



# **Cumbria Probation Trust**

## **Annual Report and Accounts 2012–2013**



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### **2012–2013**

Presented to Parliament pursuant to The Government Resources and Accounts Act 2000 (Audit of Public Bodies) Order 2012 (S.I. 2012, No. 854).

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## Vision, Mission & Values

Cumbria Probation Trust aims to:

“Deliver an excellent level of service in managing offenders in custody and the community, to protect the public and to contribute to the reduction of crime in Cumbria.

In all our activities we aspire to achieve excellence in our work, we strive for continuous improvement, we value constructive discourse and we acknowledge each person’s unique value and potential.”

The Cumbria Probation Strategic Plan 2009–13 sets out the following six key strategic objectives:

- To reduce the risk of harm to the people of Cumbria;
- To reduce re-offending and improve community safety in Cumbria;
- To protect victims, children and vulnerable adults from discrimination, abuse, crime and the fear of crime;
- To enable offenders to participate in and positively contribute to their communities;
- To deliver improvements in the quality of our services and value for money; and
- To increase local accountability and engagement.

## Foreword

We present our Annual Report for the year to 31 March 2013. The start of the year coincided with the departure of our previous Chief Executive Officer (CEO), Annette Hennessy and for me stepping in as the Interim Chief. Later in the year the chair of the Board, Mr Richard Rhodes, successfully secured the position of Police and Crime Commissioner for Cumbria. His departure in November 2012 resulted in Mr Chris Armstrong acting as the Interim Chair of the Board until the end of year.

2012–13 was a challenging year in many respects, not least the two separate consultations commissioned by two different Secretaries of States within the same year each aimed at reviewing the probation service and its future.

At the same time this was the last year of our four year strategic plan and from that respect 2012–13 was a year of consolidation in particular with regard to the strategic objectives as set out in the Trust's Strategic Plan 2009–13. During this period we reduced both the staffing level and size of the estate by 10% and 36% respectively and therefore, starting 2013–14 from a much leaner position in terms of resource base.

Under our contract for the provision of probation services with the Secretary of State, we met our contract obligations with a good and consistent performance with the highest score for Reducing Reoffending. We have demonstrated increasing value for money and cost effectiveness against a backdrop of tough economic conditions whilst continually looking for more innovative ways of delivering probation services to our rural communities in Cumbria.

We take pride in our achievements and our role as an influencing partner within the county both of which are underpinned by strong values and commitment of staff.

Signed: .....  
**Christopher Armstrong**  
Board Chair

Signed: .....  
**Russell Bruce**  
Interim Chief

# 1. Operational & Performance Review 2012–13

## A. Enablers

### Leadership

This Annual Report marks the end of our third year as a Trust. The Board and its Executive Directors have continued to successfully implement the plans and strategies developed as part of the Trust application process managed under the Trust's Annual Plan.

Over the last twelve months Cumbria Probation Trust has had significant changes to its leadership. The year started with the departure of the previous chief executive replaced by an interim CEO shared with Durham Tees Valley Probation Trust (DTVPT). The decision to have a shared interim CEO was made by the Board on the basis that the outcome from the first round of Probation Review commissioned by the R.H. Kenneth Clark, the Secretary of State for Justice would give some clarity to the future of Trust by September 2012. Following a mid-term cabinet reshuffle, Mr Clark was replaced by Mr Chris Grayling who commissioned another Probation review – “Rehabilitation Revolution” leading to an extension of the contract for the interim CEO for Cumbria Probation Trust. This was followed by the departure of the Board Chair who took the post of Crime and Police Commissioner in Cumbria.

Throughout the year, the Trust continued its programme of training and development for aspiring managers and some who had already completed leadership programmes such as “Springboard”, “Common Purpose” “International Navigator Leadership” stepped into director role within the Trust. Cumbria Probation Trust will continue its support for training and development programmes as part of its succession planning and securing a broad range of leaders with right skills in taking the Trust forward.

### Policy and Strategy

This was the last year of our four year Strategic Plan which laid down the Trust's key strategies and policies. Our Annual Business Plan for 2013–14 is built on a solid foundation, developed over the last four years, reflecting our strategic objectives and key priorities for the year ahead. Performance against the Annual Business Plan is monitored on a quarterly basis.

The Strategic Plan is available under the publications section on our website at [www.cumbriaprobation.org.uk](http://www.cumbriaprobation.org.uk)

### People Management (to include compliance with new Health and Safety legislation)

Cumbria Probation Trust has maintained a stable workforce during 2012–13, ending the year with a staff level of 164 (including secondees) FTE against a target of 179 FTE as set out in the Organisational Development Plan 2009–13.

The Trust continues to undertake careful assessment of posts that become vacant, with a view of balancing between operational needs and further efficiency savings. At the same time we continue to support the Probation Qualifications Framework and balance the number of new intakes against the result of workforce planning as well as the workloads across the organisation.

The annual sickness absence figures again remained below the target of 9 days, with an average of 8.4 days per employees for the year to 31 March 2013.

Under its specific and general duties the Trust is required to:

- Eliminating unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act.
- Advancing equality of opportunity between people who share a protected characteristic and those who do not.

- Fostering good relations between people who share a protected characteristic and those who do not.

The Equality Act explains that having due regards involves; removing or minimising disadvantages suffered by people due to their protected characteristics; taking steps to meet the needs of people from protected groups where these are different from the needs of other people; and encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low. In compliance with these duties the Trust's Equality & Diversity Steering Group, with membership from across the organisation including Trade Unions, met on a quarterly basis and as part of its work, apart from monitoring of the approved E & D Action plan for the year, the group also identified new areas of improvements and training requirements. The group is represented at the National Equality Group and through information exchange and knowledge transfer it has been able to bring recommendations for discussion and decisions by the Trust Executive Group. The key aim for this group is to achieve anti-discriminatory and effective equality practice. The representatives of this group are able to act as a conduit to the wider workforce and service users, and also make recommendations to the Board and the Executive Team.

Commitment to health and safety has continued with significant input in the relocation of the Headquarters and Barrow Office, including the Community Payback facilities. As part of this work, full consultation was made to ensure that the health, safety and welfare of employees, offenders and visitors was fully taken into consideration at the early stages of the project and that the premises are fit for purpose and meet all the statutory and safety requirements.

Throughout the year, regular reports were given to the Health and Safety Committee which met four times which in turn reported to the Board. This included all reviews, changes and amendments to the Health and Safety policy.

Changes to working practices both in Community Payback and the Approved Premises also required a review of risk assessments and training requirements which resulted in a trust-wide training programme for employees, agency staff and other contracted staff.

## Partnerships and Resources

In the increasingly competitive environment we recognise the importance of working together with our partners to secure the best outcomes for the people of Cumbria with our joint resources. We have an excellent reputation for partnership working in Cumbria with other public sector bodies and the third sector. The results of this can be seen in our strong delivery on partnership targets, stakeholder feedback, additional resources and our place on key partnership Boards. Senior managers have chaired and lead on MAPPA meetings, the Local Safeguarding Board, Supporting People, Joint Commissioning bodies and Children's Trust.

Cumbria Probation Trust's Commissioning Strategy, policies and procedures are followed for all procurements made by the Trust be it through tendering or working with partners. The Strategy is compliant with all current legislation and is subject to ongoing review to ensure that it adapts to any changes in legislation.

All potential partners or sub contractors are subject to comprehensive pre selection questionnaires to ensure that risk of non delivery of contracts is minimised. An up to date and comprehensive contract register is maintained which is supported by a signed contract and supporting documentation including the questionnaire, dates of planned contract review meetings and reports to the Executive Team and Board.

All procurement is in line with transparency requirements. Representatives of the Trust hold regular review meetings with service deliverers to address any issues of under performance at the earliest opportunity. These meetings follow a templated process to ensure continuity across all contracts



however large or small. These records are filed with the Contract Register. Post contract review meetings are held to ensure that lessons learned are acted upon where applicable.

### Processes

Business process planning and reviews for the year included the secondments of staff to prison, Approved Premises and the management of Accredited Programmes. In the latter part of the year the Trust adopted the new specification for the Community Payback with the aim of a complete rollout by the first quarter of 2013–14.

Our work in relation to service segmentation geared with demands and needs analysis highlighted a need for further reviews of Community Payback, Accredited Programmes and the Approved Premises. The review for the latter two is now complete, leaving the Community Payback to be completed in early 2013–14.

## B. Results

The performance of Probation Trusts is measured by a standard set of key performance indicators set by NOMS. The source data is collected centrally by NOMS, and the performance measures are calculated by them. The performance of Cumbria Probation Trust is as listed below.

		2011–12 Performance	2012–13 Performance	
Probation Trust Rating System and Contract Measures		Actual	Target	Actual
OM 21	Reducing re-offending	11.4%	-	11.3%
OM 20	Orders and licences successfully completed	73%	70%	79%
OM 40	Court report timeliness (including remanded in custody)	99%	90%	99%
OM 29	Offender feedback	83%	67%	78%
OM 39	OASys tier 2,3,4 and Persistent Prolific Offender final reviews	93%	90%	94%
OM 05	Initial breach proceedings to take place within 10 working days of the relevant unacceptable failure to comply	98%	90%	100%
OM 04	Licence recall requests to reach NOMS Post Release Section within 24 hours of the decision by the Offender Manager	100%	90%	96%
OM 26	OASys quality	90%	90%	94%
OM 27	Generic parole process	96%	80%	97%
INT 01	Number of offenders completing a sex offender treatment programme	20	15	16
INT 02	Number of offenders completing an accredited domestic violence treatment programme	34	35	36
INT 03	Number of offenders completing a general offending behaviour programme (excluding sex offender and domestic violence programmes)	130	120	129
INT 05	Number of offenders completing an Unpaid Work (Community Payback) requirement	611	600	578
INT 06	Number of offenders completing a Drug Rehabilitation requirement	41	n/a	36
INT 07	Number of offenders completing an Alcohol Treatment requirement	73	n/a	85

		2011–12 Performance	2012–13 Performance	
<b>Probation Trust Rating System and Contract Measures</b>		<b>Actual</b>	<b>Target</b>	<b>Actual</b>
INT 09	Offenders in employment at termination of their order or licence	53%	45%	55%
OM 17	Offenders in settled and suitable accommodation at the end of their order or licence	88%	80%	84%
INT 08	The number of offenders under supervision who find and sustain employment for 4 weeks	150	140	142
INT 20	Referrals to education providers resulting in an award	29%	n/a	47%
OM 32	Victim feedback	-	90%	100%
OM 07	Victims contacted within 8 weeks of an offender receiving at least 12 months custody for a serious sexual or violent offence	97%	90%	95%

		2011–12 Performance	2012–13 Performance	
<b>Management Information Measures</b>		<b>Actual</b>	<b>Target</b>	<b>Actual</b>
OM 19	Number of referrals to education provision (in the community)	119	n/a	109
INT 19	Starts in education provision	91	n/a	80
INT 13	Percentage of accredited sex offender treatment programme completions	90%	n/a	-
INT 14	Percentage of accredited domestic violence programme completions	64%	n/a	-
INT 15	Percentage of accredited general offending behaviour programme completions	63%	n/a	-
INT 16	Alcohol Treatment requirement completions	77%	n/a	-
INT 17	Drug Rehabilitation requirement completions	59%	n/a	-
INT 11	Proportion of Unpaid Work (Community Payback) offender days which are lost because of stand-downs on the day or notified in advance	0.21%	n/a	0.25%
INT 18	Unpaid Work (Community Payback) requirement completions	73%	n/a	-
OM 03	To resolve breaches of community orders within 25 days of the relative failure to comply	81%	n/a	-
IPPF 08	Sickness absence (days per staff year)	7.2	n/a	8.4

		2011–12 Performance	2012–13 Performance	
<b>Other Information Measures</b>		<b>Actual</b>	<b>Target</b>	<b>Actual</b>
BASS	Number of BASS Referrals	n/a	10	9

Figures in **green** background denote performance on or exceeding target

Figures in **amber** background denote performance within 5% of attaining target

Figures in **red** background denote performance more than 5% below target

Where an actual figure is in **black** text this means that there was no set target for comparison against during that year.

## 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 Cumbria Probation Board which was established in 2001).

These accounts have been prepared in accordance with the Government Financial Reporting Manual (FRM) issued by HM Treasury (HMT) and in accordance with the accounts direction issued, on page 54 by the Secretary of State under the OM Act.

### Principal activities

The high level strategic outcomes as set out in the four year Strategic Plan (2009–13) are:

- Services to the public, victims and offenders in Cumbria are improved;
- Public confidence in Cumbria Probation is increased; and
- Statutory responsibilities to the National Offender Management Service and the Director of Offender Management are met.

We recognised that to achieve these outcomes the Trust needed to develop its organisational capabilities in order to deliver its key four year strategic objectives and therefore, the Organisational Development Plan focused on the following key enabling strategies:

- a) Focus on agreed priorities and outcomes
- b) Promote a culture of excellence across the organisation
- c) Promote innovation, manage change, develop and shape the service
- d) Value and invest in staff
- e) Ensure the most effective and efficient use of resources
- f) Proactively secure Cumbria Probation's position as a key partner and valued Probation Trust.

### Operational Performance during 2012–13

An analysis of performance outcomes is summarised in the Annual Report on pages 4 to 7.

### Results for the year

The Statement of Comprehensive Net Expenditure (SoCNE) for the year is shown on page 23. The Statement of Changes in Taxpayers' Equity is shown on page 26.

### Operating costs

The net operating cost before tax for 2012–13 stands at £384,000 compared to £240,000 for 2011–12. The reason for the increase is a reduction in grant income, and an increase in pension finance charges.

### Statement of Financial Position and Statement of Cash Flows

The Statement of Financial Position and Statement of Cash Flows are on pages 24 and 25.

The net liability position has increased from £10,745,000 at March 2012 to £13,250,000 at March 2013. The largest single movement in net assets is £2,502,000 due to an increase in pension fund deficit.

### Payment of creditors

The Trust observes the principles of the CBI "Prompt Payment" Code and aims to pay all approved invoices within 30 days. In the year to 31 March 2013, the Trust paid 2916 trade invoices with a value of £2,559,166. The percentage of undisputed invoices paid within 30 days by the Trust was 97.87% compared to 97.43% 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 8.4 days across the Trust (2011–12 7.2 days).

### Personal data related incidents

There were no personal data incidents during the year.

### 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.

Details of such developments are set out in **Note 27** to the Accounts.

### 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, but restricted to business travel for 2012 – 2013. We aim to work with the MoJ Estate Team during 2012 – 2014 to develop an accurate position with regard to our data in relation to the use of energy, water and wastage across all our buildings within the county. The Sustainability Report is shown on page 56.

### Future developments

Our future development programme will be very much dependant upon the outcome of the Probation Review, as commissioned by the Secretary of State, RH Chris Grayling. However, for 2013–14 our business plan aims at providing high quality and timely advice to sentencers and the Parole Board. We aim to focus on reduction in the reconviction rate by working with our partners within the county and in collaboration with others. We continue our staff development programme as staff are our greatest asset and as a resource they play a crucial role in maintaining our position as a high performing Trust.

### Communications and employee involvement

Cumbria Probation is a high performing Trust and there is a strong recognition that maintaining this position can only be possible through the commitment, professionalism and hard work of our people across the Trust. As the most valuable asset, we spend 80% of our gross revenue budget on staff each year. The engagement of this group is critical to our business delivery and this is built on trust and confidence, and yet within a well applied governance structure with clear lines of accountability and authority. Communication with staff particularly in such a turbulent year was critical, and throughout the year this had to be balanced against a range of external messages from both the MoJ and NOMS. The Board and the Executive Team are astutely aware of the importance of managing key messages within the organisation and our staff, as well as staff representatives and our partners within the county.

### Staff diversity

The information below presents a picture of the diversity of our workforce using the data held on by the Trust:

Gender	2011	2012
Male	32%	32%
Female	68%	68%

The comparison of workforce between 2011 and 2012 split by gender shows no variance between the two years, a position which has been fairly consistent over the years and broadly in line for the sector. Further analysis by age indicates that the majority of the workforce within the Trust is aged 40 and above. The decrease of staff aged 55–59 is due to a voluntary redundancy scheme in March 2012 impacting on the average age profile in Cumbria Probation Trust.

Disability	2011	2012
Yes	6.2%	7.7%
No	93.8%	91.8%
Not Declared	nil	0.5%

The majority of staff do not classify themselves as disabled, however in comparison to the previous year the number of disabled staff has increased, this is likely to be due to the fact that staff are now required to record their personal information on the HR database.

The Trust produces a range of statistical data and prepares an annual Equality and Diversity Report for each protected characteristics for employees across the organisation. This can be accessed through the CPT website. [www.cumbriaprobation.org.uk](http://www.cumbriaprobation.org.uk)

### 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 DCLG 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 21.

Total audit fees reported in the Accounts are £47,000. The audit fees for 2011–12 relate to the previous external auditor. The audit fees for 2012–13 are made up of:

- £22,000 external audit, and
- £25,000 internal audit

As Accounting 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.

### 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 issued 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.

### The Cumbria Probation Trust Management Board

The Management Board of the Cumbria Probation Trust consists of a Chair, six other members and the Chief Executive.

Details of the remuneration of the Management Board are set out in the Remuneration Report on pages 12 to 14.

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

<b>Position</b>	<b>Name</b>	<b>Date appointment commenced / ended (during 2012–13) where appropriate</b>
Chief Executive	A. Hennessy	Resigned 13 <sup>th</sup> April 2012
Chief Executive (Interim)	R. J. Bruce	Commenced 14 <sup>th</sup> April 2012
Chair	R. Rhodes	Resigned – November 2012
Acting Chair	C. Armstrong	Commenced – November 2012 to March 2013
Board Member	Dr J. Abernethy	
Board Member	P. Cottrill	
Board Member	M. Cutter	
Board Member	Dr J. Hendry	
Board Member	M. Little	
Board Member	K. Rowley	

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.

Russell Bruce  
Accounting Officer  
20<sup>th</sup> June 2013

## Remuneration Report

### Appointments

A Probation Trust shall consist of a Chairman and not less than four other members appointed by the Secretary of State; and the Chief Executive. The Probation Trust shall have a Chief Executive appointed by the appointed members.

The terms of employment of the appointed members are for the Secretary of State to determine, though the terms of employment of the Chief Executive are for the appointed members to determine, with the approval of the Secretary of State.

The above paragraph does not apply to the Chief Executive if the Secretary of State directs that the first Chief Executive is to be the person appointed by the Secretary of State on terms determined by the Secretary of State.

The salary and pension entitlements of the senior managers and non-executive directors of the Cumbria 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. Mr. R. J. Bruce, the current Chief Executive, is appointed on a part time interim basis on secondment from Durham Tees Valley Probation Trust. As Durham Tees Valley is his prime employer; his remuneration and pension values are reported within their Annual Report and Accounts. During the year Cumbria Probation Trust was charged £49,596 for Mr. Bruce's services.

	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) £
Chief Executive Officer, A. Hennessy (to 13 <sup>th</sup> April 2012)	0–5	-	-	65–70	-	-
Chair, R. Rhodes (to November 2012)	5–10	-	-	15–20	-	-
Chair C. Armstrong (from November 2012)	5–10	-	400	0–5	-	-
Dr J. Abernethy	0–5	-	200	0–5	-	-
P. Cottrill	0–5	-	300	0–5	-	-
M. Cutter	0–5	-	-	0–5	-	-
Dr J. Hendry	0–5	-	-	0–5	-	-
M. Little	0–5	-	-	0–5	-	-
K. Rowley	0–5	-	-	0–5	-	-

All MoJ appointed Trust Board members receive non-pensionable remuneration of £15.40 per hour from 1 April 2008, 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.

Senior managers within Cumbria Probation Trust are remunerated in accordance with the standard terms and conditions applicable to the Probation Service.

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)	£55,000–£60,000	£65,000–£70,000
Median for other staff	£24,555	£26,572
Pay multiple ratio	2.38 : 1	2.54 : 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 and allowances as applicable to Cumbria Probation Trust.

### 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
Ms. A. Hennessy (resigned 13 <sup>th</sup> April 2012)	n/a	n/a	n/a	563	n/a

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.

Russell Bruce  
Accounting Officer

20<sup>th</sup> June 2013

## Statement of Accounting Officer's Responsibilities

Under the Schedule 1, paragraph 13(1)(b) of the Offender Management Act 2007, the Secretary of State has directed the Cumbria 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 Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

- Observe the Accounts Direction issued by the Secretary of State, 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 Accounting Officer of the Trust. The responsibilities of the Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting 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

### Scope of Responsibility

The Chief Executive of Cumbria Probation Trust is the appointed Accounting Officer with personal responsibility for maintaining a sound system of internal control which supports the achievements of Cumbria Probation Trust Board's policies and the aims and objectives set out in its Annual Plan, whilst safeguarding public funds and agency assets in accordance with the responsibilities assigned by "Managing Public Money". The Chief Executive is supported by an executive management team with individual responsibilities for delivery of the objectives set out in the Board's Annual Business Plan. The Chief Executive and Chair of the Board represent Cumbria Probation Trust at meetings of a north west regional probation board which was set up to identify and maximise opportunities for collaborative working. The Chief Executive and Chair of the Board also represent Cumbria Probation Trust at Safer Cumbria Group meetings to support partnership working within Cumbria. The Chief Executive is a member of Cumbria Probation Trust Board (the Board) which also has responsibility for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. In discharging this overall responsibility, the Board is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions which includes arrangements for the management of risk. The Board has approved and adopted a code of corporate governance which is set out in a Governance Handbook, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. In all material respects the Trust complied with the code of corporate governance, given the size and complexity of the Trust.

In light of the pending government review of probation, referred to below, a decision was made by the Board to appoint an interim Chief Executive on the resignation of the permanent Chief Executive who left Cumbria to take up the post of Chief Executive with Merseyside Probation Trust. The interim Chief Executive took up the role of Chief Executive and Accounting Officer during April 2012 and this arrangement remained in place during 2012/13 and continues into 2013/14. The interim Chief Executive is also the Chief Executive of Durham Tees Valley Probation Trust. The interim Chief Executive arrangement is supported by a Memorandum of Understanding entered into between the Boards of Cumbria Probation Trust and Durham Tees Valley Probation Trust to support collaborative working between the two Trusts. This arrangement compliments the collaborative working arrangements with North West Probation Trusts.

In November 2012 the Chair of the Board resigned following his election to the role of Police & Crime Commissioner for Cumbria. Interim arrangements were put in place for an Acting Chair from existing Board members and the appointment process for a new Chair was completed in May 2013. Ministerial approval for an internal appointment was given on the 8th May 2013. This internal appointment has resulted in a reduction in the size of the Board by one member but the Board still meets the requirements of the Offender Management Act 2007.

### The purpose of the governance framework

The governance framework comprises the systems and processes, and culture and values, by which the Board is directed and controlled and its activities through which it accounts to the Secretary of State and the community. It enables the Board to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and 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 Board's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The governance framework (including the system of internal control) has been in place in Cumbria Probation

Trust for the year ended 31 March 2013 and up to the date of approval of the Annual Report and Accounts and accords with Treasury guidance.

### The governance framework

The key elements of the governance framework for Cumbria Probation Trust are as follows;

- The Cumbria Probation Board meets six times a year. The Board has two sub-committees, an Audit, Governance and Risk Committee and an Operations and Performance Committee, both of which meet on a quarterly basis. During 2012/13 attendance was sufficient to meet quoracy requirements at all Board and Committee Meetings
- Identifying and communicating the Board's vision of its purpose and intended outcomes for citizens and service users is achieved by the publication on its website of an Annual Plan
- Reviewing the Trust's vision and its implications for the Trust's governance arrangements is undertaken at Board and executive management level at regular Strategic Reviews meetings
- Measuring the quality of services for users, ensuring they are delivered in accordance with the Board's objectives and ensuring that they represent the best use of resources. This is achieved by operating in accordance with the Quality Assurance Framework: which is monitored by the Chief Executive and the Board via reports to the executive management team, the Operations & Performance Committee, the Board and at quarterly contract review meetings with the representative of the Secretary of State. A self assessment process was completed at the end of 2012/13 and submitted to the NOMS Regional Manager of Community Services.
- The Board operates under an overarching Commissioning Strategy to ensure best value is achieved in procuring services for the Trust and to deliver to offenders
- Developing, communicating and embedding codes of conduct and defining the standards of behaviour for members and staff is achieved by regular training provided to staff and Board members and implementation of the Discipline & Dismissal Policy and Procedures as required
- Reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes/manuals, which clearly define how decisions are taken is the responsibility of the Board and is undertaken in accordance with the requirements of the annual Letter of Delegation to the Chief Executive
- The core functions of an Audit Governance & Risk Committee are overseen by the Chair of the Audit Governance & Risk Committee
- Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful lies with the Chief Executive supported by the Board Secretary & Solicitor, the Board Treasurer and the executive management team
- Whistle-blowing and the receiving and investigation of complaints from the public are provided for in the Trust's Whistle Blowing and Complaints Procedures
- Identifying the development needs of members of the Board and the executive team in relation to their strategic roles, supported by appropriate training is achieved by the operation of an appraisal system and the identification of personal professional development needs which are incorporated into an annual training plan; and
- Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation is achieved by the delivery of a communications strategy and annual plan.

## Board and committee meeting attendance

	Board Meetings		Audit, Governance and Risk Committee		Operations and Performance Committee	
	Possible Attendance	Actual Attendance	Possible Attendance	Actual Attendance	Possible Attendance	Actual Attendance
A. Hennessy	-	-	-	-	-	-
R. Bruce	6	6	4	3	4	3
Chair, R. Rhodes	4	3	2	2	3	2
Chair, C. Armstrong	6	6	2	2	4	4
Dr J. Abernethy	6	6	-	-	1	1
P. Cottrill	6	5	4	4	1	1
M. Cutter	6	4	-	-	4	1
Dr J. Hendry	6	4	4	1	-	-
M. Little	6	6	4	4	1	1
K. Rowley	6	6	-	-	4	2

## Maintaining the risk and control framework

The Trust's risk management strategy and the related processes underpin business planning and control arrangements. The overarching Risk Management Policy approved by the Board in 2008–09 continues to support the governance framework and the associated processes. The Board has adopted a risk based approach to internal controls which is embedded within the normal management and governance processes. This approach includes the regular evaluation of the nature and extent of risks to which the Board is exposed. The Accounting Officer supported by the Board retains responsibility for internal controls and is assisted by the Audit Governance & Risk Committee. There is clearly defined management responsibility for the identification, evaluation and control of significant risks. There is a formal process of reviewing the risk register by the Audit Governance & Risk Committee which reports to the Board and the Chief Executive is responsible for reporting to the Board any significant changes affecting key risks. In particular, the Risk Register is reviewed quarterly and the impact and likelihood of identified risks is re-assessed in light of the control measures applied to each risk. Emerging risks are also identified and cross referenced with the risk appetite threshold for the category of risk identified (i.e. financial, operational, reputational, strategic or public protection). The risk appetite threshold is crossed when the potential adverse impact on the Trust from an event is considered unacceptable and this is determined by the use of a number of recognised measurement tools. The Risk Register review process is directly linked to the process of preparing and reviewing the Annual Business Plan by the executive team, the Audit Governance & Risk Committee and the Trust Board. Where risks arising from projects are managed jointly with other public sector bodies, a project risk register is prepared and monitored jointly by the project board.

## Review of effectiveness

The Accounting Officer, assisted by the Board, has responsibility for conducting, at least annually, a review of the effectiveness of the governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the Trust who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

The Board has adopted a risk based approach to internal controls as detailed above. The Board retains responsibility for a defined range of issues covering strategic, operational and financial and compliance issues. Policies and procedures are in place for health & safety, data protection, whistle blowing and fraud prevention and detection. The annual budget is approved by the Board and is reported on a quarterly basis to the Audit Governance & Risk Committee.

The Operations & Performance Committee monitors operational performance on a quarterly basis and reports to the Board. The Board regularly reviews key performance indicators to assess progress

towards achievement of key business objectives, targets and outcomes. Performance in all areas is regularly monitored and identified areas for improvement and agreed actions are incorporated into a tracker and reviewed on a regular basis.

The internal controls framework and the risk management process are subject to regular review by internal auditors who advise the Chief Executive and report to the Audit, Governance & Risk Committee. A review of the effectiveness of the governance framework during 2010/11 resulted in a re-arrangement of the Board Committees which took effect from the 1st April 2011 and the Audit and Performance Committee was replaced by two Committees, the Audit Governance & Risk Committee and the Operations & Performance Committee. New Terms of Reference for both Committees were recommended for approval at the Board meeting held in May 2011 and both Committees work to standard agendas. These new Committees helped to strengthen the governance framework.

The Audit Governance & Risk Committee, in anticipation of the release of a new version of the Governance Handbook and Financial Management Handbook identified the need for an overarching review of the Trust's governance framework and recommended such a review to the Board which was agreed at the Board meeting held in March 2012. This review was completed during 2012/13 and an updated Governance Handbook and Financial Management Handbook were approved and adopted by the Board at its meeting held on the 11<sup>th</sup> April 2013. It was also agreed at that meeting to review the committee structure once the response to the probation consultation is received to ensure the structure is fit for purpose to support the anticipated changes arising from the government's response to the consultation process.

A failure to complete the development of the Balanced Scorecard linked to the Risk Register was identified as a key risk to the Trust in its Risk Register during 2011/12. It became clear during the early part of 2012/13 that significant changes to the delivery of probation services were the most likely outcome of the Probation review. The impact of a failure to address this risk during 12/13 was re-assessed and significantly reduced and development of the Balanced Scorecard has not therefore taken place. In light of the current anticipated organisational change programme this risk assessment remains the same.

The Trust is concerned about incorrect statements made about the business of Probation Trusts in relation to commissioning of electronic monitoring contracts and the consequent reputational issues for Trusts. The Public Accounts Committee suggests that the Ministry of Justice should work with Probation Trusts to ensure value for money for the electronic monitoring contracts but Probation Trusts do not have responsibility for their commissioning. Our Audit Governance & Risk Committee is concerned that this statement is amended.

### **Significant governance issues**

Cumbria Probation Trust, along with the other thirty four Probation Trusts has been subject to a consultation process arising from the Government's proposals for Transforming Rehabilitation.

The outcomes of the consultation are significant and far reaching and impact on the governance arrangements for the Trust. This is currently identified as a key risk for the Trust in its Risk Register and although a review of the governance framework was undertaken during 2012 the Board will review it Committee structure during 2013 and relevant Committee Terms of Reference to ensure the Board is able to meet its statutory responsibilities and oversee organisational change following the publication of the Government's response to the Transforming Rehabilitation consultation on the 9<sup>th</sup> May 2013.

Cumbria Probation Trust's four year Strategic Plan which ran from 2009–2013 has expired. The Board agreed it was not in a position to prepare a new Strategic Plan before the outcome of the Transforming Rehabilitation consultation was published. This gives rise to a risk for the organisation and the continued delivery of probation services whilst under the governance of the Probation Trust. In light of the Government's Strategy (Transforming Rehabilitation) which was published on the 9<sup>th</sup> May 2013 the Board will put in place a two year Plan commensurate with its future existence as soon as it has

sufficient information from the Government to ensure the Board meets its obligations to deliver probation services under the Contract with the Secretary of State and support staff during the implementation period of the Government's reform programme.

The importance of the Quality Assurance Framework is acknowledged by the Board as one of the key measurements of performance and a failure to develop this and embed across the Trust is identified as significant risk. Further development work including a review, has been identified and will be undertaken to embed the use of the Quality Assurance Framework to support the delivery of probation services in Cumbria. This will be incorporated into the reporting framework to the Executive Team and the Operations & Performance Committee of the Board during 2013/14.

We therefore propose over the coming year to take the steps identified above to address the governance issues identified and will monitor their implementation and operation as part of our next annual review.

Signed: .....  
**Christopher J Armstrong**  
Board Chair  
20<sup>th</sup> June 2013

Signed: .....  
**Russell Bruce**  
Interim Chief Executive  
20<sup>th</sup> 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 Cumbria 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 Accounting 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 Cumbria 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<sup>th</sup> 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**  
**Comptroller and Auditor General**

1<sup>st</sup> July 2013

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
<b>Administration costs</b>			
Staff costs	3(a)	5,780	6,140
Other administration costs	6(a)	2,242	1,947
Income	7(a)	(8,026)	(8,179)
<b>Net administration costs</b>		<b>(4)</b>	<b>(92)</b>
<b>Programme costs</b>			
Staff costs	3(a)	0	0
Other programme costs	6(b)	26	16
Income	7(b)	(26)	(16)
<b>Net programme costs</b>		<b>0</b>	<b>0</b>
<b>Net operating costs</b>		<b>(4)</b>	<b>(92)</b>
Expected return on pension assets	4(d)	(1,412)	(1,543)
Interest on pension scheme liabilities	4(d)	1,793	1,875
<b>Net operating costs before taxation</b>		<b>377</b>	<b>240</b>
Taxation	5	7	0
<b>Net operating costs after taxation</b>		<b>384</b>	<b>240</b>

### Other Comprehensive Expenditure

	Notes	2012–13 £000	2011–12 £000
Net (gain)/loss on revaluation of property, plant and equipment	8	(6)	(19)
Pension actuarial loss	23	2,127	1,364
<b>Total comprehensive expenditure for the year ended 31 March 2013</b>		<b>2,505</b>	<b>1,585</b>

All activities are derived from continuing operations.

The notes on pages 27 to 53 form part of these accounts.

## Statement of Financial Position

As at 31 March 2013

	Notes	2012–13 £000	2011–12 £000
<b>Non-current assets</b>			
Property plant and equipment	8	111	138
Intangible assets	9	2	6
<b>Total non-current assets</b>		<b>113</b>	<b>144</b>
<b>Current assets</b>			
Trade and other receivables	12(a)	364	445
Cash and cash equivalents	13	139	220
<b>Total current assets</b>		<b>503</b>	<b>665</b>
<b>Total assets</b>		<b>616</b>	<b>809</b>
<b>Current liabilities</b>			
Trade and other payables	14(a)	(380)	(518)
Taxation payables	14(a)	(456)	(508)
<b>Total current liabilities</b>		<b>(836)</b>	<b>(1,026)</b>
<b>Non-current assets plus/less net current assets/(liabilities)</b>		<b>(220)</b>	<b>(217)</b>
<b>Non-current liabilities</b>			
Pension liability	4(c)	(13,030)	(10,528)
<b>Total non-current liabilities</b>		<b>(13,030)</b>	<b>(10,528)</b>
<b>Assets less liabilities</b>		<b>(13,250)</b>	<b>(10,745)</b>
<b>Taxpayers' equity</b>			
General fund	23	(13,261)	(10,750)
Revaluation reserve – property, plant and equipment	24(a)	11	5
		<b>(13,250)</b>	<b>(10,745)</b>

The financial statements on pages 23 to 26 were approved by the Board on 20<sup>th</sup> June 2013 and were signed on its behalf by

..... Accounting Officer

20<sup>th</sup> June 2013

The notes on pages 27 to 53 form part of these accounts.

## Statement of Cash Flows

For the year ended 31 March 2013

		2012–13	2011–12
	Notes	£000	£000
<b>Cash flows from operating activities</b>			
Net operating costs	23	(384)	(240)
Adjustments for non-cash transactions	6(a)	37	45
Adjustments for pension cost	4(d)	375	216
Decrease in receivables	12(a)	81	384
(Decrease) in payables	14(a)	(190)	(427)
Utilisation of provisions	15	0	(79)
less payments of amounts due to Consolidated Fund to NOMS	14(a)	0	1
<b>Net cash outflow from operating activities</b>		<b>(81)</b>	<b>(100)</b>
<b>Cash flows from investing activities</b>			
Proceeds on disposal of property, plant and equipment	8	0	(1)
<b>Net cash outflow from investing activities</b>		<b>0</b>	<b>(1)</b>
<b>Cash flows from financing activities</b>			
Payments of amounts due to the Consolidated Fund to NOMS		0	(1)
<b>Net financing</b>		<b>0</b>	<b>(1)</b>
<b>Net (decrease) in cash and cash equivalents in the period</b>		<b>(81)</b>	<b>(102)</b>
Cash and cash equivalents at the beginning of the period	13	220	322
Cash and cash equivalents at the end of the period	13	139	220
<b>(Decrease) in cash</b>		<b>(81)</b>	<b>(102)</b>

The notes on pages 27 to 53 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
<b>Balance as at 1 April 2011</b>		<b>(9,164)</b>	<b>22</b>	<b>(9,142)</b>
<b>As restated at 1 April 2011</b>		<b>(9,164)</b>	<b>22</b>	<b>(9,142)</b>
<b>Changes in taxpayers' equity for 2011–12</b>				
Net operating cost after taxation	SocNE	(240)	0	<b>(240)</b>
Net (loss) on revaluation of property, plant and equipment	24(a)	0	(17)	<b>(17)</b>
Transferred from revaluation reserve	23	18	0	<b>18</b>
Pension actuarial (loss)	23	(1,364)	0	<b>(1,364)</b>
<b>Balance as at 31 March 2012</b>		<b>(10,750)</b>	<b>5</b>	<b>(10,745)</b>
<b>Changes in taxpayers' equity for 2012–13</b>				
Net operating cost after taxation	SocNE	(384)	0	<b>(384)</b>
Net gain on revaluation of property, plant and equipment	24(a)	0	6	<b>6</b>
Pension actuarial (loss)/gain	23	(2,127)	0	<b>(2,127)</b>
<b>Balance as at 31 March 2013</b>		<b>(13,261)</b>	<b>11</b>	<b>(13,250)</b>

The notes on pages 27 to 53 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 Net Comprehensive 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 an extra charge of £147,000.

#### 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, which 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 issued 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 £10,000, 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 £10,000, 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

Trusts have entered into a number of 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 Deferred Tax

No deferred tax is required or provided for within the accounts.

### 1.17 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 CT on their profits and ‘profit’ for this purpose means income and chargeable gains. These accounts include estimates of corporation tax liabilities.

### 1.18 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.

### 1.19 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.

### 1.20 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**.

### 1.21 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 by Operating Segment

Operational Unit	2012–13	2011–12
	Net Expenditure £000	Net Expenditure £000
Offender Management Programmes	2,592	2,936
Community Payback	364	335
Approved Premises	716	711
Other Operational Activities	602	584
Management & Administration	2,129	2,041
	1,539	1,483
<b>Total Net Expenditure</b>	<b>7,942</b>	<b>8,090</b>
<b>Contract Income</b>	<b>(7,937)</b>	<b>(8,067)</b>
<b>Reported Operating Cost</b>	<b>5</b>	<b>23</b>
IAS 19 Pension charges	381	332
IAS 19 Contribution adjustment	(6)	(116)
Interest Received	(2)	0
Taxation and rounding	6	1
<b>Net Operating Cost</b>	<b>384</b>	<b>240</b>

The net assets for the trust are not allocated by segment

### 3. Staff numbers and related costs

#### 3a. Staff costs consist of:

	2012-13			2011-12
	Total £000	Permanently- employed staff £000	Others £000	Total £000
Wages and salaries	4,979	4,888	91	5,142
Social security costs	307	301	6	352
Other pension costs	969	951	18	1,001
<b>Sub-total</b>	<b>6,255</b>	<b>6,140</b>	<b>115</b>	<b>6,495</b>
Less recoveries in respect of outward secondments	(475)	(475)	0	(355)
<b>Total staff costs</b>	<b>5,780</b>	<b>5,665</b>	<b>115</b>	<b>6,140</b>
Administration-related staff costs	5,780	5,665	115	6,140
Programme-related staff costs	0	0	0	0
	<b>5,780</b>	<b>5,665</b>	<b>115</b>	<b>6,140</b>

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**. The change in other pension costs relates primarily to a reduction in staff numbers.

#### 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 £000	Permanently- employed staff £000	Total £000
	151	148	161
	<b>151</b>	<b>148</b>	<b>161</b>

### 3c. Reporting of compensation schemes – exit packages

Exit packages cost band	2012–13			2011–12		
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	0	0	0	0	1	1
£10,000–£25,000	0	0	0	0	7	7
£25,000–£50,000	0	0	0	0	2	2
£50,000–£100,000	0	0	0	0	1	1
£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
<b>Total number of exit packages by type</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>11</b>	<b>11</b>
<b>Total resource cost £000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>245</b>	<b>245</b>

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 / are met from the pension scheme (delete as appropriate) 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

Under the Local Government Pension Scheme Regulations the pension fund is subject to an independent triennial actuarial valuation to determine each employer's contribution rate. An independent actuarial valuation was carried out as at 31 March 2010 by Mercer Limited.

### 4a Pension costs

A full actuarial valuation was carried out at 31 March 2010 by Mercer Limited. For 2012–13, employers' contributions of £974,658 were payable to the LGPS (2011–12 £929,294) at a rate of 19.7%. 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.

Partnership accounts are excluding under IAS19.

#### 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%

#### Mortality Assumptions:

- Life expectancy of a male (female) future pensioner in 20 years' time 24.1 (26.9) years
- Life expectancy of a male (female) current pensioner 22.2 (24.9) 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%	55.0%	16,361	7.0%	52.0%	13,608
Government bonds	2.8%	16.0%	4,696	3.1%	16.0%	4,219
Other bonds	3.9%	16.0%	4,666	4.1%	16.0%	4,219
Property	5.7%	6.0%	1,654	6.0%	6.0%	1,688
Other	7.0%	7.0%	2,156	7.0%	10.0%	2,637
<b>Total</b>	<b>5.4%</b>	<b>100.0%</b>	<b>29,533</b>	<b>5.4%</b>	<b>100.0%</b>	<b>26,371</b>
<b>(Present value of scheme liabilities)</b>			<b>(42,563)</b>			<b>(36,899)</b>
<b>Surplus/(deficit) of the scheme</b>			<b>(13,030)</b>			<b>(10,528)</b>
<b>Net pension asset/(liability)</b>			<b>(13,030)</b>			<b>(10,528)</b>

## 4d. Analysis of amounts recognised in SoCNE

	2012–13	2011–12
	£000	£000
<b>Pension cost</b>		
Current service cost	833	777
Past service cost	3	224
Effect of curtailment	133	0
Effect of settlement	0	0
<b>Total operating charge</b>	<b>969</b>	<b>1,001</b>

	2012–13	2011–12
	£000	£000
<b>Analysis of interest cost on pension scheme – assets/(liabilities)</b>		
Expected return on pension scheme assets	(1,412)	(1,543)
Interest on pension scheme liabilities	1,793	1,875
<b>Net interest costs</b>	<b>381</b>	<b>332</b>

## 4e. Analysis of amounts recognised in other comprehensive expenditure

	2012–13	2011–12
	£000	£000
Pension actuarial gain/(loss)	(2,127)	(1,364)
Irrecoverable surplus (if applicable)	0	0
<b>Total shown in other comprehensive expenditure</b>	<b>(2,127)</b>	<b>(1,364)</b>

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

	2012–13	2011–12
	£000	£000
<b>Opening present value of liabilities</b>	<b>36,899</b>	<b>34,575</b>
Current service cost	833	777
Interest cost	1,793	1,875
Contributions by members	295	314
Actuarial (gains)/losses on liabilities*	4,366	1,181
Benefits paid	(1,759)	(2,047)
Past service cost	3	224
Unfunded benefits paid	0	0
Curtailments	133	0
Settlements	0	0
<b>Closing present value of liabilities</b>	<b>42,563</b>	<b>36,899</b>

\* Includes changes to actuarial assumptions

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

	2012–13 £000	2011–12 £000
<b>Opening fair value of assets</b>	<b>26,371</b>	<b>25,627</b>
Expected return on assets	1,412	1,543
Actuarial gains/(losses) on assets	2,239	(183)
Contributions by the employer	975	1,117
Contributions by members	295	314
Benefits paid	(1,759)	(2,047)
Net increase from disposals and acquisitions	0	0
Unfunded benefits paid	0	0
Curtailments	0	0
Settlements	0	0
<b>Closing fair value of assets</b>	<b>29,533</b>	<b>26,371</b>

#### 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	29,533	26,371	25,627	24,539	18,663
Present value of liabilities	42,563	36,899	34,575	35,985	26,064
<b>Surplus/(deficit)</b>	<b>(13,030)</b>	<b>(10,528)</b>	<b>(8,948)</b>	<b>(11,446)</b>	<b>(7,401)</b>
Experience gains/(losses) on scheme assets	2,239	(278)	(21)	4,400	(5,665)
Experience gains/(losses) on scheme liabilities	0	0	366	0	0
Percentage experience gains/(losses) on scheme assets	<b>8%</b>	<b>(1%)</b>	<b>0%</b>	<b>18%</b>	<b>(30%)</b>
Percentage experience gains/(losses) on scheme liabilities	<b>0%</b>	<b>0%</b>	<b>1%</b>	<b>0%</b>	<b>0%</b>

#### 4i. Sensitivity analysis

	+0.1% £000	0% £000
<b>Adjustment to discount rate</b>		
Present value of total obligation	12,344	13,030
Projected service cost	1,011	1,041
	<b>+1yr £000</b>	<b>none £000</b>
<b>Adjustment to mortality age rate assumption</b>		
Present value of total obligation	13,881	13,030
Projected service cost	1,065	1,041
	<b>+0.1% £000</b>	<b>0% £000</b>
<b>Adjustment to inflation</b>		
Present value of total obligation	13,728	13,030
Projected service cost	1,073	1,041



## 5. Taxation

	2012–13	2011–12
	£000	£000
UK corporation tax	7	0
	0	0
<b>Total</b>	<b>7</b>	<b>0</b>

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 CT 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		0	
Interest charges	0		0	
Accommodation, maintenance and utilities	775		796	
Travel, subsistence and hospitality	233		247	
Professional services	184		150	
IT services	308		247	
Communications, office supplies and services	227		123	
Other staff related	52		22	
Offender costs	166		96	
Other expenditure	213		190	
External Auditors' remuneration – statutory accounts	22		26	
External Auditors' remuneration – other	0		0	
Internal Auditors' remuneration and expenses	25		5	
		<b>2,205</b>		<b>1,902</b>
<b>Non-cash items</b>				
Depreciation of tangible non-cash assets	33		40	
Amortisation of intangible non-cash assets	4		4	
Impairment of non-current assets	0		0	
Profit/(loss) on disposal of tangible non-cash assets	0		1	
Profit/(loss) on disposal of intangible non-cash assets	0		0	
Other provisions provided for in year	0		0	
Early retirement provisions not required	0		0	
		<b>37</b>		<b>45</b>
<b>Total</b>		<b>2,242</b>		<b>1,947</b>

### 6b. Programme costs

Current expenditure	26		16	
<b>Total</b>		<b>26</b>		<b>16</b>
<b>Total other administration and programme costs</b>		<b>2,268</b>		<b>1,963</b>

## 7. Income

### 7a. Administration income

Income receivable from the sponsoring department – NOMS  
 Rent receivable from minor occupiers of Probation estate property:  
     From within the departmental boundary  
     From other Government departments  
     From external tenants

EU income from NOMS  
 EU income from other Government departments  
 Other EU income  
 Other income received from Probation Trusts  
 Other income from NOMS  
 Other income from rest of MoJ Group  
 Other income from other Government departments  
 Miscellaneous income

Interest received:

    From bank  
     From car loans  
     From other sources

**Total interest received**

**Total administration income**

	2012-13		2011-12	
	£000	£000	£000	£000
Income receivable from the sponsoring department – NOMS	7,936		8,067	
Rent receivable from minor occupiers of Probation estate property:	0		0	
From within the departmental boundary	0		0	
From other Government departments	0		0	
From external tenants	0		0	
		<b>7,936</b>		<b>8,067</b>
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		6		27
Other income from NOMS		6		11
Other income from rest of MoJ Group		0		0
Other income from other Government departments		12		10
Miscellaneous income		64		63
		<b>8,024</b>		<b>8,178</b>
Interest received:				
From bank	2		1	
From car loans	0		0	
From other sources	0		0	
<b>Total interest received</b>		<b>2</b>		<b>1</b>
<b>Total administration income</b>		<b>8,026</b>		<b>8,179</b>

### 7b. Programme income

EU income from NOMS  
 EU income from other Government departments  
 Other EU income  
 Other programme income  
**Total programme income**

**Total income**

EU income from NOMS	0	0
EU income from other Government departments	0	0
Other EU income	26	16
Other programme income	0	0
<b>Total programme income</b>	<b>26</b>	<b>16</b>
<b>Total income</b>	<b>8,052</b>	<b>8,195</b>

## 8. Property, plant and equipment

	2012-13					
	Information technology	Plant and machinery	Transport equipment	Furniture, fixtures and fittings	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000	£000
<b>Cost or valuation</b>						
<b>As at 1 April 2012</b>	<b>0</b>	<b>36</b>	<b>230</b>	<b>24</b>	<b>0</b>	<b>290</b>
Additions	0	0	0	0	0	0
Disposals	0	(14)	0	(24)	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	0	14	0	0	14
<b>As at 31 March 2013</b>	<b>0</b>	<b>22</b>	<b>244</b>	<b>0</b>	<b>0</b>	<b>266</b>
<b>Depreciation</b>						
<b>As at 1 April 2012</b>	<b>0</b>	<b>26</b>	<b>101</b>	<b>25</b>	<b>0</b>	<b>152</b>
Charge in year	0	6	27	0	0	33
Disposals	0	(14)	0	(24)	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	0	8	0	0	8
<b>As at 31 March 2013</b>	<b>0</b>	<b>18</b>	<b>136</b>	<b>1</b>	<b>0</b>	<b>155</b>
<b>Carrying value as at 31 March 2013</b>	<b>0</b>	<b>4</b>	<b>108</b>	<b>(1)</b>	<b>0</b>	<b>111</b>
<b>Carrying value as at 31 March 2012</b>	<b>0</b>	<b>10</b>	<b>129</b>	<b>(1)</b>	<b>0</b>	<b>138</b>
<b>Asset financing</b>						
Owned	0	4	108	(1)	0	111
Finance leased	0	0	0	0	0	0
<b>Carrying value as at 31 March 2013</b>	<b>0</b>	<b>4</b>	<b>108</b>	<b>(1)</b>	<b>0</b>	<b>111</b>

## 8. (Continued)

	2011-12					
	Information technology	Plant and machinery	Transport equipment	Furniture, fixtures and fittings	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000	£000
<b>Cost or valuation</b>						
<b>As at 1 April 2011</b>	<b>0</b>	<b>88</b>	<b>230</b>	<b>24</b>	<b>0</b>	<b>342</b>
Additions	0	0	0	0	0	0
Disposals	0	(53)	0	0	0	(53)
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
<b>As at 31 March 2012</b>	<b>0</b>	<b>36</b>	<b>230</b>	<b>24</b>	<b>0</b>	<b>290</b>
<b>Depreciation</b>						
<b>As at 1 April 2011</b>	<b>0</b>	<b>71</b>	<b>70</b>	<b>24</b>	<b>0</b>	<b>165</b>
Charge in year	0	8	31	1	0	40
Disposals	0	(53)	0	0	0	(53)
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	0	0	0	0	0	0
<b>As at 31 March 2012</b>	<b>0</b>	<b>26</b>	<b>101</b>	<b>25</b>	<b>0</b>	<b>152</b>
<b>Carrying value as at 31 March 2012</b>	<b>0</b>	<b>10</b>	<b>129</b>	<b>(1)</b>	<b>0</b>	<b>138</b>
<b>Carrying value as at 31 March 2011</b>	<b>0</b>	<b>17</b>	<b>160</b>	<b>0</b>	<b>0</b>	<b>177</b>
<b>Asset financing</b>						
Owned	0	10	129	(1)	0	138
Finance leased	0	0	0	0	0	0
<b>Carrying value as at 31 March 2012</b>	<b>0</b>	<b>10</b>	<b>129</b>	<b>(1)</b>	<b>0</b>	<b>138</b>

## 9. Intangible assets

	2011-12				
	Development	Software	Licences	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000
<b>Cost or valuation</b>					
<b>As at 1 April 2012</b>	<b>0</b>	<b>19</b>	<b>0</b>	<b>0</b>	<b>19</b>
Additions	0	0	0	0	0
Disposals	0	0	0	0	0
Reclassifications	0	0	0	0	0
Indexation/revaluation	0	0	0	0	0
Transfers	0	0	0	0	0
Impairments	0	0	0	0	0
<b>As at 31 March 2013</b>	<b>0</b>	<b>19</b>	<b>0</b>	<b>0</b>	<b>19</b>
<b>Amortisation</b>					
<b>As at 1 April 2012</b>	<b>0</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>13</b>
Charge in year	0	4	0	0	4
Disposals	0	0	0	0	0
Reclassifications	0	0	0	0	0
Indexation/revaluation	0	0	0	0	0
Transfers	0	0	0	0	0
Impairments	0	0	0	0	0
<b>As at 31 March 2013</b>	<b>0</b>	<b>17</b>	<b>0</b>	<b>0</b>	<b>17</b>
<b>Carrying value as at 31 March 2013</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>
<b>Carrying value as at 31 March 2012</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>6</b>
<b>Asset financing</b>					
Owned	0	2	0	0	2
Finance leased	0	0	0	0	0
<b>Carrying value as at 31 March 2013</b>	<b>0</b>	<b>2</b>	<b>0</b>	<b>0</b>	<b>2</b>

## 9. (Continued)

	2011-12				
	Development	Software	Licences	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000
<b>Cost or valuation</b>					
<b>As at 1 April 2011</b>	0	19	0	0	19
Additions	0	0	0	0	0
Disposals	0	0	0	0	0
Reclassifications	0	0	0	0	0
Indexation/revaluation	0	0	0	0	0
Transfers	0	0	0	0	0
Impairments	0	0	0	0	0
<b>As at 31 March 2012</b>	<b>0</b>	<b>19</b>	<b>0</b>	<b>0</b>	<b>19</b>
<b>Amortisation</b>					
<b>As at 1 April 2011</b>	0	9	0	0	9
Charge in year	0	4	0	0	4
Disposals	0	0	0	0	0
Reclassifications	0	0	0	0	0
Indexation/revaluation	0	0	0	0	0
Transfers	0	0	0	0	0
Impairments	0	0	0	0	0
<b>As at 31 March 2012</b>	<b>0</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>13</b>
<b>Carrying value as at 31 March 2012</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>6</b>
<b>Carrying value as at 31 March 2011</b>	<b>0</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>10</b>
<b>Asset financing</b>					
Owned	0	6	0	0	6
Finance leased	0	0	0	0	0
<b>Carrying value as at 31 March 2012</b>	<b>0</b>	<b>6</b>	<b>0</b>	<b>0</b>	<b>6</b>

## 10. Impairments

There have been no impairments during the year.

## 11. Assets held for sale

There were no assets held for sale during the year.



## 12. Trade receivables and other current assets

### 12a. Analysis by type

	2012–13 £000	2011–12 £000
<b>Amounts falling due within one year</b>		
Trade receivables	3	13
VAT	0	0
Deposits and advances	0	0
Receivables due from Probation Trusts	0	7
Receivables due from NOMS agency	339	23
Receivables due from Ministry of Justice – core	3	355
Receivables due from Ministry of Justice – NDPBs	0	10
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	1	1
Other receivables	1	0
Prepayments	14	36
Accrued income	3	0
	<b>364</b>	<b>445</b>
<b>Amounts falling due after more than one year</b>		
Trade receivables		
Deposits and advances	0	0
Other receivables	0	0
Prepayments and accrued income	0	0
	<b>0</b>	<b>0</b>
<b>Total</b>	<b>364</b>	<b>445</b>

### 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)	342	395	0	0
Balances with local authorities	1	1	0	0
Balances with NHS bodies	0	0	0	0
Balances with public corporations and trading funds	3	0	0	0
	<b>346</b>	<b>396</b>	<b>0</b>	<b>0</b>
Balances with bodies external to Government	18	49		0
<b>Total</b>	<b>364</b>	<b>445</b>	<b>0</b>	<b>0</b>

## 13. Cash and cash equivalents

	2012–13	2011–12
	£000	£000
Balance at 1 April	220	322
Net change in cash and cash equivalents	(81)	(102)
<b>Balance at 31 March</b>	<b>139</b>	<b>220</b>
The following balances at 31 March are held at:		
Government Banking Service	0	0
Commercial banks and cash in hand	139	220
<b>Balance at 31 March</b>	<b>139</b>	<b>220</b>

## 14. Trade payables and other current liabilities

### 14a. Analysis by type

	2012–13	2011–12
	£000	£000
<b>Amounts falling due within one year (excluding taxation)</b>		
Trade payables	51	1
Other payables	0	0
Accruals	229	414
Deferred income	0	0
Staff payables	0	0
Bank overdraft	0	0
Payables due to Probation Trusts	0	0
Payables due to NOMS Agency	0	0
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	0	0
Unpaid pensions contributions due to the pensions scheme	100	103
Long-term liabilities due within one year	0	0
Operating income to be surrendered (interest received)	0	0
Non-current asset accruals	0	0
	<b>380</b>	<b>518</b>
<b>Tax falling due within one year</b>		
VAT	340	379
Corporation tax	7	9
Other taxation and social security	109	120
	<b>456</b>	<b>508</b>
<b>Total amounts falling due within one year</b>	<b>836</b>	<b>1,026</b>
<b>Amounts falling due after more than one year</b>		
Staff payables	0	0
Other payables	0	0
	<b>0</b>	<b>0</b>
<b>Total</b>	<b>836</b>	<b>1,026</b>

### 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)	496	508	0	0
Balances with local authorities	0	0	0	0
Balances with NHS bodies	0	0	0	0
Balances with public corporations and trading funds	0	0	0	0
	<b>496</b>	<b>508</b>	<b>0</b>	<b>0</b>
Balances with bodies external to Government	340	518	0	0
<b>Total</b>	<b>836</b>	<b>1,026</b>	<b>0</b>	<b>0</b>

## 15. Provisions for liabilities and charges

	2012–13	2011–12
	£000	£000
Balance at 1 April	0	79
Provided in year	0	0
Provisions not required written back	0	0
Provision utilised in the year	0	(79)
Unwinding of discount	0	0
<b>Balance as at 31 March</b>	<b>0</b>	<b>0</b>

	2012–13	2011–12
	£000	£000
<b>Analysis of expected timing of discount flows</b>		
Not later than one year	0	0
<b>Current liability</b>	<b>0</b>	<b>0</b>
Later than one year and not later than five years	0	0
Later than five years	0	0
<b>Non-current liability</b>	<b>0</b>	<b>0</b>
<b>Balance as at 31 March</b>	<b>0</b>	<b>0</b>

## 16. Capital commitments

Commitments for capital expenditure and major maintenance works for which no provision has been made in these accounts were as follows:

	2012–13	2011–12
	£000	£000
Property, plant and equipment	57	0
Intangibles	0	0
<b>Total</b>	<b>57</b>	<b>0</b>

The Trust has contracted for the supply of three vehicles. The contract is valued at £56,865.

## 17. Commitments under lease

There are no assets held under finance or operating lease for either the current or prior year.

## 18. Other financial commitments

The Trust has no other financial commitments for the current year. The prior year accounts showed a value of £1,043,000, which was subsequently deemed inappropriate and removed from the notes.

## 19. Deferred tax asset

The Trust does not hold any deferred tax assets for either the current or prior year.

## 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 does not have any contingent liabilities for either the current or prior year.

## 22. Losses and special payments

### 22a. Losses statement

	2012–13		2011–12	
	Number of cases	Total value £000	Number of cases	Total value £000
Cash losses	0	0	0	0
Claims abandoned	1	2	0	0
Administrative write-offs	0	0	0	0
Fruitless payments	0	0	0	0
Store losses	0	0	0	0
<b>Total</b>	<b>1</b>	<b>2</b>	<b>0</b>	<b>0</b>
<b>Details of cases over £250,000</b>				
Cash losses	0	0	0	0
Claims abandoned	0	0	0	0
Administrative write-offs	0	0	0	0
Fruitless payments	0	0	0	0
Store losses	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 22b. Special payments schedule

	2012–13		2011–12	
	Number of cases	Total value £000	Number of cases	Total value £000
Special payments	3	6	0	0
<b>Total</b>	<b>3</b>	<b>6</b>	<b>0</b>	<b>0</b>
<b>Details of cases over £250,000</b>				
Special payments	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

All of the special payments refer to insurance excess payments in respect of employee liability claims.

## 23. General fund

	2012–13 £000	2011–12 £000
<b>Balance restated at 1 April</b>	<b>(10,750)</b>	<b>(9,164)</b>
Net transfers from Operating Activities:		
Statement of Comprehensive Net Expenditure	(384)	(240)
Transferred from revaluation reserve	0	18
Actuarial gains and losses	(2,127)	(1,364)
<b>Balance at 31 March</b>	<b>(13,261)</b>	<b>(10,750)</b>

## 24. Revaluation reserve

### 24a. Property, plant and equipment

	2012–13	2011–12
	£000	£000
<b>Balance at 1 April</b>	<b>5</b>	<b>22</b>
Arising on revaluations of PPE during the year (net)	6	1
Transferred to General Fund	0	(18)
<b>Balance at 31 March</b>	<b>11</b>	<b>5</b>

### 24b. Intangibles

There is no revaluation reserve relating to intangible assets.

## 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, the Chair of Cumbria Probation Trust served as one of the four Trustees within Cumbria Reducing Offending Partnership Trust Limited. In 2012/13 Cumbria Probation provided assistance to CROPT by way of personnel secondment to the value of £3,893 (2011/12: £17,967) as well as some limited back office services. In addition Cumbria Probation Services has entered into a contract with CROPT for the provision of "Circles of Support" services to offenders at an anticipated annual value of £63,958. Payments of £40,680 has been made under this contract and an accrual of £15,244 has been made making a charge in the Statement of Comprehensive Net Expenditure of £55,924. Otherwise none of the members of the Board, members of key management staff or other related parties, or their related parties has undertaken any material transactions with the Probation Trust.

Cumbria Probation Trust is one of 5 Trusts part of "Laurus" (a regional training joint operation, to provide training within the 5 Trusts). Cumbria Probation Trust seconded staff & provided some cash funding to Laurus to cover the training costs. Merseyside Probation Trust is the host Trust which co-ordinates the training and costs. During the year Cumbria Probation Trust provided funding of £65,750 (2011/12: £57,924) and in addition provided training staff to the value of £43,371 (2011/12: £44,388).

## 26. Third-party assets

The trust holds a cash asset on behalf of The Cumbria Alcohol Task Group to the value of £7,739.

	31 March 2012	Funds paid in during the year	Funds paid out during the year	31 March 2013
	£000	£000	£000	£000
Cumbria Alcohol Task Group	0	10	(2)	8

## 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.



## 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.



Edward Kirby

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 (not audited)

During 2012–13 the Trust continued with commitment to sustainability and its planned estate reduction which was completed in December 2012 following the relocation of Barrow Office and therefore delivering a total estate reduction of 36% between 2009 and 2013. During 2013–14 the Trust's aim is to work closely with the MoJ Estate Team in developing a robust process of bringing together data and information in relation to the energy and water consumption as well as wastage across all buildings within the Trust.

Whilst probation is a comparably low carbon service in terms of its estate, there is nevertheless some correlation between the size of the estate and carbon footprint. A reduction such as above has already delivered an 11% reduction in total energy consumption compared to 2009–11. Our expectation is that 2013–14 will deliver the full year effect of the downsizing strategy leading to further reduction in greenhouse gas emission. It is our intention therefore to ensure that the Trust receives all accurate and relevant information on all its properties from the MoJ Estate Team who oversee the national contract for facilities management for all estate related services.

The recycling service at all of our buildings will continue and is extending beyond the paper. The roll-out of our intranet in 2012–13 was delayed but finally launched on 8<sup>th</sup> April 2013 this, we believe, will bring a reduction in the use of paper and at our HQ where we are working closely with the Magistrates Court Estate Team to influence behaviours and commitment across both organisations in terms of recycling.

Our successful car hire scheme has now been extended to long term hire of fuel efficient pool cars operating from HQ, Barrow and West Cumbria which are used for journeys within and outside the county. However, from the table below it is important to highlight a slight increase in the number of miles travelled by cars not owned by the Trust for 2012–13 compared to the previous two years. This is the result of the staff who were affected as the result of office relocation during the year and were compensated under the nationally agreed terms and conditions.

<b>Mileage</b>	<b>2009–2010</b>	<b>2010–2011</b>	<b>2011–2012</b>	<b>2012–2013</b>
Cars owned by the Trust	Nil	Nil	Nil	Nil
Vans and HGV owned by the Trust	79,874	74,825	78,784	76,039
Mileage by cars not owned by the Trust	326,190	287,500	290,190	295,508
<b>Total Miles Travelled (Miles)</b>	<b>406,064</b>	<b>362,325</b>	<b>368,974</b>	<b>371,547</b>
<b>Estimated Cost of Business Travel (£)</b>	<b>249,619</b>	<b>214,831</b>	<b>265,221</b>	<b>241,051</b>

Our commitment to reducing business mileage will continue and will be supported by a new system of data capture with regard to a further breakdown in terms of fuel type as well as switching journeys from cars to a wider use of public transport, particularly for journeys outside the county.

Because of a lack of confidence in the supplied data for energy, water and wastage, the above report has been restricted to business travel for 2012–2013. We aim to work with the MoJ Estate Team during 2012–2014 to develop an accurate position with regard to our data in relation to the use of energy, water and wastage across all our buildings within the county.



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