Submission of a Trust proposal required by 31 March 2013 therefore minimal risk in 2012/13
1.7	Information security policies do not meet required standards.	File management and policy reviews under way. Unions consulted over social media policy. Dedicated Information Governance Manager staffing resource put in place. Major item at Leadership Forum. Security policies being updated, communicated and high lighted. Information security loss is a residual risk. Staff vetting being progressed in line with PI03/2013 (Mandatory Use of Visor).
1.8	Serious Case Review publicity is damaging.	No critical issues arose in 2012/13.
1.9	Changes in the Executive Team adversely affects performance.	Transitional changes agreed and being implemented over 9 months. Appointments made. No significant dip in performance in affected areas.
1.10	Business Continuity Plan review is not finalised.	Review only partially complete during 2012/13. Business ownership changed for 2013/14 and review and risk scenario planned.

Management and Control of Information Risk

Reliable and accurate information is critical to proper decision making in Derbyshire Probation Trust. This makes information a vital business asset (i.e. Information Asset) that we need to protect. Information Assurance provides this protection by managing risks to the [Confidentiality, Integrity and Availability (CIA) of] information so that our business always functions effectively. Information Assurance is the term used to describe the arrangements for ensuring that we have adequate security for our information (whether held electronically or in hard copy). Our Information Asset Register details the Information Asset Owner for all of our information assets and the Trust seeks to conform to all NOMS security policies. In 2012/13 there was no requirement for an internal audit of Information Assurance; however, the Trust did complete the annual GSI re-accreditation document set incorporating a review of policy implementation and sign-off of residual risks by the Chief Executive. During 2012/13 the Probation Instruction 10/2012 on Information Security was implemented with policy changes to reflect the responsibilities spelt out as follows:

- Chief Executive Officer as Senior Information Risk Owner (SIRO).
- Directors as Information Asset Owner.
- Middle Managers as Information Asset Custodian.

An Information Governance Group chaired by the Chief Executive was established on 23 January 2013 to embed a culture of information risk management and continuous improvement in this area of business.

There were four notable information security incidents during the year reported to the Board:

1. 12/10/2012 Accidental disclosure of offender data. This was reported to NOMS on 15 October 2012, self reported to the Information Commissioner's Office (ICO) on 16 October 2012 and reported to the Board on 19 October 2012. The ICO wrote to the Trust on 28 January 2013 requesting further information relating the incident. All of the questions asked by the ICO had already been addressed. There remains the potential for the ICO to issue a sanction in relation to this incident, in the form of either a written or monetary penalty.

2. 24/01/13 accidental disclosure CCTV footage of Approved Premises resident. This was reported to NOMS on 25/01/13. The material was recovered and the Approved Premises Manager has put in place a detailed action plan to ensure that this does not happen again in future.
3. 05/02/13 Parole dossiers lost by couriers transporting them from the Parole Board to a Parole Board member. This has been reported by the Parole Board to the MoJ Central Security Team, the Minister and the Information Commissioner's Office. The Parole Board is responsible for this data loss; the data involved relates to 4 Victims, 2 Offenders and 2 Staff in Derbyshire. Risk assessments concluded that there was no imminent risk to staff or victims, given that the offenders are in custody.
4. 26/02/2013 Loss of 13 DVD's and 7 session planning forms, relating to 7 offenders, from a Community Sex Offender Groupwork Programme (CSOGP) induction group in October 2012. This has been reported to NOMS and the ICO, and a formal response was submitted to the ICO follow up questions on 12/04/13. A thorough investigation has been conducted jointly by Derbyshire and Staffordshire and West Midlands (SWM) Probation Trust, who run the CSOGP under contract to Derbyshire. In terms of immediate action taken: all movement of DVD's in and out of Willow Row has ceased (with the exception of movement from Siddals Road, where the Programme is delivered, to Willow Row, where the Treatment Management takes place); a thorough audit has been carried out; revised DVD retention/deletion arrangements are being put in place; and the Senior Information Risk Owners of the two Trusts have been kept fully updated. It should be noted that Derbyshire retain Data Controller responsibilities under the Data Protection Act 1998 and SWM are acting as a Data Processor in this instance; therefore, Derbyshire retain responsibility for any penalty, financial or otherwise, issued by the ICO. The contractual arrangements do not indemnify Derbyshire against any losses incurred as a result of actions by the Regional Sex Offender Unit and this is being addressed as a matter of urgency i.e. a revised contract and data processing agreement is being put in place for the 2013/14 arrangements.

A bank failure in dealing properly with the BACS transfer for the October 2012 payroll was subsequently corrected by the Bank with no financial loss to the Trust of its employees.

The Board's working definition of a 'significant internal control issue' necessarily relates to the specific business of the Derbyshire Probation Trust and is based on the following factors:
1. The issue seriously prejudices or prevents achievement of a national target (of which performance link measures are the highest level of importance) or threatens the continuity, stability or reputation/credibility or the ability of the Service to deliver.
2. The issue has resulted in a need to seek additional funding or has resulted in significant diversion of resources from another aspect of the business.
3. The external auditor regards it as having a material impact on the accounts.
4. The Audit Committee advises it should be considered significant.
5. There is any suggestion of impropriety in relation for example to financial matters, e.g. fraud, legal compliance relating to employment, contracts or statutory duties or obligations or any appearance or perception of corruption of values or practice short of good conduct.
6. The internal auditor reports on it as significant in their general view of the whole of risk control and governance.
7. The issue or its impact has attracted significant public interest or has seriously damaged the reputation of the Area.

No significant internal control issues were identified in 2012/13.

Stakeholders

The business and reputation risks in relation to the Board's major stakeholders were managed as follows:

National Offender Management Service

The Trust contract and subsequent minor variations and contract performance requirements for 2012/13 were signed off by the Board Chair.

Performance of the Trust Contract with the NOMS Community Lead was scrutinised at joint quarterly meetings and with frequent assurance reports required in addition to provision of Board papers as part of the assurance process.

Performance against national targets was met with the Area achieving 3 Star performance in the Probation Trust Rating Scheme. Local contract targets were also substantially met.

Serious Further Offences by offenders under supervision are subject to report and review by NOMS. In 2012/13 there were 8 Serious Further Offence reviews (10 in 2011/12), 7 were judged to be good and 3 satisfactory. There were 6 actual convictions for a Serious Further Offence in 2012/13.

The Matrix Standard for mentoring services was retained in November 2012.

Overall health of the organisation was rated as 4 Star by the British Quality Foundation following their assessment against the European Excellence Model in April 2012.

Staff

Ongoing dialogue with the Trade Unions and communication with staff was maintained about performance; staffing levels; TOIL; ViSOR vetting; information security policies; the Government's consultation in relation to Transforming Rehabilitation, proposals for Community Sentences and the Future Shape of Probation; and, the delayed Community Payback competition.

The RoSPA Gold Award for occupational health and safety was retained in April 2012.

The Area continued to provide and manage secondments to other agencies within NOMS and beyond as follows:

No. of Staff	Seconded To
16	Prisons
5	Youth Offending Services
5	NOMS
4	Regional Sex Offender Unit
3	Others

The Staff Survey in December 2012 resulted in a 72% response rate, (more than double the rate in 2011). 67% said that their morale was good or excellent and 81% indicated the same for motivation.

In February 2013 Investors in People (IiP) re-accreditation was successfully maintained following external independent assessment. The Area has held IiP continuously since 1997.

Victims
The Service maintained its very high level of contact with victims of offences involving serious sexual or other violent offences where the offender is sentenced to imprisonment of 12 months or more (100% were offered contact within appropriate timescales in 2012/13). Awareness of the impact on victims is part of all core supervision and assessment of victims' issues in domestic violence cases is integral to the accredited domestic violence programme. The Service participated in a survey of victims' level of satisfaction with the service offered; 100% expressed their satisfaction.

Courts
The Courts were the major customer of the Service and throughout the year there was continuing involvement in delivering and briefing for new Magistrates about the work of the Service and Court Bulletins for all Magistrates as well as attendance at regular Probation Liaison Committees. His Honour Judge Burgess continued as an observer at Board Meetings.

In the Stakeholder Survey 2012 84.3% of Derbyshire Sentencers were very satisfied or satisfied with the work of the Probation Trust.

Levels of satisfaction among Sentencers with the usefulness of pre sentence reports in reaching sentencing decisions were very high with 89.7% very satisfied or satisfied with overall usefulness of SDRs, 88.6% for FDRs and 81.6% for Oral reports.

The vast majority (80.2%) of Sentencers were confident in the supervision of community penalties by Derbyshire Probation Trust, but had lower levels of confidence in the Trust's ability to supervise more persistent offenders (32.9%) and fewer (25.6%) stated that they were "not confident" in the range of programmes provided in addressing different types of offending, a consistent outcome across all Courts.

A significant proportion (43.5%) of Derbyshire Sentencers stated that they were not confident in being able to obtain information on the outcome of community sentences in general, which is an Area for Improvement.

The need for greater and more consistent levels of engagement with Sentencers across all Derbyshire Courts was also highlighted in very different response rates to questions about visiting Probation premises and attending Probation Liaison meetings which are held regularly in all Trust divisions.

An Action Plan is in place to address these issues going forward.

Criminal Justice Board
The effectiveness of the Criminal Justice System involves the Service as one member of the Criminal Justice Board which has a particular focus on bringing more offences to justice, thereby narrowing the justice gap and by increasing public confidence in the effectiveness and public satisfaction with the Criminal Justice System. The Chief Executive was a member of the Local Criminal Justice Board. During the year the Local Criminal Justice Board also agreed a multi-agency approach to work with victims of crime led by Derbyshire Probation.

The Public
Positive stories were promoted with local media throughout the year to increase public awareness of, and confidence in, both Probation and the wider Criminal Justice System. News releases, radio interviews and local items were generated with good coverage in local newspapers and on local radio about Community Payback projects and the Integrated Offender Management Scheme.

Derbyshire Probation's website was regularly updated with information and good news stories. There is regular and frequent public contact via the website on a range of topics from general queries to employment opportunities and Community Payback project requests.

Offenders
There was one offender survey run during the year and the action plan from the breach survey conducted in March 2012 was also implemented. These are an essential tool for continuous improvement and ensuring that our service responds to the needs of our caseload. In the national offender survey 78% expressed an overall “positive experience of engagement” (i.e. supervision), up 3.3% from 2011/12. The performance placed Derbyshire 12th out of the 35 Trusts in England and Wales. There were 11 complaints received during the period, compared with 7 received during the previous 12. One complaint was investigated by the Ombudsman.

Community
An ongoing survey of community punishment beneficiaries was maintained. The public were invited through the web site and contacts to suggest Community Payback schemes.

Her Majesty’s Inspectorate of Probation (HMIP)
HMIP carried out a thematic inspection of Hate Crime using information gained in Derbyshire.

The next Offender Management inspection is expected in Summer 2013.

Review of Effectiveness

The ongoing work of the Audit Committee which met quarterly considered that the risk management ratings, controls and approaches in place are sufficiently flexible to adjust the changing profile of dynamic risk factors in 2012/13 into 2013/14. The risk register for 2013/14 has been discussed with the Internal Auditor and has shaped their plan for audit coverage in 2013/14.

This statement was approved by the Executive Team at its meeting on 5 March 2013, the Audit Committee at its meeting on 11 March 2013 and, by way of the Audit Committee draft minutes, by the full Board on 29 April 2013.

Corporate Governance

The Chair of the Audit Committee has provided the external auditor with evidence of arrangements by which the Committee gains assurance over management processes. In addition the Board has in its Standing Orders (Including Those Relating to Contracts) and Standing Financial Instructions clear processes about matters reserved to itself and those delegated to the Chief Executive. The Standing Orders define the corporate role of the Board and responsibilities of the Chair and members, including regulations regarding Declarations and Register of Personal, Pecuniary and Financial Interests, including relationships with potential employees and contractors, in effect, being a Code of Conduct for Board members. The Trust complied in all material aspects with the Corporate Governance Code in the context of its size and complexity.

The Board reviews its own performance after each Board meeting. The Board held review days looking at its own effectiveness, the training of Board members and future strategy on 27 April 2012, 21 September 2012 and 15 April 2013. Board members are appointed for a period of three years and may serve up to 10 years. There were no new appointments in 2012/13. Board Non-Executive Members’ period of appointment ended 31 March 2013: one Member chose to retire at that date rather than continue; the other 5 Non-Executive Members were extended with the endorsement of the Board Chair. The Board Chair’s appointment has also been extended until 31 March 2014. The attendance of Non-Executive Board members at Board meeting and the required Audit Committee has been high at 92%. The Chief Executive Officer attended all 4 Board meetings. The Board produces an annual Business Plan and Annual Report which are both made available on the Trust’s website for public accessibility and Board meetings are open to the public, except for consideration of personal information and contractual type reports. The Commissioner uses the Board reports as one of their key sources of assurance and the schedule of Board reports are tailored accordingly.

Future Issues

As 2012/13 ends and 2013/14 begins there are some significant issues identified and being treated:

1. The Government's Transforming Rehabilitation proposals indicate fundamental changes to the future shape of Probation and future of Derbyshire Probation Trust.
2. The implementation of national IT projects OASys-R and DELIUS is due April – July 2013. There is also the planned migration of the finance server to be hosted by London Probation Service.
3. The Trust is expecting to resolve its longstanding accommodation needs in Derby, with the closure of Siddals Road and Willow Row and subsequent occupation of The Derwent Centre in May 2013, and relocation of HQ staff from Matlock Bath in July 2013 with the closure of Brunswood Road.
4. There are 3 cases where offenders convicted of a serious further offence are to be subject to a Coroner's hearing/multi agency investigations and a published report. There may well be negative publicity about the cases which will be managed with support from the Ministry of Justice Press Office.
5. The Midlands Training Consortium closed on 31 March 2013 and Derbyshire is providing a Vocational Qualification Assessment Centre for colleague Trusts in the East and West Midlands from 1 April 2013.
6. All of these issues rely heavily on the competence and good will of staff within the Trust, and also on national contracts over which the Trust has no control and little direct influence.

Board Attendance 2012/13

	23/04/12	11/06/12	09/07/12	10/09/12	19/10/12	10/12/13	14/01/13	25/02/13
Jo Mead	✓	✓	✓	✓	✓	✓	✓	✓
Gillian Wilmot	✓	✓	✓	✓	✓	✓	✓	✓
Dennis Gammage	✓	✓	✓	✓	✓	✓		
John Burns	✓	✓	✓	✓		✓	✓	✓
Adrian Evans			✓		✓	✓	✓	✓
Eric Galvin	✓	✓	✓		✓	✓	✓	✓
Patricia Coleman	✓	✓	✓	✓	✓	✓	✓	✓
Isabella Stone	✓	✓	✓	✓	✓	✓	✓	✓

Jo Mead
Accountable Officer

27th June 2013

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

I certify that I have audited the financial statements of Derbyshire Probation Trust for the year ended 31 March 2013 under the Offender Management Act 2007. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Chief Executive and auditor

As explained more fully in the Statement of Accountable Officer's Responsibilities, the Chief Executive is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Offender Management Act 2007. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trust; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on regularity

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

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of Derbyshire Probation Trust's affairs as at 31 March 2013 and of the net operating cost after taxation for the year then ended; and
- the financial statements have been properly prepared in accordance with the Offender Management Act 2007 and Secretary of State directions issued thereunder.

Emphasis of Matter – Material uncertainty in respect of going concern

Without qualifying my opinion, I have considered the adequacy of the disclosures made in **Note 1.3** of the financial statements, concerning management's consideration of a material uncertainty around the going concern status of the Trust. This arises from an announcement by the Secretary of State for Justice on 9 May 2013, regarding the future of the probation service.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions made under the Offender Management Act 2007; and
- the information given in the Operational and Performance Review, Management Commentary and the Sustainability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

Report

I have no observations to make on these financial statements.

Amyas C E Morse **3rd July 2013**
Comptroller and Auditor General

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

5. Accounts

Statement of Comprehensive Net Expenditure

For the year ended 31 March 2013

	Notes	2012–13 £000	2011–12 £000
Administration costs			
Staff costs	3(a)	10,232	9,867
Other administration costs	6(a)	3,461	3,383
Income	7(a)	(13,422)	(13,201)
Net administration costs		**271**	**49**
Programme costs			
Staff costs	3(a)	131	93
Other programme costs	6(b)	10	8
Income	7(b)	(313)	(129)
Net programme costs		**(172)**	**(28)**
Net operating costs		**99**	**21**
Expected return on pension assets	4(d)	(1,936)	(2,220)
Interest on pension scheme liabilities	4(d)	2479	2,509
Net operating costs before taxation		**642**	**310**
Taxation	5	5	10
Net operating costs after taxation		**647**	**320**

Other Comprehensive Expenditure

	Notes	2012–13 £000	2011–12 £000
Net (gain)/loss on revaluation of property, plant and equipment	8	(8)	(3)
Net (gain)/loss on revaluation of intangibles	9	0	0
Net (gain)/loss on revaluation of available for sale financial assets		0	0
Pension actuarial (gain)/loss	23	4,506	3,566
Total comprehensive expenditure for the year ended 31 March 2013		**5,145**	**3,883**

The notes on pages 30 to 55 form part of these accounts.

Statement of Financial Position

As at 31 March 2013

	Notes	2012–13 £000	2011–12 £000
Non-current assets			
Property plant and equipment	8	129	166
Intangible assets	9	0	0
Deferred tax asset	19	0	0
Trade and other receivables	12(a)	0	0
Total non-current assets		**129**	**166**
Current assets			
Assets classified as held for sale	11	0	0
Deferred tax asset	19	0	0
Trade and other receivables	12(a)	1,814	2,381
Cash and cash equivalents	13	806	195
Total current assets		**2,620**	**2,576**
Total assets		**2,749**	**2,742**
Current liabilities			
Trade and other payables	14(a)	(761)	(486)
Provisions	15	(249)	(354)
Taxation payables	14(a)	(617)	(579)
Total current liabilities		**(1,627)**	**(1,419)**
Non-current assets plus/less net current assets/(liabilities)		**1,122**	**1,323**
Non-current liabilities			
Trade and other payables	14(a)	0	0
Provisions	15	0	(212)
Pension liability	4(c)	(20,604)	(15,448)
Total non-current liabilities		**(20,604)**	**(15,660)**
Assets less liabilities		**(19,482)**	**(14,337)**
Taxpayers' equity			
General fund	23	(19,524)	(14,371)
Revaluation reserve – property, plant and equipment	24(a)	42	34
Revaluation reserve – intangible assets	24(b)	0	0
		(19,482)	**(14,337)**

The financial statements on pages 26 to 29 were approved by the Board on 10th June 2013 and were signed on its behalf by

……………………………….…. Accountable Officer

27th June 2013

The notes on pages 30 to 55 form part of these accounts.

Statement of Cash Flows

For the year ended 31 March 2013

	Notes	2012–13 £000	2011–12 £000
Cash flows from operating activities			
Net operating costs	23	(647)	(320)
Adjustments for non-cash transactions	6(a)	240	323
Adjustments for pension cost	4(d)	650	284
(Increase)/decrease in receivables	12(a)	567	(2,001)
Increase/(decrease) in payables	14(a)	313	51
Utilisation of provisions	15	(512)	(316)
Less movements in property, plant and equipment payable	14(a)	0	0
Less payments of amounts due to Consolidated Fund to NOMS	14(a)	0	2
Net cash outflow from operating activities		**611**	**(1,977)**
Cash flows from investing activities			
Purchase of property, plant and equipment	8	0	0
Purchase of intangibles	9	0	0
Proceeds on disposal of property, plant and equipment	8	0	0
Proceeds on disposal of intangibles	9	0	0
Net cash outflow from investing activities		**0**	**0**
Cash flows from financing activities			
Net financing received in year	23	0	0
Payments of amounts due to the Consolidated Fund to NOMS		0	(2)
Net financing		**0**	**(2)**
Net increase/(decrease) in cash and cash equivalents in the period		**611**	**(1,979)**
Cash and cash equivalents at the beginning of the period	13	195	2,174
Cash and cash equivalents at the end of the period	13	806	195
Increase/(decrease) in cash		**611**	**(1,979)**

The notes on pages 30 to 55 form part of these accounts.

Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2013

	Notes	General Fund £000	Revaluation Reserve £000	Total £000
Balance as at 1 April 2011		**(10,485)**	**31**	**(10,454)**
Prior period adjustment	23/24	0	0	**0**
As restated at 1 April 2011		**(10,485)**	**31**	**(10,454)**
Changes in taxpayers' equity for 2011–12				
Net operating cost after taxation	SocNE	(320)	0	**(320)**
Net gain/(loss) on revaluation of property, plant and equipment	24(a)	0	3	**3**
Net gain/(loss) on revaluation of intangibles	24(b)	0	0	**0**
Movement in donated assets	23	0	0	**0**
Transferred from revaluation reserve	23	0	0	**0**
Pension actuarial (loss)/gain	23	(3,566)	0	**(3,566)**
Net NOMS financing received in year	23	0	0	**0**
Balance as at 31 March 2012		**(14,371)**	**34**	**(14,337)**
Changes in taxpayers' equity for 2012–13				
Net operating cost after taxation	SocNE	(647)	0	**(647)**
Net gain/(loss) on revaluation of property, plant and equipment	24(a)	0	8	**8**
Net gain/(loss) on revaluation of intangibles	24(b)	0	0	**0**
Movement in donated assets	23	0	0	**0**
Transferred from revaluation reserve	23	0	0	**0**
Pension actuarial (loss)/gain	23	(4,506)	0	**(4,506)**
Net NOMS financing received in year	23	0	0	**0**
Balance as at 31 March 2013		**(19,524)**	**42**	**(19,482)**

The notes on pages 30 to 55 form part of these accounts.

Notes to the accounts

1. Statement of accounting policies

The financial statements have been prepared in accordance with the 2012–13 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM follow International Financial Reporting Standards (IFRS) as at the reporting date to the extent that it is meaningful and appropriate to the public sector.

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

The Trust has not adopted any Standards or Interpretations in advance of the required implementation dates. It is not expected that adoption of Standards or Interpretations which have been issued by the International Accounting Standards Board but have not been adopted will have a material impact on the financial statements, except for the following:

The IASB has issued an amended IAS 19 that will come into force for financial periods beginning on or after 1 January 2013 (IAS 19R). IAS 8 requires the disclosure of the impact of the changes to accounting standards which have not yet been adopted. In particular, it requires a disclosure, in the 2013 accounts for those employers with 31 March 2013 year end date, of the expected impact of the future change in accounting standard. The principal changes are as follows:

- The expected return on assets is calculated at the discount rate, instead of, as currently, at an expected return based on actual assets held in the Fund.
- The interest on the service cost is included in the service cost itself.
- Administration expenses continue to be charged through the Statement of Comprehensive Net Expenditure, but are set out as a separate item.

Had the Trust adopted the amended IAS19 for the 2012–13 reporting period, the impact on the financial statements would have been to increase net expenditure by £213,000.

1.1 Accounting convention

These accounts have been prepared on an accruals basis under the historical cost convention and modified to account for the revaluation of non-current assets, where material, at their value to the business. The functional and presentational currency of the Trust's financial statements is the British pound sterling (to the nearest £1,000 unless otherwise stated).

1.2 Changes in accounting policies and restatement of comparatives

There have been no changes in accounting policies or restatement of comparatives in these accounts.

1.3 Going concern

The Statement of Financial Position at 31 March 2013 shows negative Taxpayers' Equity. This reflects the inclusion of liabilities falling due in future years. The future financing of the Probation Trust liabilities is met by future grants of Supply to the Ministry of Justice/NOMS and there is no reason to believe that future approvals of Supply will not be forthcoming. The Trust will continue to invoice NOMS for the provision of probation services under the terms of its contract with NOMS.

A consultation paper "Transforming Rehabilitation – A revolution in the way we manage offenders" was issued in January 2013 which built on the previous consultation last year and set out plans to contract out probation services more widely and increase the use of Payment by Results. The consultation period ended on 22 February 2013 and the results of both consultations were published in "Transforming Rehabilitation: A strategy for Reform", on 9 May 2013 by the Secretary of State for Justice.

The recommendations of the report will change the way in which probation services are commissioned and delivered. A new National Probation Service will be created to protect the public from the most dangerous offenders and manage the provision of probation services. England and Wales will be divided into 21 contract areas which align closely with local authorities and Police and Crime Commissioner areas. MoJ/NOMS will be responsible for commissioning rehabilitation services. Probation service local delivery units will support the gathering of intelligence on needs and priorities at a local level, including from key partners (e.g. local authority needs assessments) to feed into the MoJ/NOMS commissioning process. The implications of the new arrangements for individual Trusts are not provided in the consultation announcement at this stage. Specifically, the announcement does not provide sufficient detail to form a judgement on whether the material functions, assets and liabilities will be transferred for continuing use in the public sector in the context of the FReM paragraph 2.2.15. This is likely to become clearer during 2013–14 as the proposals are further developed and implemented.

Implementation of the new arrangements will require a Statutory Instrument to be issue by the Secretary of State under the Offender Management Act 2007, subject to negative affirmation. This had not been drafted at the date the Annual Report and Accounts were approved. Senior management has concluded therefore that, having reviewed the results of the consultations within the context of the Financial Reporting Manual (FReM), it is appropriate for the Trust to prepare the 2012–13 Annual Report and Accounts on a going concern basis, with disclosure of a ‘material uncertainty’ around going concern, arising from the recommendations of the report, Transforming Rehabilitation: A strategy for Reform.

1.4 Property, plant and equipment

Non-current assets are included at cost upon purchase and are restated at each Statement of Financial Position date using the Price Index Numbers for Current Cost Accounting (Office for National Statistics). The minimum level for capitalisation of a tangible non-current asset is £5,000, inclusive of any irrecoverable VAT element, where appropriate.

All land and building assets used by the Probation Trust are managed and owned centrally by NOMS and are recorded on their Statement of Financial Position. The cost of using those assets is included within **Note 6(a)**, other administration costs under “accommodation, maintenance & utilities”. The charge to the Probation Trust does not represent the full cost incurred by NOMS.

Revaluation of non-current assets

The revaluation reserve reflects the unrealised element of the cumulative balance of revaluation and indexation adjustments in non-current assets (excluding donated assets). Upward revaluations go to the Revaluation Reserve. Downward revaluations are charged to the revaluation reserve if there is a prior credit balance; otherwise they are charged to the SoCNE.

1.5 Depreciation

Non-current assets are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. Assets in the course of construction are depreciated from the point at which the asset is brought into use.

Asset lives are currently in the following ranges:

Information technology	5 years depending on individual asset type
Plant & equipment	3 to 15 years depending on individual asset type
Vehicles	7 years depending on individual asset type
Furniture, fixtures & fittings	5 years depending on individual asset type

1.6 Impairment

All non-current assets are assessed annually for indications of impairment as at 31 March. Where indications of impairment exist, the asset value is tested for impairment by comparing the book value to the recoverable amount. In accordance with IAS 36 the recoverable amount is determined as the higher of the “fair value less costs to sell” and the “value in use”. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and written down to the recoverable amount and an impairment loss is recognised in the SoCNE. Any reversal of an impairment charge is recognised in the SoCNE to the extent that the original charge, adjusted for subsequent depreciation, was previously recognised in the SoCNE. The remaining amount is recognised in the Revaluation Reserve. Under IAS 36, Intangible Assets under construction should be tested for impairment annually.

1.7 Intangible non-current assets

Intangible non-current assets should be recognised only if it is probable that future service potential will flow to the Trust and the cost of the asset can be measured reliably. The future service potential can be defined as a direct contribution of the intangible asset to the delivery of services to the public. These intangibles mainly comprise of internally developed software for internal use and purchased software.

The minimum level for capitalisation of an intangible non-current asset is £5,000, inclusive of any irrecoverable VAT element, where appropriate.

Expenditure is capitalised where it is directly attributable to bringing an asset into working condition. Internal staff costs are expensed to the SoCNE, as are those of contractors and interims undertaking ongoing roles that might otherwise be filled by civil servants. The costs of external consultants engaged on projects are capitalised where appropriate.

The useful lives of intangible assets are assessed to be finite. As there is no active market for these intangible assets, their fair value is assessed at re-valued amount less any accumulated amortisation and accumulated impairment losses.

The re-valued amount and indications of impairment are determined from an annual appraisal of the assets' underlying business case using discounted future economic benefits (cost savings). The net present value of the project is compared with the total current cost, and impaired accordingly.

The intangible assets (Software and Development) are amortised over 5 years using the straight-line.

Intangible assets are restated at each Statement of Financial Position date using ONS IT price indices.

1.8 Non-current assets held for sale

Non-current assets held for sale are identified as assets whose carrying amount will be recovered through sale rather than through continuing use. Depreciation on non-current assets held for sale ceases upon reclassification. Depreciation is re-instated and retrospectively applied to any assets which are subsequently not sold and re-classified as in-use.

1.9 Inventories

Stocks of stationery and other consumable stores are not considered material and are written off in the SoCNE as they are purchased.

1.10 Operating income

Income is accounted for applying the accruals convention and is recognised in the period in which services are provided.

Operating income is income that relates directly to the operating activities of the Probation Trust. This comprises income under the Trust's contract with NOMS for the provision of Probation Services, rent receivables, income from EU sources, income from other Trusts, from within the MoJ Group, from other Government Departments and miscellaneous income. Fees and charges for services are recovered on a full cost basis in accordance with the Treasury's Fees and Charges guide.

With effect from 1 April 2011, NOMS has confirmed that Trusts can now retain bank interest received. Trusts are no longer required to surrender this to HM Treasury via NOMS and MoJ.

1.11 Administration and programme expenditure

The SoCNE is analysed between administration and programme income and expenditure. The classification of expenditure and income for both Administration and Programme follows the definition set out in the FReM by HM Treasury. Administration costs reflect the costs of running the Probation Trust together with associated operating income. Programme costs are defined as projects which are fully or partially funded from outside the Ministry of Justice. On consolidation into NOMS Agency Accounts, all expenditure and income is classified as programme, except the audit fee which is administration expenditure.

1.12 Pensions

Past and present employees are covered by the provisions of the Local Government Pension Scheme (LGPS). This is a funded defined benefit scheme meaning that retirement benefits are determined independently of the investments of the scheme and employers are obliged to make additional contributions where assets are insufficient to meet retirements benefits. Under the LGPS Regulations the pension fund is subject to an independent triennial actuarial valuation to determine each employer's contribution rate

(Disclosure of Stakeholder Pensions Schemes is not included in these accounts). Where a central government entity has a share of a local government (or other) pension scheme liability on its statement of financial position, then that entity will use a discount rate determined by the appropriate authority (for example CIPFA or a qualified independent actuary) in valuing its share and not the rate advised annually by HM Treasury. The pension fund actuary has used roll forward estimated asset value figures in producing the IAS 19 pension liability and other disclosures.

1.13 Leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the Trust, the asset is recorded as a tangible non-current asset and a debt is recorded to the lessor of the minimum lease payments discounted by the interest rate implicit in the lease. The interest element of the finance lease payment is charged to the SoCNE over the period of the lease at a constant rate in the relation to the balance outstanding. Other leases are regarded as operating leases and the rentals are charged to the SoCNE on a straight-line basis over the term of the lease.

A distinction is made between finance leases and operating leases. Finance leases are leases where substantially all of the risks and rewards incidental to ownership of leased non-current assets are transferred from the lessor to the lessee when assessed against the qualitative and quantitative criteria in IAS 17. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Finance leases

Finance lease rights and obligations are initially recognised at the commencement of the lease term as assets and liabilities equal in amount to the fair value of the leased item or, if lower, the present value of the minimum lease payments determined at the inception of the lease. Minimum lease payments are allocated between interest expense and reduction of the outstanding lease liability, according to the interest rate implicit in the lease or the HM Treasury rate where a rate could not extrapolated from the lease.

Finance lease liabilities are allocated between current and non-current components. The principal component of lease payments due on or before the end of the succeeding year is disclosed as a current liability, and the remainder of the lease liability is disclosed as a non-current liability.

Operating leases

The Trust has not entered into any operating lease arrangements. Rentals under operating leases are charged to the SoCNE on a straight-line basis.

Operating leases – incentives

Lease incentives (such as rent-free periods or contributions by the lessor to the lessee's relocation costs) are treated as an integral part of the consideration for the use of the leased asset. The incentives are accounted as an integral part of the net consideration agreed for the use of the leased asset over the lease term, with each party (the lessor and lessee) using a single amortisation method applied to the net consideration.

IFRIC 4 Determining whether an arrangement contains a lease

In determining whether the Trust holds a lease, contracts that use assets are assessed to determine whether the substance of the arrangements contain a lease. The contract is accounted for as a lease if the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. The arrangement is then assessed under IAS 17 to determine whether it should be accounted for as a finance or operating lease.

1.14 Provisions

Provisions represent liabilities of uncertain timing or amount. Provisions are recognised when the Probation Trust has a present legal or constructive obligation, as a result of past events, for which it is probable or virtually certain that an outflow of economic benefits will be required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the real rate set by HM Treasury.

1.15 Value Added Tax

For the Probation Trust most of the activities are within the scope of VAT and, in general, output tax is charged and input tax on purchases is recoverable. Capitalised purchase cost of non-current assets are stated net of recoverable VAT. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

1.16 Corporation Tax

The Trust is a "corporate body" in accordance with the Offender Management Act 2007 supplying court work and offender management services to NOMS and the Ministry of Justice, and as a result, HMRC has confirmed that it is subject to corporation tax. Probation Trusts are therefore subject to Corporation Tax on their profits and 'profit' for this purpose means income and chargeable gains. These accounts include estimates of corporation tax liabilities.

1.17 Cash and Cash Equivalents

Cash and Cash Equivalents comprise cash in hand, that are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value.

1.18 Financial instruments

As the cash requirements of the Trust are met through the Estimates process, financial instruments play a more limited role in creating risk than would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts to buy non-financial items in line with the Trust's expected purchase and usage requirements as well as cash, receivables and payables. Therefore it is felt that the Trust is exposed to little credit, liquidity or market risk.

1.19 Segmental analysis of spend as reported to the Management Board

The segmental analysis presents the financial information based on the structure reported to the Trust's Management Board. The segments reflect the Trust's own individual structure allowing the Board to have a clear view on the costs of front-line operations. This is in accordance with IFRS 8 Segmental Reporting. Further detail is shown in **Note 2**.

1.20 Third party assets

The Trust holds, as custodian or trustee, certain assets belonging to third parties. These assets are not recognised on the Statement of Financial Position and are disclosed within **Note 26**.

2. Statement of Operating Costs and Net Assets by Operating Segment

Operating Costs

Operational Unit	2012–13 Net Expenditure £000s	*2011–12 Net Expenditure £000s*
Offender Management	8,715	*8,636*
Interventions	3,956	*4,050*
Total Net Expenditure	**12,671**	***12,686***

Reconciliation of Net Expenditure to Net Operating Cost

Total Net Expenditure for Operating Segments	**12,671**
Less Other Income	669
Less ESF Income	313
Less RSOU Income	187
	13,840

Statement of Comprehensive Net Expenditure

Administration Costs:	
Staff costs	10,238
Other administration costs	3,461
Programme Costs:	
Staff costs	131
Programme costs	10
Net Expenditure	**13,840**

Net Assets

Operational Unit	2012–13 £000s	*2011–12 £000s*
Offender Management	3	*3*
Interventions	163	*163*
Total Net Expenditure	**166**	***166***

3. Staff numbers and related costs

3a. Staff costs consist of:

	2012–13			2011–12
	Total	Permanently-employed staff	Others	Total
	£000	£000	£000	£000
Wages and salaries	9,034	9,034	0	8,792
Social security costs	661	661	0	650
Other pension costs	1,463	1,463	0	1,432
Sub-total	**11,158**	**11,158**	**0**	**10,874**
Less recoveries in respect of outward secondments	(795)	(795)	0	(914)
Total staff costs	**10,363**	**10,363**	**0**	**9,960**
Administration-related staff costs	10,232	10,232	0	9,867
Programme-related staff costs	131	131	0	93
	10,363	**10,363**	**0**	**9,960**

The Local Government Pension Scheme is a funded multi-employer defined benefit scheme. The Probation Trust's share of the underlying assets and liabilities are shown below in **Note 4**.

0 persons (2011–12: 0 persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £0 (2011–12: £0).

3b. Average number of persons employed

The average number of full time equivalent persons (including senior management) employed during the year was as follows:

2012–13			2011–12
Total	Permanently-employed staff	Others	Total
302	302	0	291
302	**302**	**0**	**291**

3c. Reporting of compensation schemes – exit packages

Exit packages cost band	2012–13 Number of compulsory redundancies	2012–13 Number of other departures agreed	2012–13 Total number of exit packages by cost band	2011–12 Number of compulsory redundancies	2011–12 Number of other departures agreed	2011–12 Total number of exit packages by cost band
<£10,000	0	1	1	0	4	4
£10,000–£25,000	0	0	0	0	0	0
£25,000–£50,000	0	3	3	0	0	0
£50,000–£100,000	0	1	1	0	0	0
£100,000–£150,000	0	0	0	0	0	0
£150,000–£200,000	0	0	0	0	0	0
£200,000+	0	0	0	0	0	0
Total number of exit packages by type	**0**	**5**	**5**	**0**	**4**	**4**
Total resource cost £000	**0**	**206**	**206**	**0**	**15**	**15**

Redundancy and other departure costs have been paid in accordance with the Trust compensation scheme. The additional costs of any early retirements are met from the Trust and not the pension scheme and are included in the above figures. Ill health retirement costs are met from the pension scheme and are excluded from the above table.

4. Pensions costs

Pension benefits are provided through the Local Government Pension Scheme (LGPS). This is a statutory Active Member Discount intended to be a fully funded scheme which provides benefits on a "final salary" basis at a normal retirement age of 65, but an employee is eligible to go at 60 under the 85 rule with no loss of pension entitlement. Benefits accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to 3/80th of pensionable pay for each year of service is payable on retirement. Members pay contributions are a schedule of percentages linked to full time equivalent salary. Pension payments are increased in line with the Consumer Price Index. On death, pensions are payable to the surviving spouse at the rate of half the member's pension. On death in service the scheme pays a lump sum benefit of twice pensionable pay and also provides a service enhancement on computing the spouse's pension, which depends on length of service. Medical retirement is possible in the event of serious ill-health. In this case, pensions are brought into payment immediately without actuarial reduction and with service enhanced as for widow(er) pensions.

4a Pension costs

A full actuarial valuation was carried out at 31 March 2010 by Mercer Ltd. For 2012–13, employers' contributions of £1,234,557were payable to the LGPS (2011–12 £1,215,288).Contributions in 2012/13 were based on a rate of 10.1% plus a lump sum of £435,708 to meet the past service deficit. The schemes' Actuary reviews employer contributions every three 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.

4b. The major assumptions used by the actuary were:

	2012–13	2011–12
	%	%
Inflation assumption	2.4%	2.5%
Rate of increase in salaries	4.2%	4.3%
Rate of increase for pensions in payment and deferred pensions	2.4%	2.5%
Discount rate	4.2%	4.9%

The life expectancy of a male(female) non-retired member aged 65 in 20 years time is 24(26.8) years. The life expectancy of a male(female) retired member aged 65 in 20 years time is 22.2(24.8) years.

4c. The assets in the scheme and the expected rate of return were:

	2012–13			2011–12		
	Expected long-term rate of return	Value as a percentage of total scheme assets	Value	Expected long-term rate of return	Value as a percentage of total scheme assets	Value
	%	%	£000	%	%	£000
Equities	7.0%	66%	26,610	7.0%	64%	22,350
Government bonds	2.8%	15%	6,048	3.1%	17%	5,805
Other bonds	3.9%	5%	2,016	4.1%	5%	1,842
Property	5.7%	5%	2,016	6.0%	5%	1,877
Other	7.0%	9%	3,629	7.0%	8%	2,885
Total	**5.5%**	**100%**	**40,319**	**5.5%**	**100%**	**34,759**
Present value of scheme liabilities			**(60,923)**			**(50,207)**
Deficit of the scheme			**(20,604)**			**(15,448)**
Net pension liability			**(20,604)**			**(15,448)**

4d. Analysis of amounts recognised in SoCNE

	2012–13 £000	2011–12 £000
Pension cost		
Current service cost	1,347	1,218
Past service cost	0	0
Effect of curtailment	116	214
Effect of settlement	0	0
Total operating charge	**1,463**	**1,432**

	2012–13 £000	2011–12 £000
Analysis of interest cost on pension scheme – assets/(liabilities)		
Expected return on pension scheme assets	(1,936)	(2,220)
Interest on pension scheme liabilities	2,479	2,509
Net interest costs	**543**	**289**

4e. Analysis of amounts recognised in other comprehensive expenditure

	2012–13 £000	2011–12 £000
Pension actuarial gain/(loss)	(4,506)	(3,566)
Irrecoverable surplus (if applicable)	0	0
Total shown in other comprehensive expenditure	**(4,506)**	**(3,566)**

4f. Changes to the present value of liabilities during the year

	2012–13 £000	2011–12 £000
Opening present value of liabilities	**50,207**	**45,681**
Current service cost	1,347	1,218
Interest cost	2,479	2,509
Contributions by members	511	506
Actuarial (gains)/losses on liabilities*	7,339	1,921
Benefits paid	(1,076)	(1,842)
Past service cost	0	0
Unfunded benefits paid	0	0
Curtailments	116	214
Settlements	0	0
Closing present value of liabilities	**60,923**	**50,207**

* Includes changes to actuarial assumptions

4g. Changes to the fair value of assets during the year

	2012–13 £000	2011–12 £000
Opening fair value of assets	**34,759**	**34,083**
Expected return on assets	1,936	2,220
Actuarial gains/(losses) on assets	2,833	(1,645)
Contributions by the employer	1,356	1,437
Contributions by members	511	506
Benefits paid	(1,076)	(1,842)
Net increase from disposals and acquisitions	0	0
Unfunded benefits paid	0	0
Curtailments	0	0
Settlements	0	0
Closing fair value of assets	**40,319**	**34,759**

4h. History of asset values, present values of liabilities, surplus/deficit and experience gains and losses

	2012–13 £000	2011–12 £000	2010–11 £000	2009–10 £000	2008–09 £000
Fair value of assets	40,319	34,759	34,083	30,376	21,934
Present value of liabilities	60,923	50,207	45,681	46,610	31,610
Deficit	**(20,604)**	**(15,488)**	**(11,598)**	**(16,234)**	**(9,676)**
Experience gains/(losses) on scheme assets	2,833	(1,646)	164	6,315	(6,319)
Experience gains/(losses) on scheme liabilities	0	0	1,907	0	9,218
Percentage experience gains/(losses) on scheme assets	**7%**	**(5)%**	**0%**	**21%**	**(29)%**
Percentage experience gains/(losses) on scheme liabilities	**0%**	**0%**	**4%**	**0%**	**29%**

4i. Sensitivity analysis

	Central	Plus 0.1% pa discount rate	Plus 0.1% pa inflation	1 year increase in life expectancy
Liabilities	60,923	59,751	62,121	62,107
Assets	(40,319)	(40,319)	(40,319)	(40,319)
Deficit/(Surplus)	20,604	19,432	21,802	21,788
Projected Service Cost 2013/14	1,736	1,677	1,797	1,776
Projected Expected return on Assets 2013/14	(2,225)	(2,225)	(2,225)	(2,225)
Projected Interest Cost 2013/14	2,583	2,593	2,635	2,634

All figures £000s

5. Taxation

	2012–13	2011–12
	£000	**£000**
UK corporation tax	5	10
	0	0
Total	**5**	**10**

Probation Trusts are corporate bodies under the Offender Management Act 2007, supplying court work and offender management services to the Ministry of Justice. Probation Trusts are therefore subject to Corporation Tax on their profits and ‘profit’ for this purpose means income and chargeable gains.

6. Other administrative costs and programme costs

6a. Administration costs

	2012–13		2011–12	
	£000	£000	£000	£000
Rentals under operating leases	0		13	
Interest charges	0		0	
Accommodation, maintenance and utilities	1,093		1,095	
Travel, subsistence and hospitality	406		393	
Professional services	476		241	
IT services	430		445	
Communications, office supplies and services	366		421	
Other staff related	107		112	
Offender costs	428		511	
Other expenditure	(121)		(214)	
External Auditors' remuneration – statutory accounts	24		29	
External Auditors' remuneration – other	0		0	
Internal Auditors' remuneration and expenses	12		14	
		3,221		**3,060**
Non-cash items				
Depreciation of tangible non-cash assets	45		58	
Amortisation of intangible non-cash assets	0		0	
Impairment of non-current assets	0		0	
Profit/(loss) on disposal of tangible non-cash assets	0		0	
Profit/(loss) on disposal of intangible non-cash assets	0		0	
Other provisions provided for in year	195		265	
Early retirement provisions not required	0		0	
		240		323
Total		**3,461**		**3,383**

6b. Programme costs

Current expenditure	10		8	
Total		**10**		**8**
Total other administration and programme costs		**3,471**		**3,391**

7. Income

7a. Administration income

	2012–13		2011–12	
	£000	£000	£000	£000
Income receivable from the sponsoring department – NOMS	12,683		12,659	
Rent receivable from minor occupiers of Probation estate property:				
From within the departmental boundary	0		0	
From other Government departments	0		0	
From external tenants	0		0	
		12,683		**12,659**
EU income from NOMS		0		0
EU income from other Government departments		0		0
Other EU income		0		0
Other income received from Probation Trusts		217		20
Other income from NOMS		165		187
Other income from rest of MoJ Group		2		2
Other income from other Government departments		278		277
Miscellaneous income		77		55
		13,422		**13,200**
Interest received:				
From bank	0		1	
From car loans	0		0	
From other sources	0		0	
Total interest received		**0**		**1**
Total administration income		**13,422**		**13,201**

7b. Programme income

	2012–13		2011–12	
EU income from NOMS	0		0	
EU income from other Government departments	0		0	
Other EU income	313		129	
Other programme income	0		0	
Total programme income		**313**		**129**
Total income		**13,735**		**13,330**

8. Property, plant and equipment

	2012–13					
	Information technology £000	Plant and machinery £000	Transport equipment £000	Furniture, fixtures and fittings £000	Payments on account and assets under construction £000	Total £000
Cost or valuation						
As at 1 April 2012	**29**	**108**	**378**	**0**	**0**	**515**
Additions	0	0	0	0	0	0
Disposals	(29)	(9)	0	0	0	(38)
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	0	4	23	0	0	27
As at 31 March 2013	**0**	**103**	**401**	**0**	**0**	**504**
Depreciation						
As at 1 April 2012	**29**	**103**	**217**	**0**	**0**	**349**
Charge in year	0	3	42	0	0	45
Disposals	(29)	(9)	0	0	0	(38)
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	0	3	16	0	0	19
As at 31 March 2013	**0**	**100**	**275**	**0**	**0**	**375**
Carrying value as at 31 March 2013	**0**	**3**	**126**	**0**	**0**	**129**
Carrying value as at 31 March 2012	**0**	**5**	**161**	**0**	**0**	**166**
Asset financing						
Owned	0	3	126	0	0	129
Finance leased	0	0	0	0	0	0
Carrying value as at 31 March 2013	**0**	**3**	**126**	**0**	**0**	**129**

8. (Continued)

	2011–12					
	Information technology £000	Plant and machinery £000	Transport equipment £000	Furniture, fixtures and fittings £000	Payments on account and assets under construction £000	Total £000
Cost or valuation						
As at 1 April 2011	**29**	**106**	**412**	**0**	**0**	**547**
Additions	0	0	0	0	0	0
Disposals	0	0	(36)	0	0	(36)
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	0	2	2	0	0	4
As at 31 March 2012	**29**	**108**	**378**	**0**	**0**	**515**
Depreciation						
As at 1 April 2011	**29**	**91**	**206**	**0**	**0**	**326**
Charge in year	0	11	47	0	0	58
Disposals	0	0	(36)	0	0	(36)
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	0	1	0	0	0	1
As at 31 March 2012	**29**	**103**	**217**	**0**	**0**	**349**
Carrying value as at 31 March 2012	**0**	**5**	**161**	**0**	**0**	**166**
Carrying value as at 31 March 2011	**0**	**15**	**206**	**0**	**0**	**221**
Asset financing						
Owned	0	5	161	0	0	166
Finance leased	0	0	0	0	0	0
Carrying value as at 31 March 2012	**0**	**5**	**161**	**0**	**0**	**166**

9. Intangible assets

	2012–13					
	Development £000	Software £000	Licences £000	Other £000	Payments on account and assets under construction £000	Total £000
Cost or valuation						
As at 1 April 2012	**0**	**0**	**0**	**0**	**0**	**0**
Additions	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Indexation/revaluation	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
As at 31 March 2013	**0**	**0**	**0**	**0**	**0**	**0**
Amortisation						
As at 1 April 2012	**0**	**0**	**0**	**0**	**0**	**0**
Charge in year	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Indexation/revaluation	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
As at 31 March 2013	**0**	**0**	**0**	**0**	**0**	**0**
Carrying value as at 31 March 2013	**0**	**0**	**0**	**0**	**0**	**0**
Carrying value as at 31 March 2012	**0**	**0**	**0**	**0**	**0**	**0**
Asset financing						
Owned	0	0	0	0	0	0
Finance leased	0	0	0	0	0	0
Carrying value as at 31 March 2013	**0**	**0**	**0**	**0**	**0**	**0**

9. (Continued)

	2011–12					
	Development £000	Software £000	Licences £000	Other £000	Payments on account and assets under construction £000	Total £000
Cost or valuation						
As at 1 April 2011	**0**	**0**	**0**	**0**	**0**	**0**
Additions	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Indexation/revaluation	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
As at 31 March 2012	**0**	**0**	**0**	**0**	**0**	**0**
Amortisation						
As at 1 April 2011	**0**	**0**	**0**	**0**	**0**	**0**
Charge in year	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Indexation/revaluation	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
As at 31 March 2012	**0**	**0**	**0**	**0**	**0**	**0**
Carrying value as at 31 March 2012	**0**	**0**	**0**	**0**	**0**	**0**
Carrying value as at 31 March 2011	**0**	**0**	**0**	**0**	**0**	**0**
Asset financing						
Owned	0	0	0	0	0	0
Finance leased	0	0	0	0	0	0
Carrying value as at 31 March 2012	**0**	**0**	**0**	**0**	**0**	**0**

10. Impairments

There were no impairments during the year (or 2011/12).

11. Assets held for sale

There were no assets held for sale during the year (or 2011/12).

12. Trade receivables and other current assets

12a. Analysis by type

	2012–13 £000	2011–12 £000
Amounts falling due within one year		
Trade receivables	1	0
VAT	0	0
Deposits and advances	0	0
Receivables due from Probation Trusts	109	41
Receivables due from NOMS agency	1,614	2,324
Receivables due from Ministry of Justice – core	0	0
Receivables due from Ministry of Justice – NDPBs	0	0
Receivables due from HM Courts & Tribunals Service (HMCTS)	0	0
Receivables due from Office of the Public Guardian (OPG)	0	0
Receivables due from all other Government departments	71	16
Other receivables	0	0
Prepayments	19	0
Accrued income	0	0
	1,814	**2,381**
Amounts falling due after more than one year		
Trade receivables		
Deposits and advances	0	0
Other receivables	0	0
Prepayments and accrued income	0	0
	0	**0**
Total	**1,814**	**2,381**

12b. Intra-Government receivables

	Amounts falling due within one year		Amounts falling due after more than one year	
	2012–13 £000	2011–12 £000	2012–13 £000	2011–12 £000
Balances with other central Government bodies (inc. parent department)	1,723	2,364	0	0
Balances with local authorities	71	16	0	0
Balances with NHS bodies	0	0	0	0
Balances with public corporations and trading funds	0	0	0	0
	1,794	**2,380**	**0**	**0**
Balances with bodies external to Government	20	1	0	0
Total	**1,814**	**2,381**	**0**	**0**

13. Cash and cash equivalents

	2012–13	2011–12
	£000	**£000**
Balance at 1 April	195	2,174
Net change in cash and cash equivalents	611	(1,979)
Balance at 31 March	**806**	**195**
The following balances at 31 March are held at:		
Government Banking Service	0	0
Commercial banks and cash in hand	806	195
Balance at 31 March	**806**	**195**

14. Trade payables and other current liabilities

14a. Analysis by type

	2012–13	2011–12
Amounts falling due within one year (excluding taxation)	**£000**	**£000**
Trade payables	422	61
Other payables	0	0
Accruals	0	0
Deferred income	0	0
Staff payables	243	271
Bank overdraft	0	0
Payables due to Probation Trusts	27	0
Payables due to NOMS Agency	60	146
Payables due to Ministry of Justice – core	0	0
Payables due to Ministry of Justice – NDPBs	0	0
Payables due to HM Courts & Tribunals Service (HMCTS)	0	0
Payables due to Office of the Public Guardian (OPG)	0	0
Payables due to all other Government departments	9	8
Unpaid pensions contributions due to the pensions scheme	0	0
Long-term liabilities due within one year	0	0
Operating income to be surrendered (interest received)	0	0
Non-current asset accruals	0	0
	761	**486**
Tax falling due within one year		
VAT	612	569
Corporation tax	5	10
Other taxation and social security	0	0
	617	**579**
Total amounts falling due within one year	**1,378**	**1,065**
Amounts falling due after more than one year		
Staff payables	0	0
Other payables	0	0
	0	**0**
Total	**1,378**	**1,065**

14b. Intra-Government payables

	Amounts falling due within one year		Amounts falling due after more than one year	
	2012–13	2011–12	2012–13	2011–12
	£000	**£000**	**£000**	**£000**
Balances with other central Government bodies (inc. parent department)	704	725	0	0
Balances with local authorities	9	8	0	0
Balances with NHS bodies	0	0	0	0
Balances with public corporations and trading funds	0	0	0	0
	713	**733**	**0**	**0**
Balances with bodies external to Government	665	332	0	0
Total	**1,378**	**1,065**	**0**	**0**

15. Provisions for liabilities and charges

	2012–13 £000	2011–12 £000
Balance at 1 April	566	617
Provided in year	195	300
Provisions not required written back	0	(35)
Provision utilised in the year	(512)	(316)
Unwinding of discount	0	0
Balance as at 31 March	**249**	**566**

Analysis of expected timing of discount flows	2012–13 £000	2011–12 £000
Not later than one year	249	354
Current liability	**249**	**354**
Later than one year and not later than five years	0	212
Later than five years	0	0
Non-current liability	**0**	**212**
Balance as at 31 March	**249**	**566**

Provisions have been created to meet the expected cost of an Employment Tribunal and for the cost of closing the Trust Headquarters and moving to Derby.

16. Capital commitments

The Trust has no capital commitments at 31st March 20012 (no capital commitments in 2011/12).

17. Commitments under lease

17a. Operating leases

The Trust had no operating leases in 2012/13 or 2011/12.

17b. Finance leases

The Trust had no finance leases in 2012/13 or 2011/12.

18. Other financial commitments

The Trust has no other financial commitments.

19. Deferred tax asset

There are no deferred tax assets (none in 2011/12).

20. Financial instruments

As the cash requirements of the Trust are met through the Estimates process, financial instruments play a more limited role in creating risk than would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts to buy non-financial items in line with the Trust's expected purchase and usage requirements as well as cash, receivables and payables. Therefore it is felt that the Trust is exposed to little credit, liquidity or market risk.

21. Contingent liabilities

The Trust has no contingent liabilities (no contingent liabilities in 2011/12).

22. Losses and special payments

22a. Losses statement

There were no losses in 2012/13 or 2011/12.

22b. Special payments schedule

There were no special payments in 2012/13 or 2011/12.

23. General fund

	2012–13 £000	2011–12 £000
Balance at 1 April	(14,371)	(10,485)
Prior period adjustment (Note 28)	0	0
Balance restated at 1 April	**(14,371)**	**(10,485)**
Financing	0	0
Net transfers from Operating Activities:		
Statement of Comprehensive Net Expenditure	(647)	(320)
Movement in donated assets	0	0
Transferred from revaluation reserve	0	0
Actuarial gains and losses	(4,506)	(3,566)
Balance at 31 March	**(19,524)**	**(14,371)**

24. Revaluation reserve

24a. Property, plant and equipment

	2012–13 £000	2011–12 £000
Balance at 1 April	34	31
Prior period adjustment (Note 28)	0	0
Balance restated at 1 April	**34**	**31**
Arising on revaluations of PPE during the year (net)	8	3
Transferred to General Fund	0	0
Balance at 31 March	**42**	**34**

24b. Intangibles

There were no intangibles in 2012/13 or 2011/12.

25. Related party transactions

NOMS and the Ministry of Justice are regarded as a related party. During the year, the Trust had various material transactions with the Ministry of Justice. Additionally, the Trust had transactions with other Trusts', other government bodies and third party organisations.

During the year, none of the members of the Management Board, members of key management staff or other related parties, or their related parties has undertaken any material transactions with the Trust.

26. Third-party assets

There were no third party assets in 2012/13 or 2011/12.

27. Events occurring after the reporting period

In accordance with the requirements of IAS 10, events after the reporting period are considered up to the date on which the accounts are authorised for issue. This is interpreted as the date of the Audit Certificate of the Comptroller and Auditor General.

As at the date of the Audit Certificate, the following reportable events had occurred:

The results of the "Transforming Rehabilitation" consultation paper were published on 9 May 2013, by the Secretary of State for Justice, which announced the future requirements for the provision of probation services. The recommendations will change the way in which probation services are commissioned and delivered. A new National Probation Service will be created to protect the public from the most dangerous offenders and manage the provision of probation services. England and Wales will be divided into 21 contract areas which align closely with local authorities and Police and Crime Commissioner areas. MoJ/NOMS will be responsible for commissioning rehabilitation services. Probation service local delivery units will support the gathering of intelligence on needs and priorities at a local level, including from key partners (e.g. local authority needs assessments) to feed into the MoJ/NOMS commissioning process. It is expected that the detail will be finalised over the coming months. None of the Trust's assets, liabilities or functions had been transferred at the date the accounts were authorised for issue.

28. Prior period adjustments

There were no prior period adjustments in 2012/13 or 2011/12.

Accounts Direction

ACCOUNTS OF LOCAL PROBATION TRUSTS IN ENGLAND AND WALES
ACCOUNTS DIRECTION GIVEN BY THE SECRETARY OF STATE IN ACCORDANCE WITH PARAGRAPHS 13(1) and 14(2) OF SCHEDULE 1 TO THE OFFENDER MANAGEMENT ACT 2007

1. This direction applies to the Local Probation Trusts (the Trusts) listed in the attached Appendix 1.

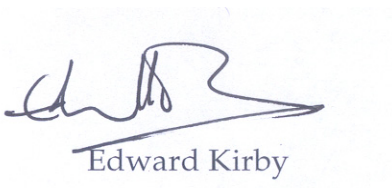
2. Each Trust shall prepare a statement of accounts for the financial year ended 31 March 2013 and subsequent financial years, in compliance with the accounting principles and disclosure requirements of the Government Financial reporting Manual ("the FReM") issued by HM Treasury and which is in force for the relevant financial year.

3. The accounts shall be prepared so as to:
   - give a true and fair view of the state of affairs of the Trust as at the financial year-end and of the comprehensive net expenditure, changes in taxpayers' equity and cash flows for the financial year and have been properly prepared in accordance with the Offender Management Act 2007;
   - provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.

4. Compliance with the requirements of the FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. If, in these exceptional circumstances, compliance with the requirements of the FReM is inconsistent with the requirement to give a true and fair view, the requirements of the FReM should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgement should be used to devise an appropriate alternative treatment which should be consistent with both the economic characteristics of the circumstances concerned and the spirit of the FReM. Any material departure from the FReM should be discussed in the first instance with NOMS Agency finance team and HM Treasury.

5. Additionally the Trusts shall be required to comply with all Probation Communication Notices to the extent that they build on the requirement of the FReM subject to the directions in paragraph 4.

6. This direction supersedes that provided by the Secretary of State to Probation Trusts dated 8 March 2012.



On behalf of the Secretary of State for the Ministry of Justice
6 March 2013

Appendix 1

35 Probation Trusts:

Avon and Somerset
Bedfordshire
Cambridgeshire & Peterborough
Cheshire
Cumbria
Derbyshire
Devon and Cornwall
Dorset
Durham Tees Valley
Essex
Gloucestershire
Greater Manchester
Hampshire
Hertfordshire
Humberside
Kent
Lancashire
Leicestershire & Rutland
Lincolnshire
London
Merseyside
Norfolk & Suffolk
Northamptonshire
Northumbria
Nottinghamshire
South Yorkshire
Staffordshire & West Midlands
Surrey & Sussex
Thames Valley
Wales
Warwickshire
West Mercia
West Yorkshire
Wiltshire
York & North Yorkshire

6. Sustainability report

This is the second sustainability report for Derbyshire Probation Trust, prepared in accordance with 2011–2012 guidelines laid down by HM Treasury in 'Public Sector Annual Reports: Sustainability Reporting' published at: **www.hm-treasury.gov.uk/frem_sustainability.htm**. Sustainability focus is on achieving government targets, reducing environmental impact and reducing costs. Priorities include reducing carbon emissions, water consumption and waste to landfill.

This report covers 6 buildings.

Shared occupations are not accounted for due to the limitations of extrapolating reliable sustainability data from service charges supplied by landlords. In addition, HM Courts and Tribunals Service is obliged to supply office space free of charge to probation trusts. As these are modest in size there is little, if any, benefit from isolating their sustainability data. We do not consider that the exclusion of these areas has a material impact on sustainability reporting for the Trust as a whole.

Governance, responsibilities and internal assurance

Overall governance and assurance is managed by the Ministry of Justice Sustainable Development Team (MoJ SDT). The probation estate is managed by facilities contractors, acting on behalf of the MoJ, who manage day to day estate operations including voluntary and mandated sustainability reporting. There are some limitations to the accuracy of our financial and non-financial sustainability data and we continue to improve the quality of our internal controls, for example through internal audit.

Greening Government Commitments

The Greening Government Commitments launched on 1 April 2011 require Departments, including Probation Trusts, to take action to significantly reduce environmental impact by 2014–2015 (compared to a 2009–2010 baseline). These commitments can be found at:
http://sd.defra.gov.uk/gov/green-government/commitments/

Climate Change Adaptation and Mitigation

The MoJ SDT has drafted a Statement for Climate Change Adaptation; and set their built and non-built estate challenging objectives as follows:

- To enable the MoJ estate to evaluate risks to its strategy for programme delivery on vulnerable flood plains and evaluate its baseline for future adaptation of its targets and actions against climate change.
- To enable the MoJ estate to prioritise its management of high risk sites and where necessary divert and recalculate important and fragile resources where they are vital to operational delivery.
- To identify where stakeholders and central partners need to act to facilitate further or additional actions to protect against climate change.
- To establish a strategic process by which MoJ can put in place measures necessary to adapt to future climate change.

Carbon Reduction Commitment

The Carbon Reduction Commitment (CRC) is managed by the MoJ and associated carbon allowances are accrued by MoJ Corporate Estates.

Carbon Management Plan (CMP)

A CMP is a systematic approach to reducing Greenhouse Gas Emissions; integrating technical, financial, corporate governance and communications within an overarching strategy. A CMP covers the entire Probation Estate across 35 Trusts and was developed in partnership with the Carbon Trust. The MoJ SDT is working to consolidate all CMP's, including those in place in the Prison Service and Courts & Tribunals to deliver a single cohesive approach with costed projects for each unit to provide an overarching framework to tackle climate change.

Our vision is to:

- be a low carbon business in which carbon management and sustainability are embedded within decision making and,
- engage stakeholders and demonstrate best practice in meeting corporate sustainability targets.

The plan and statements will be kept under review and open to amendment in order to facilitate a continued improvement in meeting statutory obligations for climate change adaptation and reporting.

Environmental Management System (EMS)

The MoJ SDT has an ongoing EMS implementation programme, and is looking to develop a more streamlined EMS that fully meets the requirements while reducing resource impacts on front line services.

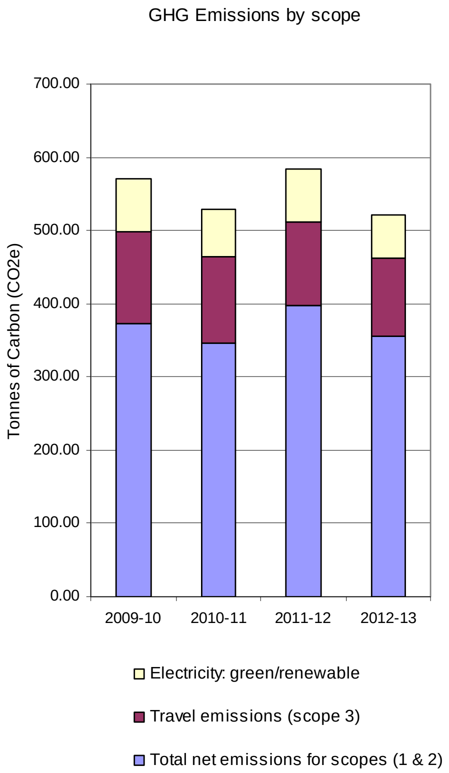
Sustainable procurement

Derbyshire Probation Trust has access to purchasing agreements for commodities from suppliers that make available recycled and low carbon products where appropriate.

Performance summary

Greenhouse gas (GHG) emissions

		2009–10	2010–11	2011–12	2012–13
Non-financial indicators (tCO2e)	Total gross emissions for scopes 1 & 2	445	410	469	414
	Electricity: green/renewable	73	64	72	59
	Total net emissions for scopes 1 & 2	**372**	**346**	**397**	**355**
	Travel emissions scope 3	127	120	115	108
	Total gross GHG emissions (all scopes)	**572**	**530**	**584**	**522**
Non-financial (kWh)	Electricity: Grid, CHP & non-renewable	420,247	370,598	413,909	340,150
	Electricity: renewable	140,082	123,533	137,970	113,383
	Gas	828,095	822,920	723,688	721,763
	Other energy sources	0	0	0	0
	Total energy	**1,388,424**	**1,317,050**	**1,275,566**	**1,175,296**
Financial indicators	Expenditure on energy	£81,702	£57,547	£68,496	£68,996
	Expenditure on official business travel	£286,666	£268,181	£256,490	£243,491



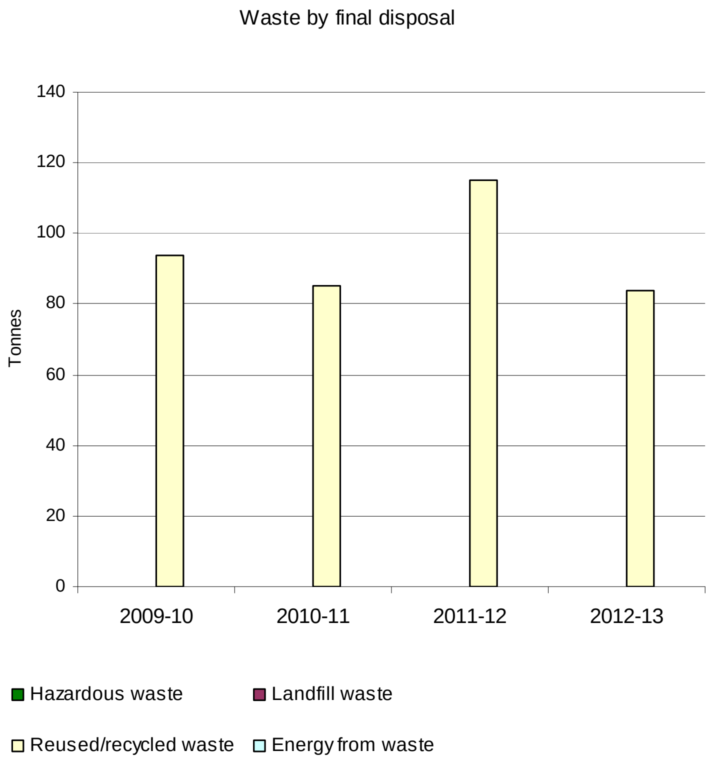
Performance commentary (including targets)
From 1 April 2011 new Greening Government Commitments require us to reduce greenhouse gas emissions from a 09/10 baseline from the whole estate and business related transport. Reported carbon dioxide emissions from our buildings in 2012/13 fell below the target set in 2009/10. The figures exclude data for the Willow Row building. Carbon dioxide emissions from travel are shown in a separate section below. Travel emissions have fallen steadily from the base year (down by 14.5% from 2009/10).

Controllable impacts commentary
100% of our reported carbon dioxide emissions are from electricity and gas used in buildings.

Overview of influenced impacts
The Trust carefully considers greenhouse emissions when reviewing its estate. During 2013/14 three buildings will be consolidated into one which will have a positive impact on emissions.

Waste

			2009–10	2010–11	2011–12	2012–13
Non-financial indicators (tonnes)	Hazardous waste	Hazardous waste	0	0	0	0
	Non-hazardous waste	Landfill waste	0	0	0	0
		Reused/recycled waste	94	85	115	84
		Energy from waste	0	0	0	0
	Total waste arising		94	85	115	84
Financial indicators	Hazardous waste	Hazardous waste	0	0	0	0
	Non-hazardous waste	Landfill waste	0	0	0	0
		Reused/recycled waste	0	0	0	0
		Energy from waste	0	0	0	0
	Total waste costs (£)		n/a	n/a	n/a	n/a



Performance commentary (including targets)
The amount of waste generated in 2012/13 is below the target set in 2009/10. From 1 April 2011 new targets (GGC) require us to reduce the amount of waste we generate by 25% form a 2009/10 baseline and ensure that redundant ICT equipment us re-used (within government, the public sector or wider society or responsibly recycled.

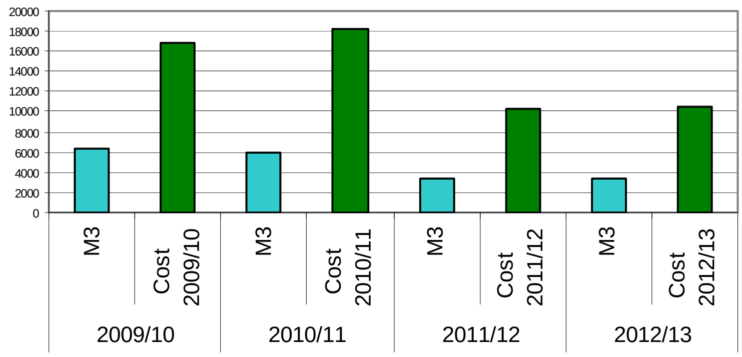
Controllable impacts commentary
The Trust has a policy of using recycled paper where available and all waste paper is recycled.

Overview of influenced impacts
All suppliers and partners are encouraged to manage office waste responsibly.

Water

		2009–10	2010–11	2011–12	2012–13
Non-financial indicators	**Total water consumption (cubic metres)**	6,281	5,922	3,269	3,305
Financial indicators	**Total water supply costs (£)**	£16,751	£18,194	£10,361	£10,590

Water. Total consumption and costs.



Performance commentary (including targets)
From 1 April 2011 new targets (GGC) require us to reduce water consumption from a 2009/10 baseline. Usage in 2012/13 was 53% of the baseline due to the closure of buildings

Controllable impacts commentary
Water use is exclusively from washrooms and drinking.

Overview of influenced impacts
The Trust carefully considers water use when reviewing its estate. During 2013/14 three buildings will be consolidated into one which will have a positive impact on water use.

Paper

The increased cost is due to the increased price of paper over the 4 year period. The actual number of units purchased has fallen by 18% since 2009/10.

	2009–10	2010–11	2011–12	2012–13
Cost (excluding VAT)	9,952	8,438	11,985	10,217

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