

CROWN PROSECUTION SERVICE

Annual Report and Accounts 2010-11

HC 1000

Crown Prosecution Service

Annual Report and Accounts for the period April 2010 - March 2011

Report presented to Parliament pursuant to Section 9 of the Prosecution of Offences Act 1985

Accounts presented to the House of Commons pursuant to Section 6(4) of the Government Resources and Accounts Act 2000

Accounts presented to the House of Lords by Command of Her Majesty

Ordered by the House of Commons to be printed 14 July 2011

HC 1000

London: The Stationery Office

£37.00

© Crown copyright 2011

You may re-use this information (excluding logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit <http://www.nationalarchives.gov.uk/doc/open-government-licence/> or e-mail: psi@nationalarchives.gsi.gov.uk.

Where we have identified any third party copyright information you will need to obtain permission from the copyright holders concerned.

Any enquiries regarding this publication should be sent to us at Strategy & Policy Directorate, Crown Prosecution Service Headquarters, Rose Court, 2 Southwark Bridge, London, SE1 9HS

This publication is available for download at www.official-documents.gov.uk and from our website at www.cps.gov.uk

ISBN: 9780102974669

Printed in the UK by The Stationery Office Limited
on behalf of the Controller of Her Majesty's Stationery Office

ID 2442344 07/11 13719 19585

Printed on paper containing 75% recycled fibre content minimum.

Contents

Director's letter to the Attorney General	1
Who we are	3
At a glance	6
Performance in 2010-11	8
Management Commentary	17
Accounts	60
Annex A – Code for Crown Prosecutors	122
Annex B – Casework Statistics	143
Annex C - Instructions Issued by the Director of Public Prosecutions to Associate Prosecutors of the Crown Prosecution Service Pursuant to Section 7A of the Prosecution of Offences Act 1985 as Amended	151
Annex D - Associate Prosecutors Training and Selection	160
Annex E - Director's Guidance	162
Annex F - Common Core Tables	163
Annex G - PAC Recommendations	177
Annex H Complaints to the Parliamentary Ombudsman	178
Annex I - CPS Area/Police Force Boundary Map	179
Annex J – Glossary	180

Director's letter to the Attorney General

I am pleased to report to you on the performance of the Crown Prosecution Service for 2010-11. 2010-11 was an important year as we put in place the building blocks of quality and efficiency that will help us to live with the financial constraints of the 2010 Spending Review.

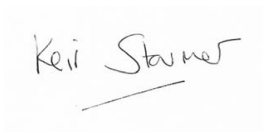
During the year we began making preparations for the significant reductions to public spending we knew would be contained in the Spending Review. We reduced the size of our headquarters significantly and relocated our London HQ to less expensive premises. We also renegotiated commercial contracts; introduced new procurement processes; imposed a recruitment freeze; completed the merger with Revenue and Customs Prosecution Office; and reorganised our national structure by aggregating from 42 Areas to 13 to realise economies of scale and prepare us to take full advantage of developments in technology and proposals for better case administration.

This decisive action was vital to ensuring that we were in the best possible position to face the challenge of the budget reductions required between 2011-2015. However, I have been clear that improvements and cost reductions cannot come at the expense of quality or the proper application of justice. The CPS must prosecute criminal conduct in the most effective way. And, in a way that is transparent, so that the public understand why decisions are taken.

To this end, 2010-11 saw the implementation of CPS Core Quality Standards. Informed by a full public consultation, these standards clearly set out what the public can expect from their prosecution service. They are important to victims, witnesses, suspects and defendants, all of whom rely on prosecutors to carry out their duties to a high standard; and important for the courts, police and other criminal justice agencies which rely on the CPS to deliver an efficient and effective service.

Having defined our standards, we sampled more than 15,000 cases during the year to make sure that we were meeting them, and took corrective action where we did not.

Finally, let me acknowledge the work of my staff over the past 12 months. The journey that we have started would not be possible without their hard work, and passion for public service. We will face the challenges of the next four years together, fewer in number, but undiminished in our commitment to serving our society and seeing that justice is done.

A handwritten signature in black ink that reads "Keir Starmer". The signature is written in a cursive style and is positioned above a horizontal line.

Keir Starmer QC
Director of Public Prosecutions

Who we are

The CPS was set up in 1986 as an independent authority to prosecute criminal cases investigated by the police in England and Wales. In undertaking this role, the CPS:

- Advises the police during the early stages of investigations;
- Determines the appropriate charges in more serious or complex cases;
- Keeps all cases under continuous review and decides which cases should be prosecuted;
- Prepares cases for prosecution and prosecutes cases using in-house advocates, self-employed advocates or agents to present cases in court; and
- Provides information and assistance to victims and prosecution witnesses.

The way in which the CPS undertakes its role is governed by two key documents: the Code for Crown Prosecutors; and Core Quality Standards (CQS). The CQS lay down the quality of service that the public are entitled to expect from those who prosecute on their behalf. They apply to all those who deliver the prosecution service.

The CPS is headed by the Director of Public Prosecutions (DPP). The DPP is superintended by the Attorney General who is accountable to Parliament for the Service. The Chief Executive is responsible for running the business on a day-to-day basis, and for human resources, finance, business information systems, operations, and criminal justice policy, allowing the DPP to concentrate on casework, associated legal issues and legal policy.

The CPS is a national service that is delivered at a local level by 13 Areas across England and Wales. Each Area is led by a Chief Crown Prosecutor (CCP) who is responsible for the provision of a high quality prosecution service in their Area. Each CCP is supported by an Area Business Manager (ABM), and their respective roles mirror the responsibilities of the DPP and

the Chief Executive. Administrative support to Areas is provided by Area Operations Centres. A 'virtual' 14th Area, CPS Direct, is also headed by a CCP and Area Business Manager, and provides out-of-hours charging decisions to the police.

In addition, two specialist casework groups - Central Fraud Group and Serious Crime Group - deal with the prosecution of all cases investigated by Her Majesty's Revenue & Customs (HMRC), the Serious & Organised Crime Agency (SOCA), and UK Border Agency (UKBA) as well as serious crime, terrorism, fraud and other challenging cases that require specialist experience.

Code for Crown Prosecutors

Before charging a defendant and proceeding with a prosecution, Crown Prosecutors must first review each case against the Code for Crown Prosecutors. The Code sets out the principles the CPS applies when carrying out its work. Those principles are whether:

- There is enough evidence to provide a realistic prospect of conviction against each defendant on each charge; and, if so,
- A prosecution is needed in the public interest.

The Director is under a statutory duty to publish the Code for Crown Prosecutors. The sixth edition of the Code was published in February 2010.

At a glance

In 2010/11 the Crown Prosecution Service spent **£614 million**, less than **£11.50** for every person in England and Wales.

The Crown Prosecution Service is responsible for making charging decisions for the most serious types of offence. During the year we made **466,611** charging decisions.

We prosecuted nearly **one million cases**, with **116,898** of these in the Crown Court, and the remaining **840,983** in the magistrates' courts.

Of those we prosecuted, **93,106** defendants were convicted in the Crown Court and **727,491** in the magistrates' courts. In total **86%** of cases prosecuted resulted in a conviction.

Key to successful prosecutions are victims and witnesses. In 2010/11, through the Witness Care Units that we jointly staff with the police, we supported **207,391** witnesses in attending court, achieving an attendance rate of **88%**.

Additionally, we continue to focus our efforts on the most vulnerable victims of crime. In 2010/11 we prosecuted **95,257** Violence Against Women cases¹, an increase of **11%** on the year before, whilst maintaining a successful outcome rate of **72%**.

The public have the right to expect a high quality prosecution service from us. In 2009/10 we implemented a formal process of advocacy assessment, a first for the criminal justice system. In 2010/11, over **1,000** advocacy assessments were undertaken with over **96%** meeting the required standard.

¹ Of these, 82,187 were domestic violence, an increase also of 11% on 2009-10, also maintaining successful outcome rate at 72%; 4,208 were rape defendants, an increase of 10% on the previous year, maintaining successful outcome rate at 59%; 8,862 were sexual offences, an increase also of 10% from 2009-10, with a slight fall in successful outcomes from 76% to 74%. Successful outcomes in rape cases include cases initially charged as rape, but where a conviction was obtained for an alternative or lesser offence.

In 2010/11 we implemented **12** Core Quality Standards which define the level of service the CPS is committed to providing to the public in every key aspect of its work. We reviewed **205,686** commitments across more than **15,000** cases, with almost **80%** fully meeting our high standard.

During 2010/11 we implemented a number of measures to deliver efficiency savings including:

- Continuing the Transforming Through Technology programme T3, which will move us from largely paper-based processes to a full digital way of working. We tested digital working in **6** early adopter locations, and will complete rollout during 2011/12;
- Reducing staff numbers in Headquarters by **23%**; and
- Moving to **13** Area structure from the previous model of **42**.

The CPS is committed to delivering a high quality prosecution service that offers excellent value for money. During 2010/11 we did this with **7,745** staff², including **2,825** prosecutors, **4,491** caseworkers and administrators. **94%** of our staff were engaged in frontline delivery.

² Full-time equivalent figures. Data are provisional and subject to change. The figures quoted here were correct at 31 March 2011

Performance in 2010-11

Efficiency

The CPS has a very good record in effective resource planning and management and in recent years has delivered more than originally planned in efficiency savings, with expenditure in 2010-11 97% of that in 2007-08.

Operational efficiencies have been achieved by implementing LEAN techniques through the Optimum Business Model throughout the business and by making the most of our IT infrastructure. Further savings have been made by continuing to make best use of CPS advocates in magistrates' courts and Crown Court. New procurement processes have ensured improved value for money and delivery of cost savings in expenditure on temporary staff, consultancy, recruitment and travel. We have recognised the need to focus resource on front-line delivery and are reducing expenditure on headquarters and corporate services. By 2014-15 expenditure on our headquarters will be 50% lower than in 2008-09.

In May 2010 London headquarters relocated to less expensive premises and introduced flexible working patterns supported by significant reduction in the ratio of workstations to staff. By maximising occupancy in the headquarters building the department has enabled the closure of other London sites over the next four years. The 8:10 ratio is now being implemented in all our offices and similar benefits will follow.

The outcome of the Spending Review means that the CPS budget will reduce by 25% in real terms over the period 2011-12 to 2014-15. Effective business planning and management, focusing on efficiency and cost reduction, will ensure that this can be achieved without sacrificing quality in any aspect of the service. All parts of the Service have robust workforce capacity plans that cover the full Spending Review period. These are fully aligned to enable future changes and improvements to the operating model.

The efficiency plans include the implementation of the CPS's Estates Strategy which will deliver a reduction in the number of small, uneconomic offices. Consolidation into larger offices will enable more flexible and effective use of resources, reduce costs and help us to achieve our Sustainable Development objectives (see page 20). Consolidation will be facilitated by the move to digital working which helps achieve economies of scale and overcomes current geographic obstacles. Newly negotiated deals will bring savings from office consumables, facilities management and legal professional services.

We are working closely with Criminal Justice System (CJS) partners at national and local level to develop new ways of working to deliver the best, most cost-effective, service and to improve efficiency. This includes working with the police and our criminal justice partners to introduce streamlined case administration, better use of video facilities, and digitalisation of the CJS. We have also supported the Senior Presiding Judge in his piloting of an early guilty plea scheme.

Core Quality Standards

Following the launch of Core Quality Standards (CQS) in March 2010, a new performance monitoring regime was developed and has been fully operational since October. As part of the new system, approximately 18,000 files are reviewed each year to assess compliance with the Core Quality Standards. The results of these assessments are then compared against a basket of key performance measures which report casework outcomes.

The file review process, known as Core Quality Standards Monitoring (CQSM), requires managers to assess at least six files per month against 34 commitments set out in the Core Quality Standards. These assessments are supplemented by a peer review process where another manager assesses at least 24 files over a two month period. This helps to ensure assessments are consistent and robust across the service. In the period from October 2010 to March 2011, over 10,000 files were assessed. Approximately 78% of the commitments in these files were fully met. Of the remainder, 11.5% were partially met and 10.5% not met.

CQSM results are further validated against a range of key performance measures drawn from our casework management system and other corporate databases. Other measures have also been selected to monitor performance by efficiency and productivity, violence against women, hate crime and people issues.

The results of both the CQSM assessments and the key performance measures are discussed in quarterly Area Performance Review (APR) meetings held between the Chief Operating Officer, Chief Crown Prosecutors and Area Business Managers. These meetings provide an early warning of poor or declining performance. Chief Crown Prosecutors and Area Business Managers are asked to complete and report back on corrective actions when performance fails to meet the required standard. Area Performance Review also provides a process for identifying and sharing best practice between senior managers across the service.

In January 2011 the CPS launched a new national Appeals Unit to conduct all appeals against final judgments in the Administrative Court, the Court of Appeal and the Supreme Court. The Unit provides a central point of contact and source of expert advice for CPS prosecutors and our criminal justice system partners, and by rigorously applying our Core Quality Standards, demonstrates the CPS's commitment to providing a first-rate service at every stage of a prosecution. The new unit is expected to conduct in excess of 7,000 appellate court cases per year, including all appeals referred by the Criminal Cases Review Commission and all Unduly Lenient Sentences. Master Venne, Registrar of Criminal Appeals, welcomed the establishment of the CPS Appeals Unit, saying that it "will improve the service which the Court of Appeal provides to appellants and the criminal justice service as a whole".

T3

Transforming Through Technology – T3 – is the programme that is moving the CPS from paper-based processes to a full digital way of working. This programme will improve efficiency and remove many of the frustrating tasks and the bureaucracy associated with our existing, paper-based systems. However, the CPS cannot and does not work alone to provide justice. Much of the year saw us working closely with our CJS partners to make the case for digitalisation, not just of the CPS, but crucially

for the CJS as a whole. As a result the CJS Operational Board, comprising senior representatives from all the major criminal justice agencies, endorsed the CPS's digital vision and is now committed to delivering a far more digital CJS by April 2012.

The Home Secretary, the Lord Chancellor and Secretary of State for Justice, and the Attorney General have all signed up to the digital CJS Vision; 2011-12 will be the year that the CJS works collectively to achieve it.

Six lead Areas – 'Early Adopter Sites' – have been testing aspects of digital working throughout 2010 -11; going as far as possible to move away from paper and work digitally with partner agencies. Their experiences continue to be captured, transformed into a set of best practice tools, and shared with other Areas, who can then quickly implement the tested processes.

During 2010-11, work began to upgrade the CPS's existing technology infrastructure and software to provide increased digital capacity and capability. This work became the foundation for the T3 business case which was approved by the CPS Board in December 2010.

Changes have been made to enable a two-way exchange of data between the police and the CPS and to broaden the range of information that can be transferred through the CJS Exchange to enable greater digital working. The first sites plan to use the two-way link by late summer 2011.

Early T3 achievements for 2011-12 include prosecuting lists at Court directly from a hand held computer, and increasing the use of electronic presentation of evidence in the most complex cases.

Charging

We introduced new national daytime Charging arrangements to provide real time access for police investigators to CPS Prosecutors for charging decisions for the majority of cases using IT and telephony, whilst retaining face-to-face advice in more serious cases. The improved daytime access arrangements have been in place nationally since 31 May 2010. They provide greater economies of scale; ensure quick

and easy access for police; produce faster decisions; and facilitate more efficient and effective use of CPS prosecutor resources.

The performance of the new daytime Charging arrangements is monitored through the Joint CPS and Association of Chief Police Officers (ACPO) Performance Standards and Delivery Measures for Charging, developed and introduced during 2010. The Standards complement the Core Quality Standards (CQS).

Between April and October 2010, in partnership with ACPO, we conducted pilots to test and evaluate the return of some further offences to the police to charge under the Statutory Charging arrangements. Based on the findings from these pilots, the CPS and ACPO started the rollout of the new, revised Charging arrangements on a phased approach, with the expectation that it will be completed by the end of June 2011. The revised arrangements will see prosecutor time concentrated on the most serious offences, and the police able to process less serious offences more quickly with a reduction in bureaucracy.

Victims and Witnesses

Victims and witnesses play a central role in the prosecution process. The CPS recognises that it relies on the evidence of victims and witnesses to deliver successful prosecutions and ensure justice is done.

During the year work was undertaken to deliver performance improvements in the joint CPS/police Witness Care Units in supporting victims and witnesses, based on recommendations in the 2009 'Report of a Joint³ Thematic Review of Victim and Witness Experiences in the Criminal Justice System'.

Our legal guidance in respect of the Direct Communication with Victims scheme was updated to provide a greater focus on the quality of communications and best practice.

In 2011-12 we will continue work to review the service we give to victims and witnesses: clarifying the offer we make to them; improving our guidance to our

³ Her Majesty's Inspectorate of Court Administration, Her Majesty's CPS Inspectorate and Her Majesty's Inspectorate of Constabulary

prosecutors on victim and witness issues; and improving the delivery mechanisms so that we can focus our service on those in greatest need. We will also exploit opportunities from T3, making better use of technology in the Witness Care Units, ensuring a service that is more proportionate and better focused on those victims and witnesses most in need and those that are vulnerable.

Violence Against Women

Improving our performance in cases involving Violence Against Women (VAW) continued to be a priority for the CPS during 2010-11, due to the concerns about the high level of victim abuse in these cases and the need to address public confidence. This is reflected in the government-wide Violence Against Women and Girls Action Plans launched in March 2011. Assessment of VAW crimes, including a sample of rape prosecutions, was incorporated into the Core Quality Standards Monitoring in 2010, and a VAW Crime Report was published in December 2010.

Areas were supported in taking on the management of their local performance through the introduction of a VAW Assurance scheme from January 2011. Areas are now required to report to the Chief Operating Officer on the quality of VAW prosecutions, including a qualitative assessment of 25% of rape prosecutions on a six-monthly basis.

In December 2010 the Director announced new measures to strengthen rape prosecutions, including the need for effective communication with victims and a merits-based approach to decision-making. Consultation on Guidance on Perverting the Course of Justice in cases involving rape and/or domestic violence allegations was issued in February 2011.

From April 2010 cases of forced marriage, honour-based violence, trafficking and child abuse were monitored to help bring about improvements in prosecutions, with specialist prosecutors trained.

Prosecuting all types of violence against women will remain a key priority for the Service in 2011-12.

Advocacy

Through continued negotiation with the Bar Council, the CPS has laid the foundation for new remuneration arrangements and allowed for the creation of Advocate Panels. Both the new fee scheme and Advocate Panels will be introduced in 2011-12. The Advocate Panel application process was launched on 31 March 2011, with applications due by 31 July. The process will conclude in autumn 2011. The development of Advocate Panels will create smaller, time-limited panels of high quality self-employed advocates to meet the CPS business need. Monitoring of our Core Quality Standards will help us to ensure that the new panels deliver high quality advocacy while delivering improved value for money. The new fee arrangements, which will help reduce the cost of Crown Court advocacy and simplify the administration of fees, are an important strand in our approach to meeting the demands of the spending review.

Optimum Business Model & Paralegal Career Family Structure

The Optimum Business Model was introduced to improve the efficiency and effectiveness of the magistrates' courts systems and processes. Following its success in the magistrates' courts, CPS Areas have been embedding similar case progression models into the Crown Court teams throughout 2010-11.

The extension of OBM to the Crown Court has focused on clarifying the roles and responsibilities of lawyers, paralegal officers/assistants and other administrative staff, to ensure that work is carried out at the right grade, supported by simplified office processes to deal with the volume cases. Improved systems and monitoring have targeted more timely preparation of committals and improved compliance with Judges' Orders.

More serious and sensitive casework is still individually allocated to named lawyers, or specialists in our Rape and Serious Sexual Offence and Complex Casework Units, who hold responsibility for the case throughout the court process, providing bespoke guidance on the prosecution.

The responsibility for continuous improvement in the coming year lies primarily with the 13 Areas, which will be looking to further increase efficiency by reducing the number of administrative tasks that need to be undertaken and maximising the use of paralegal staff to support our prosecutions. The introduction of digital ways of working will assist this process.

Our People

In 2010-11 part of the programme of work to put in place robust and effective arrangements to enable the CPS to deliver the anticipated outcomes of the Spending Review included the revision of key policies relating to organisational change, resourcing and redeployment.

We reduced overall staffing from 8,304 to 7,746⁴, an in-year reduction of 6.7%.

We have contributed to increasing the CPS's overall effectiveness through our continued focus on developing the capability and capacity of our staff. The success of the Prosecution College continues to grow and it is now widely recognised as a best practice approach. We also launched a revised performance management and competence framework at the beginning of the year, which we will be building on during 2011-12. The new framework aligns performance and development to Core Quality Standards and broader organisational priorities.

During the year we completed a major review of flexible working. This realigned working patterns with operational requirements and will ensure that sustainable arrangements are maintained going forward.

Other Government Departments generally saw a reduction in the overall Employee Engagement Index (EEI), reducing on average by 2%. The CPS experienced a 3% reduction and in response has set out a new People Strategy for implementation in 2011 which will ensure that our staff are better engaged, and equipped to meet the demands of a fair and modern prosecution service over the Spending Review Period and beyond.

⁴ Full-time equivalent figures. Data are provisional and subject to change. The figures quoted here were correct at 31 March 2010 and 31 March 2011

THIS PAGE HAS BEEN LEFT BLANK

Management Commentary

Operating and Financial Review

a) Operating Review

(i) 2010 Spending Review

The SR2010 settlement for the Law Officers' Departments was announced on 20 October 2010. For the CPS the settlement represents a 25% real terms reduction in the net Resource Departmental Expenditure Limit (RDEL) over the four year period to 2014-15.

Achieving this reduction presents real challenges, but the CPS has been making careful preparations for some time and the organisation is as well placed as it can be to deliver these savings. Ahead of the settlement the CPS had implemented the following measures:

- A service-wide recruitment freeze;
- Plans to significantly reduce the size and costs of headquarters to release resources to the front line;
- Renegotiation of the contract for IT and communications to achieve savings of at least 20% by 2014-15;
- Introduction of a strategy to deliver a ratio of 8:10 for IT equipment and workstations;
- Relocation of headquarters and casework Divisions from Ludgate Hill to Rose Court;
- Development of an Estates Strategy that will enable the closure of smaller uneconomic offices; and
- Development of a procurement strategy to maximise opportunities for collaborative procurement and introducing a digital Procure to Pay (P2P) system.

The recruitment controls in place since August 2009 have helped to reduce staff numbers appreciably. These controls, supported by a four year

Workforce Capacity Plan, will remain and by 2015 the CPS will be a smaller organisation focused on delivering the core services of the department. At headquarters, the number of posts, including at the most senior levels, has been reduced significantly and each headquarters Director has agreed a plan to reduce the number of posts by approximately 50% by the end of March 2014 compared to the December 2009 baseline. To help to achieve reductions in headquarters and operational Areas the CPS ran a voluntary early release scheme in 2010-11 and there will be a similar, larger exercise in 2011-12.

The reduction in headquarters is part of our strategy to direct resources to maintain front-line delivery of the service. However, the scale of the budget reductions means that the front line cannot remain untouched, and the CPS must maximise the productivity of our staff through improvements in systems, processes, performance and organisational structure. We will do this in concert with our partners in the CJS, who face similar financial pressures.

The CPS has in hand a number of initiatives which are improving the efficiency of our processes to enable us to manage the same workload and maintain Core Quality Standards with fewer staff. These include:

- Adoption of the Optimum Business Model (OBM) for both Crown Court and Magistrates' Courts;
- Criminal Justice - Simple, Speedy, Summary (CJSSS);
- Modernising Charging; and
- Streamlining our reporting requirements and empowering front-line staff so that decisions are taken at the level closest to the issues.

The enhancement of IT infrastructure to deliver full digital working is a critical part of our plans to improve efficiency. Our aim is to reduce costs radically, while maintaining and strengthening the capability to protect the public by robust and effective prosecutions. By October this year we expect to have the

technology in place and from that point we will move rapidly to implement all elements of digital working.

Planning for the post-Spending Review environment has emphasised the requirement for criminal justice agencies, including the CPS, to address urgently the inefficiencies that separation and fragmentation can cause. The recently introduced strategic CJS governance arrangements promote collaborative approaches and common ownership. Encouraging early signs that these new arrangements are having an impact include cross departmental agreement to accelerate moves to a digital CJS by April 2012, the streamlined administration of cases and the consistent enforcement of the Criminal Procedure Rules.

The CPS has developed staffing profiles for the full period of the Spending Review, reflecting normal staff turnover rates and the application of an early voluntary release scheme in the next two years. From 1 April 2011 we began restructuring the organisation into 13 geographic Areas in order to reduce overheads and improve resilience.

We continue to be confident that, through careful planning, introducing smarter and better ways of working and offering those who wish to leave on voluntary terms the opportunity to do so, we can avoid compulsory redundancies. We are committed to this principle and wish to work with our managers, staff and trade unions to achieve this aim.

(ii) Social and Community Matters

The CPS works in partnership with the other criminal justice agencies to respond to the concerns of local communities. We have a programme of community engagement, both nationally and in our operational Areas, to ensure that we are aware of the priorities of local communities. This commitment is expressed in Core Quality Standard 12 and performance is assessed on a quarterly and annual basis at local and national level.

There is a national Community Accountability Forum, which includes partners from national community organisations, through which we engage, involve and consult on a range of priorities. Shortly, we will also establish a National Scrutiny Panel that will scrutinise issues of national importance including hate crime and violence against women cases.

Building on the firm foundations of our hate crime scrutiny panels and community involvement panels, we are setting up Area Local Involvement and Scrutiny Panels to involve communities in planning, scrutiny and the analysis of local data.

(iii) Sustainability

Note: As part of its sustainable development strategy the Government requires public sector bodies to disclose their sustainability reports within their annual report and accounts from 2011-12. 2010-11 is a “dry run” year for public sector bodies and the following paragraphs constitute the CPS’s first formal sustainability report. Further information is published at http://www.hm-treasury.gov.uk/frem_sustainability.htm

Summary of performance

The Crown Prosecution Service is committed to government policy to improve sustainability and contributes to the Law Officers’ Departments’ (LODs) Sustainable Development Action Plan (SDAP), which contains the actions required to meet centrally set targets which are reported annually in the Sustainability in Government (SDiG) Report. The Sustainable Operation on the Government Estate (SOG E) targets expire in 2010/11 and New Greening Government Commitment (GGC) targets start from 1 April 2011.

The CPS has met the target on emissions by reducing its energy emissions by at least 12.5 % against its baseline. Part of the energy used is deemed

renewable as well as coming from good quality Combined Heat and Power (CHP).

The CPS Headquarters building at Rose Court receives 100% renewable energy and the majority of our buildings receive at least 10% renewable energy and 15% good quality CHP. We are also on target to meet the Prime Minister's 10% reduction in emissions target announced in May 2010.

The CPS has set up the following actions to improve sustainability:

- We are replacing outdated gas and electricity meters on the majority of our estate with new smart meters. This will reduce running costs and lead to us only paying for the energy actually used;
- Ten of our major energy user sites have been selected to use an environmental management system to reduce their impact on the environment. Each of these sites now has a "Green Champion". The Green Champions will be used to further spread the message to other nearby sites and their areas;
- Our headquarters at Rose Court has successfully piloted the workplace standard of 8 desks per 10 person ratio, introduced Multi Function Devices (MFDs) and removed all bins from under desks. Waste is now collected at central points on each floor to encourage recycling and reduce the overall volume of waste. We expect to implement these initiatives across other parts of our estate over the coming year;
- The replacement of our IT equipment as part of a set programme of technology refreshes with equipment that uses less power has helped us reduce energy consumption and our CO2 emissions;
- We are well on track to have a central cleaning contract across our estate which is supporting our waste data collection and we now have procedures in place to reduce office temperatures over holiday periods;
- We are working with our managing agents to establish our utility usage and waste generated at our sites where we do not have direct responsibility for these areas;

- We are reviewing our utility invoice paying mechanisms with a view to making them completely electronic;
- Later this year a review of our travel and subsistence policies will be taking place to make this policy more sustainable;
- We, along with the other LOD members, have signed up to the Carbon Trust's Carbon Management Programme and have a joint LOD Carbon Management plan, for which we are in the process of achieving sign off; and
- The CPS is a member of and the secretariat to the LOD Sustainable Development Steering Group.

Procurement

The Department promotes sustainability in our procurement by:

- Buying fewer environmentally damaging products and services;
- Complying with environmental legislation and regulatory requirements;
- Including relevant environmental conditions or criteria in specification and tender documents, and evaluating supplier offers accordingly; and
- Raising awareness of environmental issues within the Department, and amongst suppliers and contractors.

Governance

The Solicitor General represents the Law Officers' Departments (LODs) on Sustainable Development matters. The minister is supported by the LOD SD Steering Group chaired by the CPS Finance Director. The CPS is the Secretariat to this Group and represents the LODs on any relevant SD committees.

Our results against the SOGE targets are reported annually in the Sustainable Development in Government (SDiG) Report although this is likely to change following the introduction of the new GGC targets.

Governance arrangements are currently being reviewed and will be formalised later in the year.

Performance Data

The tables below set out the CPS's performance against the key sustainability targets. Some of these targets were set by the previous government and remain under development for future reporting periods.

**Crown Prosecution Service Sustainability Report for the Year Ended 31
March 2011**

Greenhouse Gas Emissions		2008-09	2009-10	2010-11
Non-financial indicators	Total Gross Emissions for Scopes 1 & 2	9,300	9,994	8,930
	Gross Emissions Scope 3 Business Travel	1,916	1,783	2,017
Related Energy Consumption (kWh)	Electricity: Non Renewable	N/A	N/A	6,696
	Electricity: Renewable	N/A	N/A	6,722
	Gas	N/A	N/A	8,982
Financial Indicators (£k)	Expenditure on Energy - Scope 1 & 2	2,052	2,328	1,602
	CRC Licence Expenditure	0	0	2
	Expenditure on Accredited Offsets	N/A	N/A	3
	Expenditure on Official Business Travel	5,575	5,427	3,707

Commentary

Scope 1 and 2 emissions include energy used by the department and its commercial subtenants. Specific targets are not available with regard to gross emissions but the CPS has met the SOGE targets of reducing emissions by 12.5% by March 2011. The CPS's electricity supply is made up of brown, renewable and good quality combined heat and power. The expenditure and emissions figures above reflect this breakdown. The information above is from the CPS's controlled estate where it pays the utility invoices direct to the supplier. It does not show the utility use paid directly by our landlords as part of the service charges incurred. The recovery of this data through managing agents for future periods is being reviewed. The expenditure on accredited offsets relates to the 2009/10 financial year paid in 2010/11.

Emissions for Scope 3 relate to recorded business travel including staff-owned cars; fleet and hire cars; air travel and train travel purchased within the relevant contracts. Currently, emissions from bus, taxi and some train/tube travel, where tickets are purchased outside of our travel contract, are not quantifiable. However, following the planned introduction of electronic travel expense claims in 2011-12, this data should be available for future reporting periods. The expenditure data shows all of the recorded expenditure on business travel.

The CPS currently operates a fleet of 20 vehicles. According to local needs the vehicles range from a Hybrid car with emissions of 104g/km to large vans with emissions of 191g/km. The majority of vehicles are small vans. The CPS has successfully reduced the average vehicle emissions rating from 178g/km in April 2007 to 144g/km in March 2011. The need for fleet vehicles should reduce as the CPS becomes less reliant on paper files.

Waste			2008-09	2009-10	2010-11
Non-financial indicators (t)	Non Hazardous Waste	Landfill	214	210	403
		Reused/Recycled	930	2,682	2,966
		Incinerated/Energy from waste	N/A	N/A	79
Financial Indicators (£k)	Non Hazardous Waste	Landfill	N/A	N/A	N/A
		Reused/Recycled	N/A	N/A	821
		Incinerated/Energy from waste	N/A	N/A	12

Commentary

The CPS has a national contract in place for the removal and secure destruction of paper waste. Approximately 99% of the waste generated is recycled and turned into tissue-based products. To ensure that security is not compromised there is no pre-sorting of the CPS paper waste. Unfortunately this means approximately 1% of the shredded waste (staples, plastics, etc.) cannot be recycled into tissue/paper products.

The CPS produces general office waste that is currently handled in several ways. Six buildings (including the headquarters at Rose Court) have general office waste collected through the national Property and Facilities Management (FM) services contract. Waste from these sites is either sent to Waste-to-Energy plants or is segregated to minimise the amount of waste sent to landfill. A further ten sites are in the process of being moved over to the national contract. The offices due to move over to the national contract will see under-desk bins replaced with communal waste points. This facilitates easier segregation of waste and allows better use to be made of cleaners' time.

Waste removal services at other premises will be assessed over the next six months and where appropriate the services will be added to the national contract. Some buildings have waste collection services provided by the Landlord and re-charged through a service charge. Our managing agents have contacted the Landlords of our ten biggest buildings for information on waste management policies. Encouraging responses have so far been received from two of these Landlords.

The strategy to use the national FM contract has several benefits. It facilitates integration with cleaning services as the same contractor is actively involved with the movement of waste within a building and the removal of that waste from the building. Aggregating spend through one supplier means that the cost of waste removal is decreasing. In several buildings this has meant the collection savings will re-pay the initial investment in communal bins for segregating waste within one year. Central management of waste services also ensures more efficient and reliable management information on collection frequency and waste volumes.

The increase in waste in 2009-10 and 2010-11 is in part due to the relocation of the CPS headquarters to Rose Court, which involved disposing of the fixtures and fittings of the previous premises. The CPS has a contract in place for the removal, re-use and recycling of redundant office furniture. In 2010-11 all furniture waste collected from the CPS offices was either re-used or recycled.

Finite Resource Consumption		2008-09	2009-10	2010-11
Non-financial indicators (m ³)	Water Consumption	49,682	51,907	34,970
Financial Indicators (£k)	Water Supply Costs	237	166	113

Commentary

The data shown demonstrates our recorded water consumption and our water costs. The consumption figures relates to the metered water supply in m³. The costs include metered water, rated water and water cooler costs. Consideration has been given to moving to water meters but the majority of the sites are not suitable.

The target refers to the commitment to reduce water consumption by 25% by 2020 against a 2007-08 baseline. A new target is currently being agreed.

Note: The CPS incorporated the Revenue and Customs Prosecution Office during 2009-10, expenditure data for 2008-09 is for the CPS only, whilst 2009-10 and 2010-11 includes the combined department.

b) Financial Review

The CPS's net Request for Resources (RfR), as voted by Parliament, for the period to 31 March 2011 was £643 million. The net outturn on expenditure as shown in the 2010-11 Accounts, Statement of Parliamentary Supply, was £614 million.

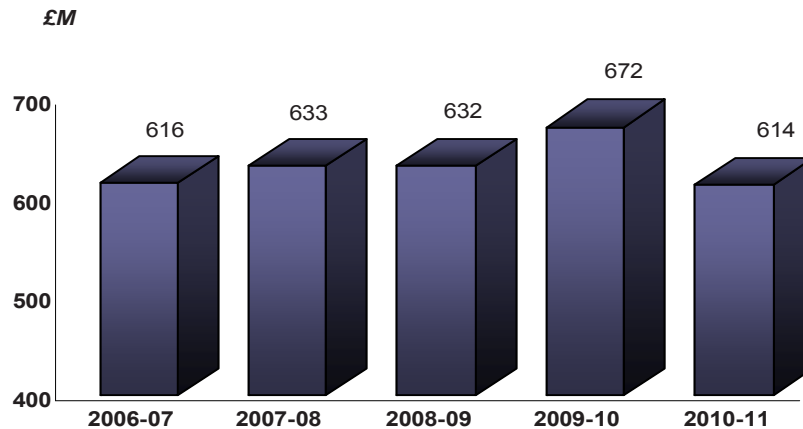
Financial Results

In delivering the public prosecution service the Department spent a total of £685 million. After taking into account £71 million income appropriated in aid, the total net resource requirement was £614 million which was £29 million or 4.6% less than the sum Voted to the CPS by Parliament. An explanation of the reductions in expenditure is given below. The department benefited from £5.7 million additional income as a result of leaving the headquarters building in Ludgate Hill. There was also a significant release of provisions of almost £13 million, which had the effect of reducing overall net expenditure. Both transactions are unusual and unlikely to occur in future years. Further detail is given in the following paragraphs.

Net total resources

The table below shows the CPS's resource consumption since 2006-07. It reveals that last year we spent less than in any other year in this period and that between 2009-10 and 2010-11 net expenditure fell by £58 million or 8.6%. This was the result of careful planning prior to the 2010 Spending Review that brought about a reduction in staff costs of £11 million (Note 7a), a reduction in other administration costs (which excludes staff salaries) of £8 million (Note 8) and a reduction of net programme costs (also excluding staff salaries) of £35 million (Note 9). A rise in income of £7.8 million added to the fall in total net resource consumption (see below).

Net Total Resources 2006-2011



Income

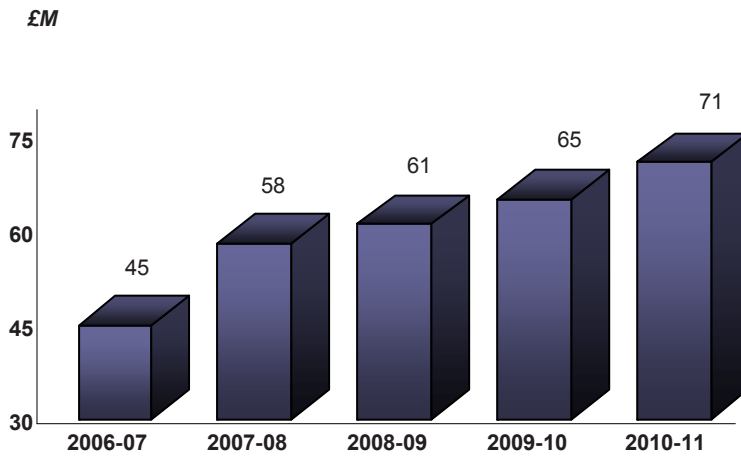
When costs are awarded by courts, the CPS recovers some of the costs of its prosecutions from defendants and is allowed to recognise these cost awards as income.

In addition, the CPS recovers criminal assets through its confiscation, restraint and enforcement activity and under the Asset Recovery Incentivisation Scheme the department retains a proportion of the value of the assets so recovered.

Over the year the CPS received net income of £72.3 million – an increase of 12.1% over the equivalent figure from 2009-10 of £64.5 million. Whilst the majority of the CPS's income is made up of recovered criminal assets and awards of court costs, the greater part of the increase was attributable to a premium of £5.7 million received for the early vacation of the main headquarters building in Ludgate Hill, London.

The table below shows that over the last five years the CPS's income has grown steadily.

Income 2006-2011



The CPS's resources and expenditure are analysed between **Administration Costs** and **Crown Prosecutions and Legal Services**.

Administration represents the costs of running the Department and includes only those costs not attributed to front line services directly associated with the prosecution of criminal cases. It includes staff salaries, other staff-related expenditure, accommodation and related costs for administrative staff based in the CPS Headquarters and accounts for 6.4% of net resource outturn.

Overall, the CPS's net outturn against its Administration budget was £39.0 million compared to net provision of £48.0 million (Note 3b). The outturn represents a decrease of £15.1 million or 28.0% against the figure of £54.1 million for 2009-10 and was the result of lower spending on salaries, accommodation and consultancy. During the year headquarters operations were streamlined and re-structured so that key functions remained fully resourced and effective.

Crown Prosecutions and Legal Services cover the direct and indirect costs of taking cases to court and makes up 90% of the CPS's total resource expenditure (Note 2). After the cost of front line staff salaries, most of the expenditure is associated with the costs of the more serious cases, which are

heard in the Crown Court and comprise the costs of employing barristers as advocates, paying allowances and expenses to prosecution witnesses who attend court, the cost of expert testimony and a number of other less significant costs associated with the prosecution process.

In 2010-11 net expenditure on Crown Prosecutions and Legal Services was £550 million compared with provision of £558 million representing an underspend of £8 million and a reduction of £40 million against the equivalent figure for 2009-10 (£590 million). The reduction was driven by relentless pressure to deliver efficiencies. In respect of expenditure under the graduated fee scheme greater control of counsel fees led to a reduction in unit cost of 4.0%.

Crown Court Advocacy

The CPS uses two fees schemes for the payment of self-employed advocates' fees. The majority of cases in the Crown Court handled by external advocates are paid under the graduated fee scheme (GFS). GFS is a formulaic scheme using a range of measures to determine the fee, and measures include offence category, pages of evidence, numbers of witnesses, outcome type, etc. Although fee rates remain unchanged the growth in the size of evidence bundles and a Government focus on bringing more serious crimes to justice has created upward pressure on the fees that the CPS pays. The growth in the size of evidence bundles can be explained by the increasing range of evidence seized by investigators from offenders, including mobile phone, Blackberry and home computer evidence.

Over the last four years the number of Crown Court finalisations of defendants charged with indictable-only offences – the most serious cases of all – has risen from 35,654 in 2006-07 to 42,019 in 2010-11 creating upward pressure on costs. Furthermore, the total number of defendant finalisations in the Crown Court has risen by about 22% over the last five years from 123,476 in 2006-07 to 150,872 in 2010-11.

Annual defendant finalisations have increased by almost 28,000 since 2006-07 and we estimate that the additional costs of these extra Crown Court finalisations is over £27 million, based on the average cost of advocacy for a case in the Crown Court. However, the use of the CPS Crown Advocates (CAs) and better control of costs has helped to offset this pressure.

In general, the extension of recovery of criminal assets, the increasing requirements of disclosure, the conclusion of some extremely large cases, terrorism-related prosecutions falling out of intensive activity by secret services and the police, and the increased use of information technology have all meant longer and more complex cases.

Capital Expenditure

Capital expenditure is focused on improving the Department's estate and office environment and investment in IT through the PFI arrangement with Logica.

The Department spent a total of £3.1 million on the purchase of fixed assets which was £2.0 million less than the budget (Note 4). The underspend followed the introduction of tighter controls over capital expenditure and the rise in the capitalisation threshold from £500 to £2,000. This latter change aligns the CPS with most government departments and means that many low value purchases of office furniture and equipment are no longer classified as capital assets.

Movements in Working Capital other than Cash

The closing balance on trade receivables and other current assets due within one year remained effectively static, falling £0.2 million from £59.0 million in 2009-10 to £58.8 million in 2010-11.

Having risen from 314 to 334 between 2008-09 and 2009-10, in 2010-11 debtor days decreased by 10% to 300 days. This was the result of improved enforcement and higher recovery rates by courts which in turn resulted in an increase in cash receipts of 14% (to £38.2 million in 2010-11 from £33.5 million in 2009-10).

In the same period trade payables and other current liabilities fell from £107 million to £86 million. The £21 million decrease was driven mainly by falls of £10.9 million in the year end Consolidated Fund creditor and of £7.5 million in accruals and deferred income. This last was made up of reductions in accrued counsel fees, holiday pay and capital expenditure. The reduction in accrued counsel fees arose because of some improvements in the management of the system for paying such fees. There remains more work to be done to move from the current resource intensive paper-based system to one that exploits available technology. The project to deliver this change will deliver incremental benefits and savings over the next two years.

Provisions for liabilities and charges

At the end of the financial year the CPS held total provisions of £15.9 million. Of this, £10.8 million was to cover the future cost of early departures and £5.1 million was for other expenses including relatively small amounts to cover personal injury and employment tribunal claims.

The closing provisions balance of £15.9 million was £13.0 million lower than the equivalent figure in the 2009-10 accounts, including a release of provisions for early departures of £11.3 million and of other provisions of £1.5 million. The release of provision for early departures arose following a thorough review and re-working of the methodology and estimation technique used to assess these future liabilities. The current estimated liabilities are both more accurate and more realistic than those used in previous years.

Where, previously, provisions were made on the basis of estimates made at the point of departure and an assumption that the majority of scheme members who took advantage of early departure packages had a retirement date of 65 years, the revised methodology calculates future liabilities on the basis of the amounts actually paid. It also reflects a change in the treatment of staff with retained rights up to the age of 65 that was introduced from 1 October 2008. This change has the effect that, regardless of retirement date, the CPS's ongoing liabilities for individuals ends at age 60, rather than 65.

As the release of provision arose from a change in estimation technique and because, in addition, the source data for the new methodology was not available at the time the 2009-10 accounts were prepared, the opening Statement of Financial Position has not been re-stated.

Non-current assets

Property, plant and equipment and intangible assets showed falls over the equivalent figures for 2009-10. In the case of property, plant and equipment the reduction was largely accounted for by a drop in the net book value of information technology assets of £7.1 million caused by downwards revaluation and depreciation. In the case of intangible assets the fall of £4.1 million was due to amortisation charged in year.

Cash and cash equivalents

The CPS held £13.1 million in cash and cash equivalents at the end of the reporting year – a reduction of £11.5 million from the 2009-10 balance of £24.6 million. This fall was caused by cash outflows that were greater than the CPS's supply from the Consolidated Fund which fell by £60.3 million (from £679.9 million in 2009-10 to £619.6 million in 2010-11). Against this, net cash flows from operating activities amounted to £616.6 million, from investing activities were £4.4 million and from financing activities were £8.6 million: a total of £629.6 million (£662.7 million in 2009-10). The fall was accentuated by a cash payment of £1.5 million to the Consolidated Fund.

Reconciliation of resource expenditure between Estimates, Accounts and Budgets

	£000	£000
	2010-11	2009-10
Net Resource Outturn (Estimates)	613,625	672,191
<i>Adjustments to additionally include:</i>		
Consolidated Fund Extra Receipts in the Statement of Comprehensive Net Expenditure ^(a)	(1,242)	(489)
Net Operating Cost (Accounts)	612,383	671,702
<i>Adjustments to remove:</i>		
Voted expenditure outside the budget ^(b)	(28,331)	(27,988)
<i>Adjustments to additionally include:</i>		
Non-voted expenditure in the budget ^(c)	28,529	28,727
Resource Budget Outturn (Budget)	612,581	672,441
<i>of which</i>		
Departmental Expenditure Limits (DEL)	616,951	672,441
Annually Managed Expenditure (AME)	(4,370)	

This table reconciles the outturn as reported in the Resource Accounts to the Resource Budget Outturn

- (a) Consolidated Fund Extra Receipts (CFERS) are miscellaneous amounts that the CPS is not able to recognise as income and which are surrendered directly to the Consolidated Fund.
- (b) Voted expenditure outside the budget relates to charges in respect of the CPS's two PFI contracts arising from the adoption of IFRS.
- (c) Non-voted expenditure in the budget relates to nominal payments under operating leases which are recognised in the European System of Accounts (ESA) which underpins the Government's budgeting framework but not within either accounting or Estimates frameworks, which both reflect International Financial Reporting Standards (IFRS).

(d) Management

Keir Starmer QC was appointed the Director of Public Prosecutions on 1 November 2008. The Chief Executive supports the Director. The Chief Executive has responsibility for criminal justice policy, finance, human resources, performance management, IT and business and administrative processes, allowing the Director to concentrate on prosecution and legal processes. Peter Lewis was appointed as the Chief Executive on 15 January 2007. The Remuneration Report provides detail of service contracts, salary and pension entitlements for senior officials of the Department.

CPS Board

The CPS Board supports the Director and Chief Executive. It is collectively responsible for the delivery of the CPS's public service outcomes, targets and contribution to the Criminal Justice System.

During 2010-11 the Board structure remained largely unchanged, with the membership comprising the Director, Chief Executive, Chief Operating Officer, Finance Director and Non-executive Directors (NEDs).

The membership of the CPS Board and individuals' attendance during 2010-11 were as follows:

Board Member	Title	Attendance (out of 5 meetings)	Notes
Keir Starmer QC	DPP - Chair	5	
Peter Lewis	Chief Executive	5	
Mike Kennedy	Chief Operating Officer	4	
Paul Staff	Director Finance	5	
David Green QC	Director Central Fraud Group	4	

Doreen Langston	Non-executive Director	5	
Gerard Lemos	Non-executive Director	3 of 3	Left the Board after October meeting
Stephen Redmond	Non-executive Director	3 of 4	Left the Board after December meeting
Rob Sykes	Non-executive Director	4	

The appointment and termination of staff who are members of the CPS Board, excluding the NEDs who are not employed by the CPS, is undertaken in accordance with the Civil Service Management Code. Where appropriate their remuneration, details of which can be found in the Remuneration Report, is determined by reference to the Senior Salaries Review Body. In the rare event of members holding company directorships or having any significant interests that conflict with their management responsibilities, these are declared and a record kept by the single secretariat. No specific action was required at Board level due to a declaration of interest in 2010-11.

The role of the Board is to:

- Ensure the CPS is a high-performing, streamlined, prosecution service relentlessly focused on quality and respected for its professionalism;
- Demonstrate visible and effective leadership across the organisation to inspire confidence in staff, CJS and other stakeholders and the public;
- Determine the vision, role, direction and priorities of the CPS;
- Ensure effective allocation and management of the CPS's staff and financial resources;
- Monitor and improve the CPS's performance; and
- Protect and enhance the CPS's reputation as an organisation striving to become a world class prosecution service.

Directors Group

Directors Group (DG) contributes to the development and delivery of the CPS Vision and Strategy, the CPS public service outcomes and other priorities.

Examples of business covered by the DG include:

- Change Portfolio;
- Staff Survey; and
- Capability Review Implementation.

The membership of the DG and their attendance during 2010-11 was as follows:

DG Member	Position/Role	Attendance (out of 5 meetings)	Notes
Peter Lewis	Chief Executive - Chair	5	
Keir Starmer QC	DPP	4	
Mike Kennedy	Chief Operating Officer	5	
Roger Daw	Director of Strategy & Policy	2 of 2	Left the CPS August 2010
Nick Hunt	Director of Strategy & Policy	2 of 3	Joined DG September 2010
Steve Przybylski	Head of Operations	2 of 2	Left the CPS September 2010
Adrian Foster	Head of Operations	2 of 2	Joined DG September 2010
Paul Staff	Director Finance	4	
David Jones	Chief Information Officer	2	
Alison Levitt	Principal Legal Advisor	3	
Ros McCool	Director HR	2 of 2	Left the CPS

			September 2010
Mark Summerfield	Director HR	3 of 3	Joined DG September 2010
Dale Simon	Director Equality & Diversity	5	
Pam Teare	Director Communications	5	

Group Chairs Group

The GCG contributes to the development and delivery of the CPS Vision and Strategy.

Examples of business covered by the GCG include:

- Modernising Charging;
- Core Quality Standards; and
- Asset Recovery.

The membership of the GCG and their attendance during 2010-11 were as follows:

GCG Member	Position/Role	Attendance (out of 7 meetings)	Notes
Mike Kennedy	Chief Operating Officer – Chair	7	
Jim Brisbane	Group Chair Wales	6 of 6	Joined GCG June 2010
Chris Woolley	Group Chair Wales	1 of 1	Left the CPS May 2010
Ken Caley	Group Chair Eastern	5	
Roger Coe-Salazar	Group Chair South East	5	
Adrian Foster	Head of Operations	4 of 4	Joined GCG September 2010
Neil Franklin	Group Chair Yorkshire	6	
Martin Goldman	CCP CPS Direct	7	
Nick Hawkins	Group Chair Wessex	4	

Sue Hemming	Head of Counter Terrorism Division	4	
Barry Hughes	Group Chair South West	6	
Harry Ireland	Group Chair West Midlands	7	
Bob Marshall	Group Chair North West	6	
Alun Milford	Head of Organised Crime Division	4	
Greg McGill/Grace Ononiwu	Legal Directors, CPS London	6	
Alison Saunders	Chief Crown Prosecutor (CCP) London	5	
Baljit Ubhey	Group Chair Thames & Chiltern	7	
Matthew Wagstaff	Central Fraud Group	5	
Judith Walker	Group Chair East Midlands	7	
Paul Whittaker	Group Chair Merseyside & Cheshire	6	
Wendy Williams	Group Chair North East	7	

Audit Committee

The Audit Committee (AC) supports the Accounting Officers and the CPS Board in their responsibilities for issues of internal control, risk and governance by reviewing the comprehensiveness and integrity of management and executive assurances. The AC's role and responsibilities remained unchanged throughout the year.

Work undertaken
<ul style="list-style-type: none"> Reviewed assurances received in respect of the systems and processes of internal control, risk and governance, which included those provided by Internal Audit, management, the NAO and HMCPSI.
<ul style="list-style-type: none"> Reviewed the Head of Internal Audit's Statement on Internal Control and the Annual Resource Accounts for 2010-11, including the observations by the NAO in their capacity as external audit, and recommended acceptance to the Board.
<ul style="list-style-type: none"> Approved and monitored the Internal Audit programme for 2010-11 and the External Auditors' strategy and plan for the 2010-11 Resource Accounts.

AC Members	Position/Role	Attendance (out of 4 meetings)	Notes
Doreen Langston	Non-executive Chair	4	
Sarah Brown	Non-executive Member	3	
Caroline Johnstone	Non-executive Member	4	
Richard Szadziwski	Non-executive Member	4	

Principal Risks

The principal risks for the CPS are set out in the corporate risk register and agreed by the Directors Group and the CPS Board. They are in the areas of:

Responding effectively to changing patterns of crime, disposal and volumes of cases where we need to ensure that our resources are deployed flexibly to meet changes in workload.

Managing our commitments to victims and witnesses as resources reduce and priorities may change.

The increasingly demanding financial environment will stretch our financial management capability with the risk of adverse impacts on resource management and usage.

Not achieving the consistent application of Core Quality Standards across our operational Groups, which would affect the overall delivery of an effective public prosecution service.

Identifying poor performance trends and intervening in a timely fashion to ensure standards are maintained.

Meeting our commitments to local communities when there are changing and competing priorities.

The Directors Group and the Board regularly monitor the risks through the corporate risk register and take mitigating action when necessary. The Statement of Internal Control provides a description of the key elements of the risk and control framework.

Equal Opportunities

The CPS has a policy of equal opportunities and aims to create and sustain a working environment that is fair to all. Through commitment, action and review, it ensures that employment, training and development opportunities are appropriate to the abilities of the individual regardless of their sex, race, colour, nationality, ethnic or national origins, disability, religion, age, marital status, working pattern, sexual orientation or gender reassignment.

This policy has been jointly agreed and endorsed by the management and trade union sides of the Departmental Whitley Council. Both parties have affirmed their full support for the principle of equality of opportunity, and are determined to ensure that this policy is effectively implemented at all levels of the Service.

The Department's policy is based on the legislation governing equal opportunities and aims to promote equality of opportunity by following both the spirit and the letter of the Equality Act 2010.

The CPS is committed to further progress on equality and diversity in employment and service delivery and is currently developing its equality objectives which will set out what we will do to improve our workforce representation and comply with our equality obligations.

Reporting of Personal Data Related Incidents

Incidents, the disclosure of which would in itself create an unacceptable risk of harm, may be excluded in accordance with the exemptions contained in the Freedom of Information Act 2000 or may be subject to the limitations of the other UK information legislation.

Table 1: Summary of Protected Personal Data Related Incidents Formally Reported to the Information Commissioner's Office in 2010 – 11

No incidents have needed to be reported to the Information Commissioner.

Table 2: Summary of Other Protected Data Related Incidents In 2010 – 11			
1. Total <u>Included</u> Data Loss Incidents			
Category Types	I	Loss of inadequately protected electronic equipment, devices or paper documents from secured Government premises	4
	II	Loss of inadequately protected electronic equipment, devices or paper documents from outside secured Government premises	8
	III	Insecure disposal of inadequately protected electronic equipment, devices or paper documents	1

	IV	Unauthorised disclosure	19
	V	Other	4
	Total		36
2. Lost/Stolen Blackberries			8
3. Lost/Stolen Laptops			5
<p>Explanatory Note: The incidents relating to loss of information have involved details from a single case file. To put the losses into context the CPS handles approximately a million defendant cases in a year. Most of these files make at least one journey to Court and in addition the CPS serves evidence on both the Court and solicitors and barristers (both defence and prosecution). The Departmental Security Unit continues to produce guidance and Gateway notices reminding staff of the security measures that should be adhered to when handling the CPS's information.</p> <p>Included - 36 personal data incidents have been included as losses for the purposes of this report. The majority of these incidents involved poor handling of the data leading to inadvertent unauthorised disclosure to others.</p> <p>Excluded - 11 incidents have been excluded from the report because the loss was very minor concerning a limited amount of personal data.</p> <p>Lost/Stolen Laptops/Blackberries: The Laptops and Blackberries were all encrypted to the government standard.</p>			

Staff Engagement

Employee engagement is described as employees' willingness and ability to invest their personal effort in the success of the CPS. The department recognises that this is critical to retaining key talent and securing high levels of individual, team and organisational performance.

The CPS participated in the Civil Service-wide People Survey in 2010 which amongst many other indicators, assessed employees' experiences and measured their level of engagement. As an organisation over the coming year we will be looking to make significant improvements in our staff

engagement and ultimately our current Employee Engagement Index (EEI) of 53%. The Civil Service benchmark was 56% for 2010 and we are aspiring to be nearer the high performance benchmark which was 62%. The EEI of 53% is disappointing and may reflect, in part, the uncertainty throughout the organisation of the potential impact of the Spending Review settlement. There has already been a significant increase in communications to all staff on how the department will continue to perform to a high standard over the next four years and the following paragraphs explain how we intend to improve employee engagement in the future.

The 2010 People Survey results have shown that in the CPS we are involved in the sort of work that engenders a sense of pride and commitment in delivering a service to the public and we are seeing improvements in staff feedback about their local management environment.

Although there are a number of areas to be investigated further, the CPS has focused on those issues for the corporate response which have been identified as influencing our key drivers of engagement. The top three drivers of engagement for the CPS are:

- Leadership and managing change;
- My work; and
- My line manager.

To demonstrate its importance, the annual EEI has been incorporated into the CPS Scorecard as a performance measure.

Work has also begun to widen the scope on staff engagement to include the different strands that impact on this area, not just actions resulting from the People Survey, and the development of a People Strategy to support the developing Business Plan is underway. The new approach combines the wider staff engagement issue with the People Strategy and People Survey, in the form of a project, currently under the working title of “CPS Involving Our People Programme”.

The CPS trade unions play an important part in staff engagement through their wider role in representing employees and have been fully involved in the development of the CPS People Programme Strategy. The CPS and the trades unions have an Employee Relations Framework Agreement which sets out arrangements to promote effective negotiation, consultation and information sharing. It forms part of a wider, ongoing strategy and programme to build constructive, forward-looking employee relations within the CPS.

Sickness Absence

There has been a rise in average working days lost to sickness – up from 8.5 days per employee in the year to December 2009 to 9.0 days in the year to December 2010. It is likely that this trend will be reflected across other Departments because of the influence of the spending review on staff morale and attendance rates.

We are expecting to see a return to a positive trend following:

- An organisation-wide review of our Attendance Management and Wellbeing Strategy and the roll out of the resultant Strategy during 2011-12;
- A focus on the Top 100 Absence Cases across the organisation;
- The roll out of a programme of Wellbeing workshops which trains line managers to identify and deal with stress cases; and
- The use of Mediation to support the informal resolution of disputes.

Payment of Suppliers and Witnesses

The CPS is committed to paying bills in accordance with agreed contractual conditions, or, where no such conditions exist, within 30 days of receipt of goods or services or the presentation of a valid invoice, whichever is the later. The CPS also seeks to pay all expenses to prosecution witnesses within five working days of receipt of a correctly completed claim form.

In 2010-11 the CPS settled 84.5% of undisputed invoices within 30 days of receipt and 80.2% of witness claims within 5 days. The CPS paid £257 in interest due under the Late Payment of Commercial Debts (Interest) Act 1998. The department is reviewing systems and processes to identify further scope for improvement and will extend the use of purchase to pay during 2011-12.

Pension liabilities

Details on the treatment of pension liabilities, including a link to the statements of the relevant pension schemes are contained in Note 1: Accounting Policies and in the Remuneration Report that forms part of these accounts.

Events after the reporting period

There have been no events after the reporting period that would have a material impact on the financial statements for the year ended 31 March 2011.

Reporting Cycle

The CPS produces a three year Corporate Business strategy and an Annual Business Plan. The Annual Business Plan is submitted by the Chief Executive to the Attorney General in April and sets out the Department's priorities, objectives and annual performance targets. It is the definitive document against which the Department's annual performance will be measured.

The CPS's statutory authority to consume resources and spend the cash that finances its spending plans comes from the annual Main Estimate which is presented to Parliament, as part of the Supply Procedure, by HM Treasury around the start of the financial year to which the Estimate relates.

Supplementary Estimates are presented as necessary during the year as the means for seeking Parliament's approval to additional resources and/or cash or revisions to the Main Estimate.

The Annual Report and Accounts covering the Department's work for the preceding year is published each year. This includes information on the Department's performance against key performance indicators. Each year the Annual Report and Accounts are audited, published and laid before Parliament as a House of Commons paper.

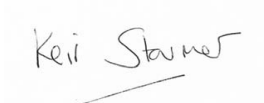
They may be accessed at www.cps.gov.uk

Auditors

This year's Accounts have been audited by the National Audit Office on behalf of the Comptroller and Auditor General. No further audit services were received aside from that of statutory audit by the NAO.

The cost of audit work was £93,000 for the audit of the CPS 2010-11 Resource Accounts. Auditors' remuneration is a notional cost (see Note 8).

As far as the Accounting Officer is aware, there is no relevant audit information of which the National Audit Office is unaware, and the Accounting Officer has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the CPS's auditors are aware of that information.



Keir Starmer QC

Accounting Officer

5 July 2011

Statement of Accounting Officer's Responsibilities

Under the Government Resources and Accounts Act 2000, HM Treasury has directed the Crown Prosecution Service to prepare for each financial year resource accounts detailing the resources acquired, held or disposed of during the year and the use of resources by the Department during the year. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Crown Prosecution Service and of its net resource outturn, resources applied to objectives, 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 HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the accounts; and
- Prepare the accounts on a going concern basis.

HM Treasury has appointed the Director of Public Prosecutions as Accounting Officer of the Department, and the Director of Public Prosecutions has appointed the Chief Executive as an Additional Accounting Officer, with responsibility for preparing the Department's accounts and for transmitting them to the Comptroller and Auditor General. The responsibilities of an 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 Department's assets, are set out in *Managing Public Money* published by HM Treasury. Under the terms of the Accounting Officer's Memorandum, the relationship between the

Department's principal and additional Accounting Officers, together with their respective responsibilities, is set out in writing.

Statement on internal control

Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the CPS's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money. I am supported in managing the CPS and its key risks by the Chief Executive Officer who, as an additional Accounting Officer, is responsible for running the business on a day-to-day basis, for human **resources**, finance, business information systems, operations and criminal justice policy, allowing me to concentrate on prosecution, associated legal issues and legal policy.

The CPS is an independent part of the criminal justice system under the ministerial superintendence of the Attorney General. I meet regularly with the Attorney General to assess progress and performance and to discuss the issues and the risks associated with key criminal justice matters.

The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; therefore it can only provide reasonable and not absolute assurance of effectiveness.

It is designed to identify and prioritise the risks to the achievement of departmental policies, aims and objectives, to evaluate the likelihood of those risks being realised, the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control has been in place in the CPS for the year ended 31 March 2011 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

Capacity to handle risk

I have put in place clear governance arrangements to make sure that the CEO and I, with the support of the CPS Board, are able to lead and direct the Service and manage risk effectively. All the CPS's senior leaders have a role to play in these arrangements.

The CPS Board is responsible for ensuring that there are appropriate risk management arrangements, that corporate risks are managed properly and there is a Board level risk management champion. The CPS approach is to encourage a culture in which staff at all levels are aware of the need to identify and manage a broad range of risks.

The Directors Group has oversight of risk management capability and for ensuring that the appropriate processes, training and information are disseminated throughout the department, that key corporate risks are managed and that risks are reviewed and updated regularly. Senior managers are personally responsible for maintaining effective risk management arrangements and ensuring that an effective system of internal control operates at all levels within their command.

Operational units, projects and programmes are required to maintain risk registers that list and evaluate the risks identified, and provide a framework for monitoring mitigation actions. Managers and staff have a responsibility to identify, evaluate, manage or report risks. A full range of risk guidance and support is available on the CPS internal 'Infonet' and is accessible to all staff. The department continues to embed effective risk management and develop awareness through work to better integrate risk management into broader management training.

The risk and control framework

The CPS has an established Risk Management Strategy agreed by the Board that sets out clear accountabilities and a structured process for identifying, assessing, communicating, escalating and managing risks.

All risk management is aligned to the corporate aims, objectives, priorities and commitments. Formal Risk Management is applied to strategic corporate risks, Group and Area operational and business risks and to key business change programmes. All proposals for business change incorporate a detailed assessment of risks and mitigating factors. Regular risk management reports are produced at all levels throughout the CPS.

The Board has ownership of the CPS's corporate level risks, which are reviewed regularly and were assessed throughout the year by the Directors Group to ensure that they remain current and appropriate and consequently the Corporate Risk Register was updated throughout 2010-11 to reflect changing circumstances. Individual risks are consistently evaluated on the basis of probability and impact. The Board agrees the risk appetite for each risk. All corporate risk owners are Board or Directors Group Members.

The department is improving the cohesiveness of the mechanisms for obtaining assurance and managing risks by developing linkages between the risk register, assurance mapping and the performance scorecards.

The Board maintains a clear focus on the performance of the department and receives quarterly performance, business change and risk highlight reports, and separate reports of any escalated risks.

Governance for Security and Information Management has been in place, through the Security Information Management Group (SIMG), chaired by the Senior Information Risk Officer (SIRO), from March 2010. The SIRO, Chief Information Officer and Departmental Security Officer support the Board in respect of information handling and assurance risks. SIMG have developed and approved Security, Information Management and Information Assurance strategies and policies. All the CPS's staff have been provided with 'Protecting Information' training.

2010 Spending Review

The outcome of the Spending Review announced in October 2010 means that the CPS faces a real terms budget reduction of 25%. The department has responded rapidly to the challenge. To reduce the management costs of the organisation, release more resources to the front line and to build resilience and flexibility, on 1 April 2011 the CPS was reorganised into 13 Areas based on the established geographic Groups. In addition the department will continue to reduce the size and cost of headquarters and devolve more responsibility for service delivery to the Areas.

All key business processes are comprehensively documented and form an integral part of the CPS national Case Management System, which is designed to provide extensive management information. The HR Directorate ensures that there are appropriate policies in place to enable effective management of the CPS's staff and to ensure that suitably skilled and experienced staff are responsible for business processes. A new People Strategy is under development for implementation in 2011-12 to ensure that the department is properly equipped to meet the challenges over the next four years.

To help ensure that the CPS continues to meet its obligations and deliver a high quality service, twelve Core Quality Standards (CQS) were introduced during the year. A sophisticated system has been developed to monitor the performance of each Area against the standards. The CQS define a good quality prosecution in all its different aspects including:

- Advice to Investigators;
- Case Preparation;
- Presentation of cases in Court;
- Appeals; and
- Engagement with the Community.

The CQS monitoring (CQSM) system requires the examination of a minimum of six files each month by each unit head across the CPS and comprises a series of 34 monitoring questions addressing issues of quality to be answered

on each file. Additionally there is a biannual peer review of a further six files in every unit. The data is recorded and then compared with case outcomes, or validation measures, recorded by both the CPS and courts. This provides a clear indication of the standards being achieved and whether performance is improving or declining. All staff link their yearly objectives to the Core Quality Standards and this forms a fundamental part of performance appraisals.

In the case of Violence Against Women (VAW), a particular priority of the CPS, Areas were supported in taking on the management of their local performance through the introduction of a VAW Assurance scheme from January 2011. Areas are now required to report to the Chief Operating Officer on the quality of VAW prosecutions, including a qualitative assessment of 25% of rape prosecutions on a six-monthly basis.

The Chief Operating Officer (COO) holds meetings every quarter with the Group Chairs to assess their Areas' performance. Before these meetings the CEO and I examine all the Groups' and Areas' performance data with the COO and his team.

Significant internal control issues

Follow-up activity is progressing in response to the two Areas, London and Gwent, rated as below the minimum standard by HM Crown Prosecution Service Inspectorate (HMCPSI) in 2009-10. In the intervening period HMCPSI have noted considerable improvement in both Areas.

Additional follow-up activity is taking place in South Wales, the Area rated as below the minimum standard in 2010-11. This follow-up activity will be conducted together with Gwent. Assessments in both Areas highlighted to the CPS the need to ensure that high standards of performance and behaviour are established and communicated to staff. They also highlighted the need for effective performance management regimes against which to monitor individual performance. Action plans to address issues have been prepared and are monitored by the COO, CEO and DPP. HMCPSI will also conduct follow-up activity.

A lawyer in CPS in Gwent was dismissed and prosecuted following a Police investigation concerning charges of corruption. As a result, a review of all cases in which this lawyer had significant involvement was undertaken. Whilst no evidence of further corruption was found, one key issue that was discovered was the importance of keeping a record of all advice provided during cases. Action is underway for CCPs to assure themselves that their working practices establish this.

In March 2011 the HMCPSI assessed the performance of the CPS Merseyside as falling below the expected standard, with the quality of casework handling and decision-making in the Area in need of significant improvement. During 2011-12 the COO, CEO and DPP will monitor the corrective action instigated by this assessment.

The audit on discharged committals identified failures in adopting and managing systems to ensure these cases are progressed expeditiously. Guidance on the use and management of systems to monitor discharged committals has been issued and compliance tested by the COO at Group performance reviews.

Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. In discharging this responsibility I have been informed by the work of the internal auditors and the executive managers within the department who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports.

In light of the performance issues identified in London and Gwent, governance arrangements have been improved, and the CPS Board has taken a much greater role in reviewing the performance of operational Groups.

In reviewing the effectiveness of the system of internal control I have also been advised by the Board and the Directors Group, and I am assured of plans to address weaknesses and ensure continuous improvement of the controls currently in place.

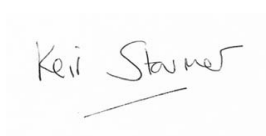
Assurance regarding the adequacy of the internal controls has been provided by the Audit Committee, which regularly considers the effectiveness of internal controls and the assurance framework. The Audit Committee also reviews progress on implementing Internal Audit, External Audit and HMCPSI recommendations.

The Internal Audit function operates to the 'Government Internal Audit Standards'. The Head of Internal Audit (HIA) provides an independent opinion on the adequacy and effectiveness of the department's system of internal control, and an opinion on significant control issues. The Audit Committee reviews and endorses the annual report from the HIA and reports to the Board.

HMCPSI provide an independent review of business efficiency and effectiveness, which helps the department to focus improvements in risk management and internal controls on identified areas of weakness.

HQ Directors and Group Chairs complete Certificates of Assurance that provide a specific and personal assurance based on self-assessment of the reliability of their key business systems and activities throughout the year.

In addition I have received specific assurances from the Board Whistleblowing Champion on the adequacy of the whistleblowing policy and procedures, on the Information Assurance Maturity Model (IAMM), Major Supplier 3rd Party Assurance assessments and a satisfactory outcome from the NAO following an audit of Risk Management maturity within the CPS.

A handwritten signature in black ink that reads "Keir Starmer". The signature is written in a cursive style and is underlined with a single horizontal line.

Keir Starmer QC

Accounting Officer

5 July 2011

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

I certify that I have audited the financial statements of the Crown Prosecution Service ('the Department') for the year ended 31 March 2011 under the Government Resources and Accounts Act 2000. These comprise the Statement of Parliamentary Supply, Statement of Comprehensive Net Expenditure and the Statement of Financial Position, the Statement of Cash Flows, the Statement of 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 Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's

Responsibilities, the Accounting Officer 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 Government Resources and Accounts Act 2000. 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 Department's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Department; 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.

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

Opinion on Regularity

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

Opinion on Financial Statements

In my opinion:

- The financial statements give a true and fair view of the state of the Department's affairs as at 31 March 2011 and of its net cash requirement, net resource outturn and net operating cost, for the year then ended; and
- The financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

Opinion on other matters

In my opinion:

- The part of the Remuneration Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- The information given in the Management Commentary 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

- The financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records; or
- I have not received all of the information and explanations I require for my audit; or
- The Statement on Internal Control 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
National Audit Office
157-197 Buckingham Palace Road
Victoria, London, SW1W 9SP*

Date 9 July 2011

Statement of Parliamentary Supply

Summary of Resource Outturn 2010-11

Request for Resources	Note	Estimate			Outturn			2010-11 £000	2009-10 £000
		Gross		Net Total	Gross		Net Total	Net total outturn compared with Estimate: saving/ (excess)	Outturn
		Expenditure	A in A		expenditure	A in A			
1. To bring offenders to justice, recover proceeds of crime, improve services to victims and witnesses and promote confidence by firm and fair decision making and presentation of cases in court	2	713,988	71,100	642,888	684,725	71,100	613,625	29,263	672,191
Total resources	3	713,988	71,100	642,888	684,725	71,100	613,625	29,263	672,191
Non-operating cost A in A	5	-	-	-	-	-	-	-	-

Net cash requirement 2010-11

	Note	Estimate	Outturn	2010-11 £000	2009-10 £000
				Net total outturn compared with Estimate: saving/ (excess)	Outturn
Net cash requirement	4	643,385	630,437	12,948	663,967

Summary of income payable to the Consolidated Fund

In addition to appropriations in aid, the following income relates to the Department and is payable to the Consolidated Fund

	Note	Income	2010-11 £000	2010-11 £000
			Forecast Receipts	Income Receipts
Total	5	-	-	1,242
				853

Explanations of variances between Estimate and outturn are given in Note 2 and in the Management Commentary.

The notes on pages 66 to 113 form part of these accounts.

Statement of Comprehensive Net Expenditure for the year ended 31 March 2011

				2010-11 £000	2009-10 £000
	Note	Staff Costs	Other Costs	Income	
Administration costs:					
Staff costs	7	24,126			26,191
Other administration costs	8		21,956		29,988
Operating income	10			(7,130)	(2,045)
Programme costs:					
To bring offenders to justice, recover proceeds of crime, improve services to victims and witnesses and promote confidence by firm and fair decision making and presentation of cases in court					
Staff costs	7	351,476			360,688
Expenditure	9		287,167		319,379
Income	10			(65,212)	(62,499)
Totals		375,602	309,123	(72,342)	671,702
Net Operating Cost	3			612,383	671,702

Other Comprehensive Expenditure

	2010-11 £000	2009-10 £000
Net (gain)/loss on revaluation of Property Plant and Equipment	3,487	(3,304)
Net (gain)/loss on revaluation of Intangibles	17	(6)
Total Comprehensive Expenditure for the year ended 31 March 2011	615,887	668,392

The notes on pages 66 to 113 form part of these accounts.

Statement of Financial Position as at 31 March 2011

		2011 £000	2010 £000
	Note		
Non-current assets:			
Property, plant and equipment	11	36,231	45,907
Intangible assets	12	15,676	19,761
Total non-current assets		51,907	65,668
Receivables falling due after more than one year			
	14	19	45
Current assets:			
Trade and other receivables	14	32,014	33,455
Other current assets	14	26,814	25,557
Cash and cash equivalents	15	13,106	24,572
Total current assets		71,934	83,584
Total assets		123,860	149,297
Current liabilities			
Trade and other payables	17	16,857	17,754
Other liabilities	17 and 18	77,161	102,292
Total current liabilities		94,018	120,046
Non-current assets less net current liabilities		29,842	29,251
Non-current liabilities			
Provisions	18	8,109	15,825
Other payables	17	29,596	36,813
Total non-current liabilities		37,705	52,638
Assets less liabilities		(7,863)	(23,387)
Taxpayers' equity:			
General fund		(12,288)	(31,503)
Revaluation reserve		4,425	8,116
Total taxpayers' equity		(7,863)	(23,387)

Keir Starmer

Keir Starmer
Accounting Officer
5 July 2011

Statement of Cash Flows for the year ended 31 March 2011

		2010-11 £000	2009-10 £000
	Note		
Cash flows from operating activities			
Net operating cost		(612,383)	(671,702)
Adjustments for non-cash transactions	8 and 9	11,425	33,425
(Increase)/decrease in trade and other receivables		(932)	(8,769)
Increase/(decrease) in trade payables		(20,744)	18,045
<i>less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>		13,747	(17,127)
Use of provisions	18	(7,737)	(4,163)
Net cash outflow from operating activities		(616,624)	(650,291)
Cash flows from investing activities			
Purchase of property, plant and equipment		(4,339)	(4,579)
Purchase of intangible assets		(41)	-
Net cash outflow from investing activities	11	(4,380)	(4,579)
Cash flows from financing activities			
From the Consolidated Fund (Supply) - current year		619,581	679,930
Capital element of payments in respect of finance leases and on-balance sheet PFI contracts		(8,580)	(7,842)
Net financing		611,001	672,088
Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund		(10,003)	17,218
Payments of amounts due to the Consolidated Fund		(1,463)	(1,263)
Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund		(11,466)	15,955
Cash and cash equivalents at the beginning of the period	15	24,572	8,617
Cash and cash equivalents at the end of the period	15	13,106	24,572

The notes on pages 66 to 113 form part of these accounts.

**Statement of Changes in Taxpayers' Equity for the year ended 31 March
2011**

	Note	General Fund	Revaluation Reserve	Total Reserves
		£000	£000	£000
Balance at 1 April 2009		(23,548)	5,641	(17,907)
Net Parliamentary Funding - drawn down		679,930	-	679,930
Net Parliamentary Funding - deemed		7,842	-	7,842
Supply payable	17	(23,804)	-	(23,804)
CFERs payable to the Consolidated Fund		(489)	-	(489)
Comprehensive Expenditure for the year		(671,702)	3,310	(668,392)
Non-cash charges - cost of capital (Note a)	8 and 9	(709)	-	(709)
Non-cash charges - auditor's remuneration	8	142	-	142
Transfers between reserves		835	(835)	-
Balance at 31 March 2010		(31,503)	8,116	(23,387)
Net Parliamentary Funding - drawn down		619,581	-	619,581
Net Parliamentary Funding - deemed		23,804	-	23,804
Supply payable	17	(12,948)	-	(12,948)
CFERs payable to the Consolidated Fund	5	(1,242)	-	(1,242)
Comprehensive Expenditure for the year		(612,383)	(3,504)	(615,887)
Non-cash charges - auditor's remuneration	8	93	-	93
Transfers between reserves		187	(187)	-
Adjustment in respect of movements in the revaluation reserve (note b)		2,123		2,123
Balance at 31 March 2011		(12,288)	4,425	(7,863)

Note a - From 1 April 2010, under HM Treasury's Alignment Project, the aligning of Departmental budgets, Estimates and accounts, cost of capital charges and credits were removed from accounts.

Note b - During the financial year the CPS upgraded the fixed asset module of its finance system, Oracle Financials, bringing it in line with the rest of the finance system which was upgraded from Oracle Financials version 11.5.9 to version 12.0.6

in 2009-10. Part of this work involved the reconciliation of historic cost accounting movements through the revaluation reserve and this gave rise to an adjustment in respect of revaluation expensed in prior periods.

The notes on pages 66 to 113 form part of these accounts.

Notes to the Departmental Resource Accounts

1. Statement of Accounting Policies

Basis of preparation

The financial statements have been prepared in accordance with the 2010-11 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate to the particular circumstances of the Crown Prosecution Service for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Crown Prosecution Service are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

The financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£000). Negative numbers are shown in brackets.

The accounts have been prepared under the Government Resources and Accounts Act 2000.

1.1 Accounting Convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of non-current assets at their value to the business by reference to their current costs.

1.2 Non-current Assets

Property, plant and equipment

Property, plant and equipment which are capable of being used for a period which exceeds one year and individually have a cost equal to or greater than £2,000 are capitalised, including leasehold improvements. Assets are stated

at the lower of replacement cost and recoverable amount. On initial recognition they are measured at cost (for leased assets, fair value) including any costs such as installation directly attributable to bringing them into working condition.

Property, plant and equipment is restated at fair value in existing use each year by indexation up to the year-end using Price Index Numbers for Current Cost Accounting, published by the Office for National Statistics. The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable.

Land and buildings are restated at fair value using professional valuations, in accordance with guidance set out in the FReM, every five years. The most recent professional valuation was carried out at 31 December 2009 by DTZ Debenham Tie Leung Limited, who are chartered surveyors. The registered office is 125 Old Broad Street, London, EC2N 2BQ. The company are required to value properties in compliance with the Royal Institute of Chartered Surveyors Valuation Standards. In the intervening years land and buildings are restated at fair value by the use of published indices appropriate to the type of land or building. The Investment Property Databank supplies the indices used.

Title to the freehold land and buildings shown in the accounts is held in the name of the Secretary of State for Communities and Local Government.

Costs of bought-in services incurred in preparation for the implementation of IT projects are capitalised. Internal costs incurred on the same projects are not capitalised where the work can only be carried out by in-house staff.

Intangible non-current assets

On initial recognition intangible non-current assets are measured at cost including any costs such as installation directly attributable to bringing them

into working condition. Intangible non-current assets are stated at the lower of replacement cost and recoverable amount. All expenditure on intangible non-current assets which are capable of being used for a period which exceeds one year and individually have a cost equal to or greater than £2,000 is capitalised.

All intangible non-current assets, other than the case management software (see 1.11) are restated to fair value in existing use each year by indexation up to the year-end using Price Index Numbers for Current Cost Accounting, published by the Office for National Statistics.

1.3 Depreciation, Amortisation and Impairment

Property, plant and equipment

Property, plant and equipment are depreciated at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives. No depreciation is provided on freehold land since it has an unlimited useful life. Asset lives are normally in the following ranges:

Freehold buildings	At least 20 years
Furniture and fittings	3 to 10 years
Information technology	4 years
Assets under PFI contracts	life of the contract.

The Department's PFI contracts were extended during 2009-10. The original contracts were for 10 years in the case of the IT infrastructure, 9 years for the Case Management System (CMS) and 6 years for the telecommunications system. Following extension, the contracts remain coterminous and are due to expire on 31 March 2015.

Leasehold improvements are written off over the shorter of:

- a) The remaining life of the property lease;
- b) 10 years; or
- c) Where it has been established that a break clause in the lease is likely to be exercised by the Department, the period to the first possible date of exercise of the relevant break clause.

Impairment losses that arise from a consumption of economic benefit are taken to the Statement of Comprehensive Net Expenditure, the balance on any revaluation reserve (up to the level of the impairment) being transferred to the general fund. Impairment losses that do not result from a loss of economic benefit are taken to the revaluation reserve, to the extent that the impairment does not exceed the amount in the revaluation surplus for the same asset.

Intangible non-current assets

Intangible non-current assets are amortised at rates calculated to write them down to estimated residual value on a straight-line basis over their estimated useful lives, which are considered to be coterminous with the Department's ICT managed service contract.

Software licences are amortised in a range between 3 to 5 years.

Impairment losses are charged in the same way as those arising on property, plant and equipment.

1.4 Leases

Where substantially all risks and rewards of ownership of leased assets are borne by the Department, the assets are recorded as non-current assets (either property, plant and equipment or intangible assets, depending upon

the nature of the underlying assets). The assets are valued at the minimum lease rentals payable to the lessor over the life of the lease less the estimated service element inherent in the lease, discounted at HM Treasury's standard interest rate adjusted for inflation, and a debt of corresponding value is recorded to the lessor. The interest element of the lease payment is charged to the Statement of Comprehensive Net Expenditure over the period of the lease at a constant rate in relation to the balance outstanding.

Rentals due under operating leases are charged to the Statement of Comprehensive Net Expenditure over the lease term on a straight-line basis, or on the basis of actual rentals payable where this fairly reflects the usage. Future payments, disclosed at Note 21, "Commitments under Leases", are not discounted.

1.5 Cash

Cash is cash at bank and in hand. For the purpose of the Statement of Cash Flows, cash and cash equivalents consist of cash.

1.6 Financial Assets

Financial assets consist of trade receivables and other current assets such as cash at bank and in hand. They are initially recognised at fair value, which is determined by reference to the underlying contract giving rise to the debt.

1.7 Financial Liabilities

Financial liabilities consist of trade payables and other current liabilities. They are initially recognised at fair value, which is determined by reference to the underlying contract giving rise to the liability.

1.8 Operating Income

Operating income is income which relates directly to the operating activities of the Department, and consists of administration and programme income. It includes income appropriated in aid and income due to the Consolidated Fund which HM Treasury has agreed should be treated as operating income. Operating income is stated net of VAT.

Administration income

Administration income is primarily rental income from the sub-letting of buildings occupied in part by the CPS. Rental income invoices are raised quarterly in advance and income is recognised monthly. Staff salary income is collected in respect of CPS staff on secondment to Local Criminal Justice Boards and other government departments and organizations, and is recognised as it is earned.

Programme income

The majority of programme income is costs awarded to the CPS. The CPS receives awards of costs made against convicted defendants at the discretion of the judge or magistrates.

In order to account for costs awards, the CPS uses returns submitted quarterly by the magistrates' courts, which are responsible for the collection of these costs. The CPS recognises income immediately these returns are received. In interim months, when no returns are received, income is accrued on the basis of historical data.

Programme income also includes rental income from other government departments and commercial sub-tenants who occupy space in buildings leased by the CPS. Rental income invoices are raised quarterly in advance and income is recognised on a monthly basis over the following months.

Under the Proceeds of Crime Act's 'Asset Incentivisation Scheme', the Department is allowed to retain a proportion of the total value of assets recovered in the year. The scheme is managed by the Home Office. Income generated from this scheme is recognised in the CPS accounts when the Home Office recognises it in their accounts, with estimated accruals in the intervening months.

Income may also be received from the Home Office to fund the Regional Asset Recovery Teams working in the CPS. In 2010-11 the CPS chose not to receive such income from the Home Office.

1.9 Administration and Programme Expenditure

The Statement of Comprehensive Net Expenditure is analysed between administration and programme income and expenditure. The classification of expenditure and income as administration or as programme follows the definition of administration costs set out in the Consolidated Budgeting guidance issued by HM Treasury. Costs are stated inclusive of VAT.

Administration costs

Administration costs reflect the costs of running the Department. These include both administrative costs and associated operating income.

Programme costs

Programme costs reflect non-administration costs being the direct cost and associated overheads of prosecution. These costs include the employment of counsel and reimbursements paid to witnesses for costs incurred through their attendance at court.

Very High Cost Cases (VHCC) are expected to last in excess of 40 days (or have three or more trial counsel instructed). Counsel are required to submit invoices covering work done as pre-determined stages in the case are reached and expenditure is recognised on their receipt.

Counsel fees in cases which are expected to last for 40 days or less are paid through the CPS 'Graduated Fee Scheme' agreed between the Bar Council and the Department. Payment is made on completion of all work on a case. The scheme includes a tariff of charges calculated using a range of set cost factors including the number of defendants, the complexity and volume of evidence, preparation, 'refresher' and appearance time. For practical purposes, since on average most trials are started and completed within the same day (save for the sentence hearing which may occur a short time later) it is considered prudent to recognize expenditure on counsel fees only as trials are completed. It is not possible to ascertain the full value owed on all such cases at year-end until some considerable time later. Where actual counsel fees can be ascertained they have been accrued for; in all other cases the Department estimates such counsel fees outstanding for inclusion in these accounts.

1.10 Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS). This is a defined benefit scheme and is unfunded and non-contributory except in respect of dependants' benefits.

The CPS recognises the expected cost of providing pensions on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. With effect from 1 October 2002 new employees have the option to join either the PCSPS scheme or a Partnership Pension Account. The latter is a defined contribution scheme where the Department recognises the contributions payable for the year.

1.11 Private Finance Initiative (PFI) Transactions

IT Infrastructure Managed Service and CMS Software

The CPS signed a contract entering into a PFI transaction with Logica plc on 31 December 2001 for a 10 year period commencing 1 April 2002 with an option to extend. During 2009-10 the Department exercised its option and the contract now runs until 31 March 2015. The extension has included some renegotiation of terms, but none that materially affect the service concession arrangements.

Under IFRS it has been determined that the contract contains two service concession arrangements: one covering the supply of an ICT infrastructure (including standard operating software), and one covering the design, creation and operation of a case management system. The infrastructure assets provided for use by the Department, and the CMS software designed by the contractor and provided for use by the CPS have been treated as non-current assets.

The infrastructure asset has been recognised as property, plant and equipment, and has been capitalised at the minimum lease payments less the best estimate of the supplier's service charges within those payments. The valuation of the asset has been informed by data provided by the supplier, including the estimated costs of technological refreshment or updating which

is a condition of the contract, and the asset is being depreciated over the life of the contract on a straight-line basis.

The CMS software has been recognised as an intangible asset and as there is no active market, it has been valued at cost less accumulated amortisation less any impairment. The asset is amortised from the date of the initial software release, over the remaining life of the contract on a straight-line basis. The remaining costs incurred under the contract (that is, costs in excess of the minimum lease payments) are charged to the Statement of Comprehensive Net Expenditure in the period in which they arise.

The assets are not considered to have any residual value at the end of the lease period.

Additional rentals arising because of increased users of the systems, together with charges for additional facilities which have been introduced during the currency of the contract, are charged directly to the Statement of Comprehensive Net Expenditure in the period to which they relate.

Communications Managed Service

The CPS signed a contract on 1 April 2006 with Global Crossing plc for the provision of a managed telecommunications system for a 6 year period, with an option to extend. During 2009-10 the Department exercised its option and the contract now runs until 31 March 2015. The extension has included some renegotiation of terms but none that materially affect the service concession arrangements. These accounts reflect the extension.

This has been accounted for in accordance with IFRIC 12, Service Concession Arrangements, as required by the FReM. The infrastructure asset provided for use by the Department has been treated as property, plant and equipment, and has been capitalised at the minimum lease payments less the best estimate of the supplier's service charges within those payments, and the asset is being depreciated over the life of the contract on a straight-line basis.

The assets are not considered to have any residual value at the end of the primary lease period.

As with the contract with Logica, additional rentals arising because of increased users of the systems, together with charges for additional facilities which have been introduced during the currency of the contract, are charged directly to the Statement of Comprehensive Net Expenditure in the period to which they relate.

During 2009-10 successful negotiations with the relevant suppliers led to both contracts being extended, and they are now due to expire on 31 March 2015. As a result the capitalised values of the underlying assets have been recalculated, and those assets are now depreciated (and, in the case of the CMS software, amortised) over their new remaining lives on a straight line basis.

The depreciation, amortisation, impairment and restatement to current value in existing use by indexation up to the year end of the assets arising out of these contracts all follow the principles governing the treatment of similar, owned assets.

1.12 Provisions

The Department provides for legal or constructive obligations, which are of uncertain timing or amount, at the date of the Statement of Financial Position on the basis of the best estimate of the expenditure 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, 2.9 per cent with effect from 31 March 2011.

1.13 Bad Debt Provision

The department receives the bulk of its income from costs awarded against convicted defendants. Her Majesty's Courts and Tribunals Service (HMCTS) is responsible for the collection of costs awarded to the CPS. The Department writes off specific costs awards when HMCTS considers the debts will not be collected. A proportion of the remaining income will not be collected and the Department fully provides against the risk of default on payment. The CPS uses trend analysis to compare the rate of collection over time to the annual value of costs awarded to estimate the appropriate bad debt provision.

1.14 Contingent Liabilities

In addition to contingent liabilities disclosed in accordance with IAS 37, the Department discloses for parliamentary reporting and accountability purposes certain contingent liabilities where the likelihood of a transfer of economic benefit is remote, but which have been reported to Parliament in accordance with the requirements of Managing Public Money. Where the time value of money is material, contingent liabilities which are required to be disclosed under IAS 37 are stated at discounted amounts and the amount reported to Parliament separately noted. Contingent liabilities that are not required to be disclosed by IAS 37 are stated at the amounts reported to Parliament.

These comprise:

- Items over £250,000 (or lower, where required by specific statute) that do not arise in the normal course of business and which are reported to Parliament by departmental Minute prior to the Department entering into the arrangement; and

- All items (whether or not they arise in the normal course of business) over £250,000 (or lower, where required by specific statute or where material in the context of resource accounts), which are required by the FReM to be noted in the resource accounts.

1.15 Employee benefits

The Department provides for holiday entitlements that have been earned but not taken at the date of the Statement of Financial Position. No central records of holiday entitlements exist within the Department, so it has been necessary to estimate the cost based on a sample of employees' personal records. Their average entitlements have then been multiplied by average pay data to arrive at a liability for the Department as a whole.

1.16 Value Added Tax

Most of the activities of the Department are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of assets. Where output tax is charged, the amounts are stated net of VAT.

1.17 Changes in Accounting Policy

The following IFRS and FReM changes gave rise to changes in accounting policy and applied for the first time in the current period.

Cost of Capital Charges and Credits – change to 2010-11 FReM

Under HM Treasury's Alignment project, the aligning of Departmental Estimates, budgets and accounts, the notional cost of capital charge was

abolished from 1 April 2010. As the removal of the cost of capital credit from the prior year accounts is not material, there has been no restatement of the 2009-10 comparative year.

The removal of cost of capital charges and credits has no financial impact on the Statement of Financial Position. The cost of capital credit in the Statement of Comprehensive Net Expenditure year ended 31 March 2010 was £709k and year ended 31 March 2011 would have been a £540k credit.

IFRS 8 Operating Segments – change to 2010-11 FReM

Departments are no longer required to prepare a Statement of Net Operating Costs by Departmental Strategic Objective. Instead, departments are required to adopt IFRS 8 Operating Segments in full, disclosing financial information for operating segments for a minimum of 75 per cent of comprehensive net expenditure in a note to the accounts, and the presentation and disclosure of a reconciliation between total reported segmental information and financial information reported in Note 2, Analysis of Net Resource Outturn by Section.

The CPS does not report detailed segmental information to the Board. The Board receives financial performance reports which are not disaggregated, but which show the CPS as a single unit. Note 19 Operating Segments is therefore presented on this basis.

The following significant FReM changes are expected for 2011-12 and will be applied for the first time in the 2011-12 accounts.

Parliamentary Accountability

Estimates from 2011–12 will be based on departmental budgets, and the structure of the Estimates reflects the split between the Departmental Expenditure Limit (DEL) and Annually Managed Expenditure (AME), with consequential adjustments to the Statement of Parliamentary Supply.

Where there are differences between the accounting and budgeting treatment of transactions, for example PFI contracts that include service concessions, Note 3a will reconcile between the budgeting and estimates treatment in the Statement of Parliamentary Supply and the accounting treatment in the Statement of Comprehensive Net Expenditure.

It is estimated that the budgeting treatment will result in £878k higher costs than the accounting treatment in 2011-12 due to timing differences in the treatment of PFI contracts.

Income and Expenditure

The treatment of income in Estimates changes, whereby voted totals will be net of income and the concept of 'appropriations-in-aid' disappears.

The voting of parliamentary totals net of income, rather than voting both gross and net totals, will not in itself affect the financial statements of the department. It does however allow more flexibility in financial management in that parliamentary approval does not need to be sought to retain income received that is in excess of initial estimates.

1.18 Areas of judgement and key sources of estimation uncertainty

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities and the reported amounts of income and expense during the period. Actual results could differ from these estimates. Information about these judgements and estimations is detailed below.

Graduated Fees System (GFS) accruals

The system for managing and paying counsel fees in Areas and Casework Divisions is complex and there is a lengthy chain between case initiation and

fees payment which involves many individuals. This means that generating an accurate counsel fee accrual relies on data sent from a number of financial and non-financial sources and calls on both judgement and a degree of skill.

The overall GFS accruals figure is informed by trend analysis of expenditure from prior periods, caseload volumes and a detailed assessment of a number of variables that tend to increase or decrease total expenditure on fees. The average payables days is calculated and compared to the reported accrual returns from Groups and Central Casework Divisions. This figure is used to adjust over- and under- accruals for each operational area and provides an accurate overall departmental accrual. The accuracy of the adjustment relies on historical patterns of payment continuing into the future. The inclusion of higher cost cases into the GFS scheme has made expenditure more volatile and consequently increased the difficulty in capturing accrued expenditure.

The carrying amount of the GFS accrual at 31 March 2011 was £18.166 million.

PFI liabilities

The CPS is a party to two Private Finance Initiative (PFI) contracts, one with Logica for the provision of IT equipment and services and one with Global Crossing for the provision of telephony equipment and services. Departments adopted International Financial Reporting Standards (IFRS) for the first time in 2009-10 and under IFRS the accounting treatment for the PFI contracts changed.

Under IFRS the CPS IT and telephony infrastructure and specialist Case Management System software were deemed to be controlled by the department and therefore defined as assets. Consequently the contracts are accounted for as capital assets on the CPS Statement of Financial Position and a corresponding liability to fulfil the payments to the suppliers for the remainder of the contract period.

The quarterly service payments made to Logica and Global Crossing are replaced by notional capital expenditure recorded at the outset of the contract and when infrastructure is subsequently refreshed. Charges depreciating the assets and an imputed interest charge, reflecting the fact that a proportion of the payments relates to the suppliers' cost of borrowing, are recorded throughout the life of the contracts. The adjustments are purely to the accounting treatment and there is no effect on the cash requirement of the department.

The asset values recorded reflect the providers' assessments of the value of the infrastructure necessary to provide the service.

The total contract costs are based on the number of users and number of items of equipment supplied, with a base level of users and equipment specified, under which the costs would remain the same. Costs relating to additional users in excess of the base level are not included in the value of the asset and liability, as they are discretionary, and are accounted for as standard running costs.

The total obligations of the capitalized elements of the PFI contracts at 31 March 2011 was £110 million.

Provisions

Allowance for Receivables - Cost Awards

The CPS receives awards of costs made against convicted defendants at the discretion of the judge or magistrates. CPS is informed of the level of costs awarded in court by HMCTS and accounts for the corresponding receivables. HMCTS then pays over the cash collected, which reduces the receivable balance.

A number of these costs awarded may never be collected, for example when the individual is imprisoned, has left the country or has died. HMCTS writes

off irrecoverable debts as and when they become apparent and informs the CPS of the amounts written off.

It is prudent for the CPS to account for an allowance for receivables to reflect the fact that a proportion of outstanding receivables recognised are likely to require writing off in the future.

The level of allowance is based on a financial model utilising historical trend data relating to the total costs awarded in court and the amount of cash actually received.

The carrying amount of the allowance for cost award receivables at 31 March 2011 was £19.053 million.

Early retirements

Under the early retirement schemes that the CPS has run, the department has been liable for the pension costs of the individual between the date of their early retirement and the date of the pre-existing pension entitlement, usually their 60th birthday.

The estimated total future cost of the pension for this period is accounted for at the date of early retirement as a liability on the Statement of Financial Position. As the monthly pension payments are made, this liability reduces.

The value of the liability for each of the individual's is calculated using pension information provided by DWP, this is then projected to the date of the individual's 60th birthday and discounted at the published HM Treasury rate to reflect the time value of money.

The estimated liabilities associated with new early retirees, changes to existing retirees' pensions and changes to discounts rates must be accounted for as a change to the total liability provided for by the department. This information is monitored in year and reconciled to the actual monthly pension invoices that are received.

£11.320 million of provision for early departure costs was released during the year following a review of the source data and a change in the estimation technique used to assess the liability.

Provisions had been measured on the basis of estimates made at the point of departure and an assumption that the majority of scheme members who took advantage of early departure packages had a retirement date of 65 years. The new methodology calculates future liabilities on the basis of the amounts actually paid. It also reflects a change in the treatment of staff with retained rights up to the age of 65, introduced on 1 October 2008, which had the effect that, regardless of retirement date, the CPS liability for individuals ended at age 60, rather than 65.

The release in provision arises mainly from a change in estimation technique and because, in addition, the source data for the new methodology was not available at the time of the 2009-10 accounts preparation, it is not appropriate to re-state the opening balance sheet.

From 2010-11 onwards, voluntary release schemes are centrally funded. They no longer create new pension liabilities for departments. Accordingly, only liabilities from previous years remain on CPS books and these will progressively diminish.

The carrying amount of the provision for early retirements at 31 March 2011 was £10.798 million.

Other liabilities

The department provides for the costs of dilapidation claims made by landlords on the expiry of property leases for properties occupied by the department, compensation claims for personal injury, employment tribunal and other civil litigation action against the department.

Dilapidation claims are provided for when a claim is made by a landlord or when it is anticipated that a claim will be forthcoming. The value of anticipated claims is estimated by DTZ, the CPS managing agents.

Legal claims are provided for when the department has been advised that there is a probability of over 50 per cent that the claim against the department will succeed, usually when the CPS has admitted liability to some degree. Legal advisors provide an estimate of the financial cost.

Where the likelihood of a claim succeeding against the department is possible but not probable or the amount of the claim cannot be accurately estimated, the existence of the claim is disclosed in the notes to the accounts, but not recognised in the financial statements.

The carrying amount of other liabilities at 31 March 2011 was £5.121 million.

Employee Benefits Accrual

IAS 19 requires that the department recognises accrued employee benefits, including paid annual leave.

There is no central record of leave untaken at any time. The department estimates the total number of days of accrued annual leave using a sample of employees selected to provide geographical and job role coverage. This estimate of accrued leave per person is applied to the average staff cost and staff in post figure to calculate the total liability to the department.

The carrying amount of the holiday pay accrual at 31 March 2011 was £4.560 million.

2. Analysis of net resource outturn by section

	Outturn					2010-11 £000	2009-10 £000	
						Estimate		
	Admin	Other current	Gross resource expenditure	A in A	Net Total	Net Total	Net Total outturn compared with Estimate	Prior- year outturn
Request for Resources 1: To bring offenders to justice, recover proceeds of crime, improve services to victims and witnesses and promote confidence by firm and fair decision making and presentation of cases in court. Administration costs on HQ and Central Services	46,314	-	46,314	(6,930)	39,384	48,003	8,619	54,285
Crown Prosecutions and Legal Services	-	614,450	614,450	(64,170)	550,280	557,554	7,274	590,027
CPS AME (Note a)	-	(4,370)	(4,370)	-	(4,370)	9,000	13,370	-
IFRS Contract Changes (Note b)	-	28,331	28,331	-	28,331	28,331	-	27,879
Total	46,314	638,411	684,725	(71,100)	613,625	642,888	29,263	672,191
Resource Outturn	46,314	638,411	684,725	(71,100)	613,625	642,888	29,263	672,191

Note a - CPS AME is CPS Annually Managed Expenditure and comprises the following items charged to the Statement of Comprehensive Net Expenditure: holiday pay accrual, staff early departure costs, cost awards written off and changes to bad debt provisions made during the year.

Note b - IFRS Contract Changes comprise service charges, lease interest, depreciation, loss on revaluation and any impairment of the leased assets from the two PFI contracts, which are the Information Technology Managed Service and the Communications Managed Service.

Explanation of the variation between Estimate and outturn (net total resources):

CPS's net total resource consumption in 2010-11 was £29.263 million below the Estimate due to lower salary costs and a reduction in the unit cost of Graduated Fee Scheme (GFS) cases.

Detailed explanations of the variances are given in the Management Commentary.

3. Reconciliation of outturn to net operating cost and against Administration Budget

3(a) Reconciliation of net resource outturn to net operating cost

		2010-11	2009-10
		£000	£000
		Supply	Outturn compared with
	Note	Estimate	Estimate
		Outturn	Outturn
Net Resource Outturn	2	613,625	642,888
Non-supply income (CFERs)	5	(1,242)	-
Net Operating Cost		612,383	642,888
		30,505	671,702

3(b) Outturn against final Administration Budget

		2010-11	2009-10
		£000	£000
		Budget	Outturn
		Outturn	Outturn
Gross Administration Budget		55,003	45,882
Income allowable against the Administration Budget		(7,000)	(6,930)
Net outturn against final Administration Budget		48,003	38,952
		54,134	56,028

4. Reconciliation of net resource outturn to net cash requirement

	Note	Estimate £000	Outturn £000	Net total outturn compared with Estimate: saving/(excess) £000
Resource Outturn	2	642,888	613,625	29,263
Capital:				
Acquisition of non-current assets (Note a)	11 and 12	5,100	3,068	2,032
Investments		-	-	-
Non-operating A in A:				
Proceeds of asset disposals		-	-	-
Accruals adjustments				
Non-cash items	8 and 9	(19,123)	(11,425)	(7,698)
Changes in working capital other than cash		9,520	17,432	(7,912)
Use of provisions	18	5,000	7,737	(2,737)
Net cash requirement		643,385	630,437	12,948

Note a - Acquisition of non-current assets comprises:

Additions of property, plant and equipment (Note 11)	3,908
Additions of intangible assets (Note 12)	41
Accrual adjustments (Note 11)	(881)
	<u>3,068</u>

Explanation of the variation between Estimate and outturn (net total resources):

- (i) Capital expenditure was lower than forecast as a result of tighter controls on capital spending.
- (ii) Expenditure on non-cash items was lower than forecast owing to a write-back of provisions of £12.818 million (Note 18).
- (iii) Movements in working capital other than cash were higher than the Estimate because of a decrease in accruals and deferred income of £7.457 million between 2009-10 and 2010-11 and a reduction in the year end supply creditor of £10.856 million between 2009-10 and 2010-11.
- (iv) Use of provisions was higher than forecast due to increases in the number of early departures.

Detailed explanations of the variances are given in the Management Commentary.

5. Analysis of income payable to the Consolidated Fund

In addition to appropriations in aid, the following income relates to the Department and is payable to the Consolidated Fund.

		£000		Outturn 2010-11 £000
	Note	<i>Receipts</i>	Income	<i>Receipts</i>
Operating income and receipts - excess A in A		-	389	-
Other operating income and receipts not classified as A in A		-	853	853
Subtotal	6	-	1,242	853
Non-operating income and receipts - excess A in A		-	-	-
Amounts collected on behalf of the Consolidated Fund		-	-	-
Total income payable to the Consolidated Fund		-	1,242	853

6. Reconciliation of income recorded within the Statement of Comprehensive Net Expenditure to operating income payable to the Consolidated Fund

	Note	2010-11 £000	2009-10 £000
Operating income			
Administration		9,794	4,258
Netted-off gross expenditure		(2,664)	(2,213)
Programme		66,094	63,768
Netted-off gross expenditure		(882)	(1,269)
	10	72,342	64,544
Income authorised to be appropriated-in-aid			
Administration		6,930	1,894
Programme		64,170	62,161
		71,100	64,055
Operating income payable to the Consolidated Fund			
Administration		200	151
Programme		1,042	338
	5	1,242	489

7 (a) Staff numbers and related costs

Staff costs comprise:

			2010-11 £000	2009-10 £000
	Total	Permanently employed staff	Others	Total
Wages and salaries	296,102	291,188	4,914	305,878
Social security costs	23,511	23,511	-	23,741
Other pension costs	55,989	55,989	-	57,260
Sub Total	375,602	370,688	4,914	386,879
Less recoveries in respect of outward secondments	(1,711)	(1,711)	-	(1,858)
Total net costs	373,891	368,977	4,914	385,021

£351.476 million of staff costs were attributed to programme expenditure.

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme but the Crown Prosecution Service is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2007. You can find details in the accounts of the Cabinet Office: Civil Superannuation (www.civilservice.gov.uk/my-civil-service/pensions).

For 2010-11, employers' contributions of £55,787,885 were payable to the PCSPS (2009-10: £57,050,199) at one of four rates in the range 16.7 to 24.3 per cent of pensionable pay, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2010-11 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £186,795 (2009-10: £194,756) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3 to 12.5 per cent (2009-10: 3 to 12.5 per cent) of pensionable pay.

Employers also match employee contributions up to 3 per cent of pensionable pay. In addition, employer contributions of £13,936, 0.8 per cent (2009-10: £15,217, 0.8 per cent) of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were £13,022. Contributions prepaid at that date were £Nil.

16 individuals (2009-10: 4 individuals) retired early on ill health grounds; the total additional accrued pension liabilities in the year amounted to £140,645 (2009-10: £7,944).

Average number of persons employed

The average number of whole-time equivalent persons employed during the year was as follows:

	2010-11		2009-10
	Number		Number
	Permanent		
	Total	staff	Others
	<u>8,094</u>	<u>7,978</u>	<u>116</u>
Total	<u>8,094</u>	<u>7,978</u>	<u>116</u>
			<u>8,562</u>
			<u>8,562</u>

7 (b). Reporting of Civil Service and other compensation schemes - exit packages

The figures shown are for 2010-11. Figures in brackets are for the prior year, 2009-10

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
< £10,000	- (-)	2 (16)	2 (16)
£10,000 - £25,000	- (-)	27 (32)	27 (32)
£25,000 - £50,000	- (-)	32 (48)	32 (48)
£50,000 - £100,000	- (-)	38 (31)	38 (31)
£100,000 - £150,000	- (-)	18 (18)	18 (18)
> £150,000	- (-)	9 (13)	9 (13)
Total number of exit packages	<u>- (-)</u>	<u>126 (158)</u>	<u>126 (158)</u>
Total resource cost 2010-11 (£'000)	-	8,740	8,740
Total resource cost 2009-10 (£'000)	-	9,315	9,315

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the department has agreed early retirements, the additional costs are met by the department and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

8. Other Administration Costs

	Note	2010-11 £000	2009-10 £000
Rentals under operating leases:			
Hire of office equipment		55	136
Other operating leases		<u>3,747</u>	<u>5,046</u>
		3,802	5,182
Non cash items			
Cost of capital credit (Note a)		-	(213)
Auditors' remuneration (Note b)		93	142
Provisions:			
Provided in year	18	<u>-</u>	<u>76</u>
		93	5
Other expenditure			
Accommodation and associated costs		4,757	7,076
Consultancy and professional charges		3,140	5,127
Facilities management		1,713	1,969
Other staff costs		1,355	1,241
Training		1,341	1,583
Non PFI contract IT costs		1,331	1,050
Travel and subsistence		919	1,700
Printing and stationery		889	987
Information Technology		626	1,145
Postage and carriage		505	456
File storage		253	309
Communications		229	151
Books, reports and newspapers		167	218
Permanent transfer costs		163	402
Recruitment costs		108	225
Other expenditure		<u>565</u>	<u>1,162</u>
		18,061	24,801
		<u>21,956</u>	<u>29,988</u>

Note a - From 1 April 2010, under HM Treasury's Alignment Project, the aligning of Departmental budgets, Estimates and accounts, cost of capital charges and credits were removed from accounts.

Note b - There has been no auditors' remuneration for non-audit work. The audit fee comprises £93k for the audit of the CPS 2010-11 accounts. The audit fee for 2009-10 comprises £121k for the audit of the 2009-10 accounts and £21k for the audit of IFRS.

9. Programme Costs

			2010-11 £000		2009-10 £000
	Note				
Rentals under operating leases:					
Hire of office equipment		370		612	
Other operating leases		<u>21,593</u>		<u>22,914</u>	
			21,963		23,526
Interest Charges on imputed finance leases					
			2,120		2,439
PFI service charges:					
			17,833		18,446
Non-cash items					
Depreciation	11	8,757		10,385	
Amortisation	12	4,108		4,127	
Loss on disposal	11 and 12	795		834	
Loss on revaluation		1,793		-	
Cost of capital charge: (Note a)					
Civil Estate Charge		-		164	
Other items credit		-		(660)	
Change in bad debt provision		1,142		1,947	
Provisions:					
Provided in year	18	7,270		17,600	
Unrequired provision written back	18	(12,818)		(1,158)	
Unwinding of discount on provisions	18	<u>285</u>		<u>181</u>	
			11,332		33,420
Other expenditure					
Advocate fees		134,195		135,296	
Information Technology		26,152		24,341	
Accommodation and associated costs		22,140		22,629	
Non-expert witness expenses		6,385		6,646	
Printing and stationery		6,343		6,678	
Expert witness fees		6,328		6,768	
Postage and carriage		5,574		5,497	
Travel and subsistence		4,003		5,567	
Prosecution transcripts and translations		3,642		4,176	
Communications		2,723		5,451	
Costs awarded to CPS written off	25	2,673		2,996	
Consultancy and professional charges		2,350		2,777	
Interpreters and translators		1,720		1,679	
Prosecution presentational equipment		1,667		2,659	
Costs awarded against CPS		1,548		907	
File storage		947		851	
Books, reports and newspapers		898		1,168	
Permanent transfer costs		521		391	

		2010-11 £000	2009-10 £000
Training	447		1,514
Other expenditure		<u>3,663</u>	<u>3,557</u>
		233,919	241,548
		<u>287,167</u>	<u>319,379</u>
Less: programme income	10	<u>(65,212)</u>	<u>(62,499)</u>
		<u>221,955</u>	<u>256,880</u>

Note a - From 1 April 2010, under HM Treasury's Alignment Project, the aligning of Departmental budgets, Estimates and accounts, cost of capital charges and credits were removed from accounts.

10. Income

	2010-11 £000 Total	2009-10 £000 Total
Administration income:		
Reverse premium for vacation of property	5,722	-
Rental receivable from other departments	2,664	2,213
Rent netted-off gross expenditure	(2,664)	(2,213)
Rental receivable from external tenants	857	1,446
Consolidated Fund extra receipts	200	151
Other	351	448
	<u>7,130</u>	<u>2,045</u>
Programme income:		
Costs awarded to the CPS	44,627	40,639
Recovered Assets Incentivisation Fund	14,718	13,673
Rental receivable from other departments	882	1,269
Rent netted-off gross expenditure	(882)	(1,269)
Rental receivable from external tenants	908	887
Income in respect of letting, disposal, vacation or occupation of property or accommodation	2	1,600
Consolidated Fund extra receipts	653	339
Other	4,304	5,361
	<u>65,212</u>	<u>62,499</u>
Total	<u>72,342</u>	<u>64,544</u>

11. Property, plant and equipment

	Land	Buildings excluding dwellings	Leasehold Improvements	Furniture and Fittings	Information Technology	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
At 1 April 2010	1,026	4,039	8,791	43,057	45,106	102,019
Accrual adjustment (Note a)	-	-	(54)	-	(827)	(881)
Additions	-	-	27	3,815	66	3,908
Disposals (Note b)	-	-	(2,453)	(12,031)	(2,096)	(16,580)
Revaluation	(23)	(105)	(495)	196	(5,852)	(6,279)
At 31 March 2011	1,003	3,934	5,816	35,037	36,397	82,187
Depreciation						
At 1 April 2010	-	-	4,296	26,276	25,540	56,112
Charged in year	-	54	996	4,056	3,651	8,757
Disposals (Note b)	-	-	(2,540)	(11,267)	(1,978)	(15,785)
Revaluation	-	(1)	(104)	281	(3,304)	(3,128)
At 31 March 2011	-	53	2,648	19,346	23,909	45,956
Net book value at 31 March 2010	1,026	4,039	4,495	16,781	19,566	45,907
Net book value at 31 March 2011	1,003	3,881	3,168	15,691	12,488	36,231
Asset financing:						
Owned	1,003	3,881	3,168	15,691	867	24,610
Finance Leased On balance sheet PFI	-	-	-	-	-	-
contracts	-	-	-	-	11,621	11,621

	Land £000	Buildings excluding dwellings £000	Leasehold Improvements £000	Furniture and Fittings £000	Information Technology £000	Total £000
Net book value at 31 March 2011	1,003	3,881	3,168	15,691	12,488	36,231
Cost or valuation						
At 1 April 2009	964	3,798	7,631	39,053	35,277	86,723
Additions	-	-	903	4,079	6,330	11,312
Disposals	-	-	-	-	(128)	(128)
Revaluation	62	241	257	(75)	3,627	4,112
At 31 March 2010	1,026	4,039	8,791	43,057	45,106	102,019
Depreciation						
At 1 April 2009	-	455	2,973	21,795	19,702	44,925
Charged in year	-	202	1,229	4,521	4,450	10,402
Disposals	-	-	-	-	(5)	(5)
Revaluation	-	(657)	94	(40)	1,393	790
At 31 March 2010	-	-	4,296	26,276	25,540	56,112
Net book value at 31 March 2009	964	3,343	4,658	17,258	15,575	41,798
Net book value at 31 March 2010	1,026	4,039	4,495	16,781	19,566	45,907
Asset financing:						
Owned	1,026	4,039	4,495	16,781	2,688	29,029
Finance Leased On balance sheet PFI contracts	-	-	-	-	-	-
	-	-	-	-	16,878	16,878
Net book value at 31 March 2010	1,026	4,039	4,495	16,781	19,566	45,907

Reconciliation of additions to cash flows from investing activities shown in the Statement of Cash Flows

	Note	£000
Additions of property, plant and equipment	11	3,908
Additions of intangible assets	12	41
Accrual adjustments (Note a)	11	(881)
Movement in capital creditors		104
Movement in capital accruals		1,245
Less additions of PFI contract assets		(37)
Net cash outflow from investing activities		4,380

Note a - The Leasehold Improvements accrual adjustment is due to a £50k accrual for improvement work to the Regatta Building in Lincoln being recognised in error in 2009-10. The reversal of the accrual in 2010-11 gave rise to a negative addition. The Information Technology accrual adjustment is due to an over-accrual of IT capital expenditure in 2009-10 for IT works to Rose Court, London.

Note b - In May 2010, the London Headquarters of the CPS relocated from Ludgate Hill to Rose Court, Southwark Bridge. During the move, assets with a carrying value of £604,092 were disposed of.

Freehold land and buildings were valued at 31 December 2009 at £4,975,000 on the basis of existing use value by an independent firm of Chartered Surveyors, DTZ. The valuations were undertaken in accordance with the UK Practice Statement 1.3 of the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Standards published 1 May 2003. At 31 March 2011 land and buildings were further revalued using indices consistent with those used in previous years. The Accounting Officer is not aware of any material changes in the carrying value of freehold land and buildings.

Other property, plant and equipment are revalued on the basis of latest available indices.

The majority of IT assets in use in the business are held under a PFI contract as detailed in Notes 1.11 and 22.

12. Intangible assets

Intangible assets comprise Case Management (CMS) software and software licences.

CMS is the CPS case management system and the intangible asset is the system software. As at 31 March the carrying value of the asset was £15.619 million and the asset's remaining amortisation period was four years.

	CMS £000	Software Licences £000	Total £000
Cost or valuation			
At 1 April 2010	55,598	1,092	56,690
Additions	-	41	41
Disposals	-	(909)	(909)
Revaluation	-	(132)	(132)
At 31 March 2011	55,598	92	55,690
Amortisation			
At 1 April 2010	36,075	854	36,929
Charged in year	3,904	204	4,108
Disposals	-	(909)	(909)
Revaluation	-	(114)	(114)
At 31 March 2011	39,979	35	40,014
Net book value at 31 March 2010	19,523	238	19,761
Net book value at 31 March 2011	15,619	57	15,676
Cost or valuation			
At 1 April 2009	55,598	1,792	57,390
Additions	-	-	-
Disposals	-	(714)	(714)
Revaluation	-	14	14
At 31 March 2010	55,598	1,092	56,690
Amortisation			
At 1 April 2009	32,171	625	32,796
Charged in year	3,904	223	4,127
Disposals	-	(3)	(3)
Revaluation	-	9	9
At 31 March 2010	36,075	854	36,929
Net book value at 31 March 2009	23,427	1,167	24,594
Net book value at 31 March 2010	19,523	238	19,761

13. Financial Instruments

Because of the largely non-trading nature of its activities and the way in which government departments are financed, the CPS is not exposed to the degree of financial risk faced by business entities. Moreover, financial instruments play a much more limited role in creating or changing risk than would be typical of a trading entity. The Department has no power to borrow or invest surplus funds and financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing the Department in undertaking its activities. The Department holds no assets that are available for sale, nor does it hold or trade in investments.

Liquidity risk

The Department's net revenue resource and capital requirements are financed by resources voted annually by Parliament. The CPS is not therefore exposed to liquidity risks.

Interest rate and Foreign currency risk

The Department has no material transactions in foreign currency; all material assets and liabilities are denominated in sterling. The CPS is not exposed to any material interest rate or currency risk.

Credit risk

The Department does not consider that any credit risk arises from trading with other government departments. In trading with commercial concerns, the Department undertakes regular investigation of creditworthiness and employs robust systems to ensure that monies due are collected on time. As stated in Note 1.8, the CPS receives awards of costs made against convicted defendants at the discretion of the judge or magistrates. Magistrates' courts are responsible for recording, enforcing and collecting these costs and forwarding collected monies to the CPS. As a result, the Department is not in a position to perform any checks on credit worthiness in advance, and has to rely on systems employed at magistrates' courts to ensure overdue balances are minimised and collected. There remains a significant risk that balances will not be collected in full and on time, and therefore bad debts are provided for on the basis of the historical relationship between costs awarded and cash collected. As a result the Department considers that credit risk in respect of cost award debtors is adequately provided against.

Fair values

The following statement is a comparison by category of original cost and fair values of the Department's financial assets and liabilities at 31 March 2011.

	2010-11		2009-10		Basis of fair valuation
	£000		£000		
	Original cost	Fair value	Original cost	Fair value	
Financial assets:					
Loans and receivables	69,422	50,152	47,751	29,730	Note a
Cash at bank and in hand	13,106	13,106	24,572	24,572	
	82,528	63,258	72,323	54,302	
Financial liabilities:					
Other financial liabilities	(89,034)	(89,034)	(111,261)	(111,261)	
	(89,034)	(89,034)	(111,261)	(111,261)	

Note a - With the exception of cost awards, all receivables are stated at original cost. As stated in Note 1.8, the CPS receives awards of costs made against convicted defendants at the discretion of the judge or magistrates. Magistrates' courts are responsible for recording, enforcing and collecting these costs and forwarding collected monies to the CPS. Magistrates' courts record and account for individual cost award debtors, but report transactions to the CPS only on an aggregated basis. While the CPS can therefore account fully for aggregate costs awarded, the Department does not hold records of individual balances and transactions so it is not possible to analyse cost award receivables by anticipated future periods of receipt and the resultant cash flows cannot be estimated, nor can the CPS review individual balances for collectability. As a result, bad debts are provided for on the basis of the historical relationship between costs awarded and cash collected. The CPS considers that providing in this way against the aggregate balance of cost award debtors represents a fair value. The future timing of cash flows from cost award receivables remains uncertain, since detailed records of individual debtors' payment arrangements rest with the magistrates' courts. Since bad debts have effectively been excluded from the stated balance of cost award debtors the Department considers that remaining balances will be paid on a timely basis, and that discounting future cash flows would not provide a significantly different overall net position.

14. Trade receivables and other current assets

	2010-11	2009-10
	£000	£000
Amounts falling due within one year:		
VAT	-	390
Trade receivables (Note a)	50,684	49,462
Doubtful debt provision (Note b)	(19,270)	(18,128)
Deposits and advances	492	475
Other receivables	600	1,731
Prepayments	8,676	11,261
Accrued income (Note c)	17,646	13,821
Amounts due from the Consolidated Fund in respect of supply	-	-
	58,828	59,012
Amounts falling due after more than one year:		
Prepayments	19	45
	58,847	59,057

Note a - It is not possible to analyse cost award receivables by amounts falling due within one year and amounts falling due after one year. Her Majesty's Courts and Tribunals Service retain the accounting records for uncollected cost awards and these records are not analysed between amounts falling due within one year and amounts falling due after one year.

Note b - The CPS provides against the risk of default on payment of costs awarded against convicted defendants, £19.053 million (2009-10: £18.021 million) and against default on payment of rental income by subtenants in buildings occupied by the CPS, £217k (2009-10: £107k).

Note c - Included within accrued income is £389k (2009-10: £Nil) representing excess Appropriations in Aid that will be due to the Consolidated Fund once the debts are collected.

14 (a) Intra-Government Balances

	Amounts falling due within one year £000		Amounts falling due after more than one year £000	
	2010-11	2009-10	2010-11	2009-10
Balances with other central government bodies	7,714	6,524	-	-
Balances with local authorities	159	810	-	14
Balances with NHS Trusts	-	1	-	-
Balances with public corporations and trading funds	3			
Intra-government balances	7,876	7,335	-	14
Balances with bodies external to government	50,952	51,677	19	31
Total receivables at 31 March	58,828	59,012	19	45

15. Cash and cash equivalents

	2010-11	2009-10
	£000	£000
Balance at 1 April	24,572	8,617
Net change in cash and cash equivalent balances	(11,466)	15,955
Balance at 31 March	13,106	24,572
The following balances at 31 March were held at:		
Government Banking Service	13,105	24,562
Commercial banks and cash in hand	1	10
Balance at 31 March	13,106	24,572

16. Reconciliation of Net Cash Requirement to increase/ (decrease) in cash

		2010-11	2009-10
	Note	£000	£000
Net cash requirement		(630,437)	(663,967)
From the Consolidated Fund (Supply) - current year		619,581	679,930
Amounts due to the Consolidated Fund received in a prior year and paid over		(768)	(776)
Amounts due to the Consolidated Fund received and not paid over	17	158	768
Increase/(decrease) in cash		(11,466)	15,955

17. Trade payables and other current liabilities

		2010-11	2009-10
	Note	£000	£000
Amounts falling due within one year:			
VAT		111	8
Other taxation and social security		7,830	7,925
Trade payables		11,523	12,374
Other payables		5,334	5,380
Accruals and deferred income		38,549	46,006
Current part of imputed finance lease element of on balance sheet PFI contracts		9,366	10,687
		<u>72,713</u>	<u>82,380</u>
Amounts issued from the Consolidated Fund for supply but not spent at year end		12,948	23,804
Consolidated Fund extra receipts due to be paid to the Consolidated Fund			
received	16	158	768
receivable		389	
		<u>86,208</u>	<u>106,952</u>
Amounts falling due after one year:			
Imputed finance lease element of on balance sheet PFI contracts		29,596	36,813
		<u>115,804</u>	<u>143,765</u>

17(a) Intra-Government Balances

	Amounts falling due within one year £000		Amounts falling due after more than one year £000	
	2010-11	2009-10	2010-11	2009-10
Balances with other central government bodies	26,901	39,608		
Balances with local authorities	140	101		
Balances with NHS Trusts		12		
Balances with public corporations and trading funds	1	10		
Intra-government balances	27,042	39,731		
Balances with bodies external to government	59,166	67,221	29,596	36,813
Total payables at 31 March	86,208	106,952	29,596	36,813

18. Provisions for liabilities and charges

	Early departure costs £000	Other £000	Total £000
Balance at 1 April 2010	24,830	4,089	28,919
Provided in the year	3,655	3,615	7,270
Provisions not required written back (Note a)	(11,320)	(1,498)	(12,818)
Provisions utilised in the year	(6,652)	(1,085)	(7,737)
Unwinding of discount	285	-	285
Balance at 31 March 2011 (Note b)	10,798	5,121	15,919
Balance at 1 April 2009	13,581	2,802	16,383
Provided in the year	14,690	2,986	17,676
Provisions not required written back	(241)	(917)	(1,158)
Provisions utilised in the year	(3,381)	(782)	(4,163)
Unwinding of discount	181	-	181
Balance at 31 March 2010	24,830	4,089	28,919

Analysis of expected timing of discounted flows

Not later than one year	3,328	4,482	7,810
Later than one year and not later than five years	6,145	639	6,784
Later than five years	1,325	-	1,325
Balance at 31 March 2011	10,798	5,121	15,919

Note a - £11.320 million of provision for early departure costs was released during the year, following a review of the source data and a change in the estimation technique used to assess the liability. Early retirement provisions are now calculated on the basis of amounts actually paid, rather than on the basis of estimates made at the point of departure (see Note 1.18).

Note b - The balance comprises £7.810 million current liabilities and £8.109 million non-current liabilities.

Early departure costs

The CPS meets the additional costs of benefits beyond the normal PCSPS benefits in respect of employees who retire early by paying the required amounts annually to the PCSPS over the period between early departure and normal retirement date.

The CPS provides the required amounts annually to the PCSPS over the period between early departure and normal retirement date. The CPS provides discounted by the HM Treasury discount rate of 1.8 per cent in real terms. The discount rate changed to 2.9 per cent with effect from 31 March 2011.

Other provisions

Other provisions comprise outstanding compensation claims for personal injury, employment tribunal legal claims and dilapidation claims served by landlords at the expiry of a lease on a property occupied by the CPS. In respect of compensation claims, provision has been made for the litigation against the Department. The provision reflects all known legal claims where legal advice indicates that it is more than 50 per cent probable that the claim will be successful and the amount of the claim can be reliably estimated. Expenditure on employment tribunal claims is likely to be incurred within one year and on personal injury claims within two years.

Dilapidations claims are analysed as payable within one year. Legal claims which may succeed but are less likely to do so or cannot be estimated are disclosed as contingent liabilities in Note 24. All dilapidation claims received or anticipated from landlords are provided for. Where a claim has yet to be submitted, an estimate of the cost of the claim is provided by the CPS managing agents. Other provisions are assessed quarterly. The balances for 'provided in year' and 'written back' therefore reflect the quarterly movements in provision.

19. Operating Segments

As stated in Note 1.17, detailed segmental information is not reported to the Board. The Board receives financial performance reports which are not disaggregated, but which show the CPS as a single unit. The totals reported below comprise 100 per cent of net expenditure.

	2010-11 £000	2009-10 £000
Staff costs	375,602	386,879
Other costs	309,123	349,367
Income	(72,342)	(64,544)
Total Reported	<u>612,383</u>	<u>671,702</u>

Reconciliation between total reported segmental information and Analysis of net resource outturn by section

Administration costs on HQ and Central Services	39,384	54,285
Crown Prosecutions and Legal Services	550,280	590,027
CPS AME	(4,370)	-
IFRS Contract Changes	28,331	27,879
Non-supply income (CFERs)	(1,242)	(489)
Total Reported	<u>612,383</u>	<u>671,702</u>

20. Capital commitments

Contracted capital commitments at 31 March 2011 not otherwise included in these financial statements.

	2010-11 £000	2009-10 £000
Property, plant and equipment	<u>283</u>	<u>27</u>

21. Commitments under leases

Operating Leases

Total future minimum lease payments under non-cancellable operating leases are given in the table below for each of the following periods.

Obligations under operating leases comprise:	2010-11 £000	2009-10 £000
Land		
Not later than one year	48	47
Later than one year and not later than five years	192	188
Later than five years	104	149
	<hr/>	<hr/>
	344	384
Buildings		
Not later than one year	23,763	28,296
Later than one year and not later than five years	68,402	77,704
Later than five years	48,657	67,488
	<hr/>	<hr/>
	140,822	173,488
Other		
Not later than one year	75	56
Later than one year and not later than five years	69	41
Later than five years	-	1
	<hr/>	<hr/>
	144	98

In respect of land and buildings leases, the CPS has not entered in to any contingent rent arrangements. The majority of leases are covered by the 1954 Landlord and Tenant Act which sets out the procedure for lease renewals.

The total future minimum sublease payments expected to be received under non-cancellable subleases as at 31 March 2011 is £8.122 million.

22. Commitments under PFI contracts

The Department has entered into two PFI contracts.

Information Technology (IT) managed service

The Department's IT service is provided through a managed service contract which was originally for a term of 10 years from 1 April 2002 with an option to extend.

During 2009-10 the Department exercised its option and the contract now runs until 31 March 2015. The extension has included some renegotiation of terms, but none that materially affect the service concession arrangements.

Communications managed service

The Department's communications are provided through a managed service contract which was originally for a term of 6 years from 1 April 2006, with an option to extend.

During 2009-10 the Department exercised its option and the contract now runs until 31 March 2015. The extension has included some renegotiation of terms, but none that materially affect the service concession arrangements.

Contractual payments therefore comprise two elements: imputed finance lease charges and service charges.

The imputed finance lease obligation is as follows:

Total obligations under on-balance sheet PFI contracts for the following periods comprise:

	2010-11	2009-10
	£000	£000
Not later than one year	28,990	28,392
Later than one year and not later than five years	81,147	104,279
Later than five years	-	-
	110,137	132,671
<i>Less interest element</i>	<i>(3,899)</i>	<i>(5,997)</i>
	106,238	126,674

These figures represent the present value of future minimum lease payments, discounted at HM Treasury's cost of capital rate of 3.5 per cent.

All minimum lease payments due under PFI contracts have been included in the calculation of the value of the assets taken onto the balance sheet in respect of those contracts; while payments may arise in future years as a result of there being more users than the minima stipulated in the contracts, the Department is not committed to make such payments unless and until such a liability arises.

The contracts covering these managed services allow for a number of improvements and enhancements to systems over the lifetime of the projects. As such changes are successfully introduced there will necessarily be increases in the charges levied by the Service Providers. These increases will only be recognised in the accounts once the relevant changes have been properly tested and fully accepted as fit for purpose by the CPS.

23. Other financial commitments

The Department has entered into contracts, which are not leases or PFI contracts, only cancellable at a significant cost, for the delivery and support of the Department's finance system, HR system and purchasing system. The payments to which the Department is committed during the year following the year of these accounts, analysed by the period during which the commitment expires are as follows.

	2010-11	2009-10
	£000	£000
Not later than one year	518	-
Later than one year and not later than five years	532	1,028
Later than five years	-	283
	1,050	1,311

24. Contingent Liabilities disclosed under IAS 37

As at 31 March 2011 the CPS was involved in 23 Employment Tribunal cases. Four cases have subsequently been dismissed. Of the remaining 19 cases, the estimated value of settlements is £368,456. It is not possible to estimate the value of the remaining three claims. The CPS was also involved in five personal injury claims. Three claims may result in settlements totalling an estimated £502,450. It is not possible to estimate the value of the remaining two claims. Included within the personal injury claims is one claim which may result in a settlement of £456,000.

Payments made on successful employment tribunal claims are expected to be made within one year and within two years for personal injury claims.

25. Losses and special payments

Included within the Statement of Comprehensive Net Expenditure are losses and special payments as follows:

	Number of cases	2010-11 £000	Number of cases	2009-10 £000
25(a) Losses Statement				
Cash losses	63	43	80	35
Administrative write-offs	49,456	2,673	60,315	2,996
Losses of accountable stores	1	18	-	-
Constructive losses	-	-	1	2,623
25(b) Special Payments				
Ex gratia	46	1,464	28	728
Total of losses	<u>49,566</u>	<u>4,198</u>	<u>60,424</u>	<u>6,382</u>

Cash losses are overpayments of pay and allowances paid to CPS staff and to suppliers which have not been recovered because it is not cost-effective to pursue recovery.

Administrative write-offs are cases relating to costs awarded to the CPS which the magistrates' courts are responsible for collecting. Between 1 April and 31 December 2010 the magistrates' courts had delegated powers to write off cases up to £100 in value. Cases in excess of £100 were written off by the CPS. During this period, the magistrates' courts wrote off 32,291 cases with a value of £1,460k under their delegated powers, and the CPS authorised a further write-off of £304k comprising 1,343 cases. From 1 January 2011 the CPS issued unlimited delegated authority to the magistrates' courts. Between 1 January and 31 March 2011 the magistrates' courts wrote off a further 15,822 cases with a value of £909k.

The loss of accountable stores is the loss or theft of a mobile phone, to which £18k of phone calls were charged before the loss or theft was discovered.

Ex-gratia payments reported are payments made in settlement of Employment Tribunal, personal injury and other civil litigation claims made against the Department. Included within ex-gratia payments are 11 payments the CPS had provided for (see note 18).

Details of cases over £250,000

A payment of £450,000 was made for a personal injury claim. A provision of £290,000 has been provided for in respect of the outstanding costs in this case.

26. Related-party transactions

The CPS has close working relationships with all agencies within the criminal justice system and particularly HMCTS, their ultimate controlling party being the Ministry of Justice. The HMCTS is regarded as a related party with which the Department has had material transactions, being mainly costs awarded by HMCTS to the CPS (see Note 10) less amounts written off (see Note 9).

In response to the recommendations of the Glidewell review, in a number of locations the CPS and the Police have combined the administration of case files through the co-location of Criminal Justice Units. More recently Integrated Prosecution Teams (IPTs) now merge the Police and CPS teams together to manage an integrated single file and administrative process. By reducing duplication, IPTs deliver significant efficiencies and improvements in the criminal justice service, including timeliness, quality and readiness of files for court. The CPS requests that each

Board member completes a declaration, stating whether they or their spouse and close family members have been in a position of influence or control in organisations with which the CPS has transactions. All Board members, including those who left the CPS during the year, completed a declaration.

Gerard Lemos was a Non-executive Director of the CPS until 31 October 2010. In July 2010, the CPS paid £10,516.25 to Lemos & Crane, at which Gerard Lemos heads the research team, for a year's membership of Race ActionNet (RAN). RAN is a website containing resources for practitioners to tackle racial harassment and hate crime. The transaction was at market rates.

The remaining declarations advised no material transactions had taken place.

27. Third-party assets

There are no third-party assets as at 31 March 2011.

28. 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 Certificate and Report of the Comptroller and Auditor General.

Departmental Remuneration Report

Remuneration Policy

The Remuneration Committee comprises:

Keir Starmer QC (DPP)

Peter Lewis (Chief Executive)

Ros McCool (Director of HR, to 22 October 2010)

Mark Summerfield (as Deputy Director, Pay and Reward to 26 August and as Director of HR from 27 August 2010)

There are no independent members of the Committee.

The remuneration of senior civil servants is set according to guidance provided by the Cabinet Office, following the recommendations made by the independent Senior Salary Review Body (SSRB) to the Prime Minister.

The Review Body also advises the Prime Minister from time to time on the pay and pensions of Members of Parliament and their allowances; on Peers' allowances; and on the pay, pensions and allowances of Ministers and others whose pay is determined by the Ministerial and Other Salaries Act 1975.

In reaching its recommendations, the Review Body is required to have regard to the following considerations: regional/local variations in labour markets and their effects on the recruitment and retention of staff; Government policies for improving the public services including the requirement on departments to meet the output targets for the delivery of departmental services; the funds available to departments as set out in the Government's departmental expenditure limits; and the Government's inflation target. The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations.

Further information about the work of the Review Body can be found at www.ome.uk.com.

In addition, the Remuneration Committee is tasked with considering the relative contributions of the Department's senior employees within each pay band. Paying due regard to completed performance reports, consistency and scope of objectives and the effects of external factors, the Committee will then consider individual awards in line with Cabinet Office guidance.

Following Cabinet Office advice, a pay freeze applied to SCS staff in 2010-11, so no increase was paid in relation to either the cost of living or performance. Again, following Cabinet Office guidance, an additional performance-related payment averaging 5 per cent was available for Senior Civil Service staff during 2010-11. The top performing 25 per cent of staff received payments in the region of 10 per cent, with the next 40 per cent receiving payments in the region of 6 per cent.

Service Contracts

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

The contract for the DPP, Keir Starmer QC, covers a period of five years from 1 November 2008 to 31 October 2013. The Director of the Central Fraud Group, David Green QC, was also on a fixed-term contract, which was extended when the CPS and RCPO merged in January 2010. This contract ended on 8 April 2011.

Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme. A new scheme was introduced in December 2010, and this will apply to all future payments made by the CPS.

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

With the exception of Non-executive Directors, all other officials covered by this report hold appointments which are open-ended and allow for retirement at the age of 60 or 65.

Non-executive Directors

Rob Syke's contract covers a period of three years from 1 April 2009 to 31 March 2012. Doreen Langston's contract covers a period of three years from 15 June 2009 to 14 June 2012. Stephen Redmond's contract ran from 1 January 2010 to 31 December 2010. Gerard Lemos's contract was for a period of three years from 1 April 2009 to 31 March 2012. He resigned prior to the end of the contract and left the CPS on 31 October 2010. No compensation is payable to Non-executive Directors for early termination of their contract, if the termination is by mutual consent. One month's salary is payable otherwise.

The remuneration of all Directors, Non-executive Directors and staff employed in the CPS is paid entirely in cash.

Salary Entitlements

The following sections provide details of the remuneration paid to the most senior officials of the Department.

Remuneration (audited)

Officials	Salary £'000	2010-11 Bonus Payments £'000	Salary £'000	2009-10 Bonus Payments £'000
Keir Starmer QC (a) <i>Director of Public Prosecutions</i>	195 - 200	-	195 - 200	-
Peter Lewis <i>Chief Executive</i>	160 - 165	-	160 - 165	15 - 20
Paul Staff <i>Director Finance</i>	90 - 95	5 - 10	35 - 40 (fye 85 - 90)	-
David Green QC <i>Director Central Fraud Group</i>	210 - 215	-	50 - 55 (fye 210 - 215)	-

Officials	Salary £'000	2010-11 Bonus Payments £'000	Salary £'000	2009-10 Bonus Payments £'000
Mike Kennedy <i>Chief Operating Officer</i>	145 - 150	5 - 10	145 - 150	10 - 15
Doreen Langston (b) <i>Non-executive Director</i>	10 - 15	-	10 - 15 (fye 10 - 15)	-
Gerard Lemos (b) and (c) <i>Non-executive Director (to 31 Oct 10)</i>	5 - 10 (fye 10 - 15)	-	10 - 15	-
Stephen Redmond (b) and (c) <i>Non-executive Director (to 31 Dec 10)</i>	5 - 10 (fye 5 - 10)	-	5 - 10 (fye 10 - 15)	-
Rob Sykes (b) <i>Non-executive Director</i>	10 - 15	-	10 - 15	-

fye = full year equivalent salary

Between 1 April and 24 August the Director of Public Prosecutions was provided with a car and chauffeur for official use. This is assessed by HM Revenue & Customs as constituting a benefit in kind. The estimated value of the benefit in kind received by Keir Starmer QC during the 2010-11 financial year was £4,298 (2009-10 £11,015). Tax and National Insurance contributions on this sum, amounting to £5,398 (2009-10 £9,693) are due to be paid on the Director's behalf by the CPS. The contract for the car for official use was terminated with effect from 25 August 2010.

The remaining Board members did not receive any benefits in kind.

b) Doreen Langston, Gerard Lemos and Rob Sykes are paid £13,044 per annum. Stephen Redmond was paid at a daily rate of £650. Expenses are paid to all Non-executive Directors.

c) Gerard Lemos resigned and left the CPS on 31 October 2010. Stephen Redmond's contract expired on 31 December 2010.

Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances; and any other taxable allowance to the extent that it is subject to UK taxation.

This report is based on accrued payments made by the Department and thus recorded in these accounts.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the Department and treated by HM Revenue & Customs as a taxable emolument.

Bonuses

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2010-11 relate to performance in 2009-10 and the comparative bonuses reported for 2009-10 relate to performance in 2008-09.

Pension Benefits

Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a final salary scheme (classic, premium or classic plus); or a whole career scheme (nuvos). These four statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus and nuvos are increased annually in line with Pensions Increase Legislation. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium, classic plus and nuvos. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during his period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year, and the accrued pension is uprated in line with Pensions Increase Legislation. In all cases members may opt to give up (commute) pension for lump sum up to the limits set by the Finance Act 2004.

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

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

Pension benefits (audited):

Officials	Accrued pension at pension age as at 31 March 2011 and related lump sum £000	Real increase in pension and related lump sum at pension age £000	CETV at 31 March 2011 £000	CETV at 31 March 2010 (a) £000	Real increase in CETV £000
Keir Starmer QC <i>Director of Public Prosecutions</i>	pension 10 - 15 lump sum 25 - 30	pension 2.5 - 5 lump sum 10 - 12.5	132	73	49
Peter Lewis <i>Chief Executive</i>	pension 65 - 70 lump sum 200 - 205	pension 0 - 2.5 lump sum 0 - 2.5	1,317	1,210	no increase
Paul Staff <i>Director Finance</i>	pension 40 - 45 lump sum 120 - 125	pension 2.5 - 5 lump sum 7.5 - 10	816	704	57
David Green QC <i>Director Central Fraud Group</i>	pension 10 - 15 none	pension 0 - 2.5 no increase	233	188	26
Mike Kennedy <i>Chief Operating Officer</i>	pension 50 - 55 lump sum 155 - 160	pension 0 - 2.5 lump sum 0 - 2.5	1,080	991	4

The actuarial factors used to calculate CETVs were changed in 2010-11. The CETVs at 31 March 2010 and 31 March 2011 have both been calculated using new factors for consistency. The CETV at 31 March 2010 therefore differs from the corresponding figure in last year's report which was calculated using the previous factors.

Further details about the Civil Service pension arrangements can be found at the website <http://www.civilservice.gov.uk/my-civil-service/pensions/index.aspx>

Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that

the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out 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 taken.

Real increase in CETV

This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

Compensation for loss of office

There were no such payments made during the year.

Pension for the Director of Public Prosecutions, Keir Starmer QC

Pension benefits are provided through a pension scheme which has the DPP as its only member. It has not yet been laid before Parliament. The Scheme is unfunded and the cost of benefits will be met by monies voted by Parliament each year. The pension will be increased annually in the same way as other public service pensions. The pension scheme provides benefits which broadly match the benefits provided under the Judicial Pension Scheme.



Keir Starmer

Accounting Officer

5 July 2011

Annex A – Code for Crown Prosecutors

Introduction

- 1.1 The Crown Prosecution Service (CPS) is the principal public prosecution service for England and Wales. In January 2010, it merged with the Revenue and Customs Prosecutions Office (RCPO). The service is headed by the Director of Public Prosecutions (DPP) who is also the Director of Revenue and Customs Prosecutions. The DPP exercises his functions independently, subject to the superintendence of the Attorney General who is accountable to Parliament for the work of the prosecution service.
- 1.2 The DPP is responsible for issuing the Code for Crown Prosecutors (the Code) under section 10 of the Prosecution of Offences Act 1985. The Code gives guidance to prosecutors on the general principles to be applied when making decisions about prosecutions. This is the sixth edition of the Code and replaces all earlier versions.
- 1.3 In this Code, the term “prosecutors” is used to describe members of the prosecution service who are designated as Crown Prosecutors; prosecutors who are members of the RCPO; Associate Prosecutors who are designated under section 7A of the Prosecution of Offences Act 1985 and who exercise their powers in accordance with the instructions issued by the DPP; and other members of the RCPO who are designated by the DPP in his capacity as the Director of the Revenue and Customs Prosecutions under section 39 of the Commissioners for Revenue and Customs Act 2005.
- 1.4 In this Code, the expression “police or other investigators” is used to describe members of all those investigative agencies, including the Serious Organised Crime Agency and the UK Border Agency, who prepare and present cases to the prosecution service.
- 1.5 Although the prosecution service works closely with the police and other investigators, it is independent of them. The independence of prosecutors is of fundamental constitutional importance.

- 1.6 The prosecution service co-operates with the investigating and prosecuting agencies of other jurisdictions to facilitate enquiries and prosecutions both in England and Wales and abroad.
- 1.7 In accordance with section 36(2) of the Commissioners for Revenue and Customs Act 2005, prosecutors from the RCPO who are acting in that capacity must have regard to the Code for Crown Prosecutors issued by the DPP.
- 1.8 In this Code, the term “suspect” is used to describe a person who is not yet the subject of formal criminal proceedings; the term “defendant” is used to describe a person who has been charged or summonsed; and the term “offender” is used to describe a person who has admitted his or her guilt to a police officer or other investigator or prosecutor, or who has been found guilty in a court of law.
- 1.9 The Code is one of two key published and publicly available documents that explain the purpose and work of the prosecution service. The second is the Core Quality Standards booklet. Only the Code is issued by law.
- 1.10 Together, they let the public know what prosecutors do; how they take their decisions; and the level of service that the prosecution service is committed to providing in every key aspect of its work.
- 1.11 The Code and the Core Quality Standards booklet are available from the contact points listed on the back cover of this booklet.

General Principles

- 2.1 The decision to prosecute or to offer an individual an out-of-court disposal is a serious step. Fair and effective prosecution is essential to the maintenance of law and order. It is the duty of prosecutors to make sure that the right person is prosecuted for the right offence and to bring offenders to justice wherever possible. Casework decisions taken fairly, impartially and with integrity help to deliver justice for victims, witnesses, defendants and the public.
- 2.2 It is the duty of prosecutors to review, to advise on and to prosecute cases or to offer an appropriate out-of-court disposal to the offender. Prosecutors must ensure that the law is properly applied; that all relevant evidence is put before the court; and that obligations of disclosure are complied with, in accordance with the principles set out in this Code.
- 2.3 Although each case must be considered on its own facts and on its own merits, there are general principles that apply to the way in which prosecutors must approach every case.
- 2.4 Prosecutors must be fair, independent and objective. They must not let any personal views about the ethnic or national origin, gender, disability, age, religion or belief, political views, sexual orientation, or gender identity of the suspect, victim or any witness influence their decisions. Neither must prosecutors be affected by improper or undue pressure from any source. Prosecutors must always act in the interests of justice and not solely for the purpose of obtaining a conviction.
- 2.5 The prosecution service is a public authority for the purposes of current, relevant equality legislation. Prosecutors are bound by the duties set out in this legislation.
- 2.6 The prosecution service is also a public authority for the purposes of the Human Rights Act 1998. Prosecutors must apply the principles of the European Convention on Human Rights, in accordance with the Human Rights Act, at each stage of a case. Prosecutors must also comply with

any guidelines issued by the Attorney General and with the policies of the prosecution service issued on behalf of the DPP. They must also comply with the Criminal Procedure Rules currently in force.

The Decision Whether to Prosecute

- 3.1 In more serious or complex cases, prosecutors decide whether a person should be charged with a criminal offence, and, if so, what that offence should be. They make their decisions in accordance with this Code and the DPP's Guidance on Charging. The police apply the same principles in deciding whether to charge or summons a person in those cases for which they are responsible.
- 3.2 The police and other investigators are responsible for conducting enquiries into an allegation that a crime may have been committed. Every case that prosecutors receive from the police or other investigators is reviewed. Prosecutors must ensure that they have all the information they need to make an informed decision about how best to deal with the case. This will often involve prosecutors providing guidance and advice to the police and other investigators about lines of inquiry, evidential requirements, and assistance in any pre-charge procedures throughout the investigative and prosecuting process. However, prosecutors cannot direct the police or other investigators.
- 3.3 Prosecutors should identify and, where possible, seek to rectify evidential weaknesses, but, subject to the Threshold Test (see section 5), they should swiftly stop cases which do not meet the evidential stage of the Full Code Test (see section 4) and which cannot be strengthened by further investigation, or where the public interest clearly does not require a prosecution (see section 4). Although the prosecutor primarily considers the evidence and information supplied by the police and other investigators, the suspect or those acting on his or her behalf may also submit evidence or information to the prosecutor via the police or other investigators, prior to charge, to help to inform the prosecutor's decision.
- 3.4 Prosecutors must only start or continue a prosecution when the case has passed both stages of the Full Code Test (see section 4). The exception

is when the Threshold Test (see section 5) may be applied where it is proposed to apply to the court to keep the suspect in custody after charge, and the evidence required to apply the Full Code Test is not yet available.

- 3.5 Prosecutors must make sure that they do not allow a prosecution to start or continue where to do so would be seen by the courts as oppressive or unfair so as to amount to an abuse of the process of the court.
- 3.6 Review is a continuing process and prosecutors must take account of any change in circumstances that occurs as the case develops. Wherever possible, they should talk to the investigator first if they are thinking about changing the charges or stopping the case. Prosecutors and investigators work closely together, but the final responsibility for the decision whether or not a case should go ahead rests with the prosecution service.
- 3.7 Parliament has decided that a limited number of very serious or sensitive offences should only be taken to court with the agreement of the DPP. These are called “consent” cases. In such cases, the DPP or prosecutors acting on his behalf apply the Code in deciding whether to give consent to a prosecution.

The Full Code Test

- 4.1 The Full Code Test has two stages: (i) the evidential stage; followed by (ii) the public interest stage.
- 4.2 In the vast majority of cases, prosecutors should only decide whether to prosecute after the investigation has been completed and after all the available evidence has been reviewed. However, there will be cases where it is clear, prior to the collection and consideration of all the likely evidence, that the public interest does not require a prosecution. In these rare instances, prosecutors may decide that the case should not proceed further.

- 4.3 Prosecutors should only take such a decision when they are satisfied that the broad extent of the criminality has been determined and that they are able to make a fully informed assessment of the public interest. If prosecutors do not have sufficient information to take such a decision, the investigation should proceed and a decision taken later in accordance with the Full Code Test set out in this section.
- 4.4 Prosecutors must follow any guidance issued by the DPP to ensure that decisions in these cases are appropriate and correct.

The Evidential Stage

- 4.5 Prosecutors must be satisfied that there is sufficient evidence to provide a realistic prospect of conviction against each suspect on each charge. They must consider what the defence case may be, and how it is likely to affect the prospects of conviction. A case which does not pass the evidential stage must not proceed, no matter how serious or sensitive it may be.
- 4.6 A realistic prospect of conviction is an objective test based solely upon the prosecutor's assessment of the evidence and any information that he or she has about the defence that might be put forward by the suspect. It means that an objective, impartial and reasonable jury or bench of magistrates or judge hearing a case alone, properly directed and acting in accordance with the law, is more likely than not to convict the defendant of the charge alleged. This is a different test from the one that the criminal courts themselves must apply. A court may only convict if it is sure that the defendant is guilty.
- 4.7 When deciding whether there is sufficient evidence to prosecute, prosecutors must consider whether the evidence can be used and whether it is reliable. There will be many cases in which the evidence does not give any cause for concern. But there will also be cases in which the evidence may not be as strong as it first appears. In particular, prosecutors will need to consider the following issues.

Can the evidence be used in court?

- a) Is it likely that the evidence will be excluded by the court? There are legal rules that might mean that evidence which seems relevant cannot be given at a trial. For example, is it likely that the evidence will be excluded because of the way in which it was obtained?
- b) Is the evidence hearsay? If so, is the court likely to allow it to be presented under any of the exceptions which permit such evidence to be given in court?
- c) Does the evidence relate to the bad character of the suspect? If so, is the court likely to allow it to be presented?

Is the evidence reliable?

- d) What explanation has the suspect given? Is a court likely to find it credible in the light of the evidence as a whole? Does the evidence support an innocent explanation?
- e) Is there evidence which might support or detract from the reliability of a confession? Is its reliability affected by factors such as the suspect's level of understanding?
- f) Is the identification of the suspect likely to be questioned? Is the evidence of his or her identity strong enough? Have the appropriate identification procedures been carried out? If not, why not? Will any failure to hold the appropriate identification procedures lead to the evidence of identification being excluded?
- g) Are there concerns over the accuracy, reliability or credibility of the evidence of any witness?
- h) Is there further evidence which the police or other investigators should reasonably be asked to find which may support or undermine the account of the witness?
- i) Does any witness have any motive that may affect his or her attitude to the case?
- j) Does any witness have a relevant previous conviction or out-of-court disposal which may affect his or her credibility?
- k) Is there any further evidence that could be obtained that would support the integrity of evidence already obtained?

- 4.8 Where it is considered that it would be helpful in assessing the reliability of a witness' evidence or in better understanding complex evidence, an appropriately trained and authorised prosecutor should conduct a pretrial interview with the witness in accordance with the relevant Code of Practice.
- 4.9 Prosecutors should not ignore evidence because they are not sure that it can be used or is reliable. But they should look closely at it when deciding if there is a realistic prospect of conviction.

The Public Interest Stage

- 4.10 In 1951, Sir Hartley Shawcross, who was then Attorney General, made the classic statement on public interest: "it has never been the rule in this country – I hope it never will be – that suspected criminal offences must automatically be the subject of prosecution". He added that there should be a prosecution: "wherever it appears that the offence or the circumstances of its commission is or are of such a character that a prosecution in respect thereof is required in the public interest" (House of Commons Debates, Volume 483, 29 January 1951). This approach has been endorsed by Attorneys General ever since.
- 4.11 Accordingly, where there is sufficient evidence to justify a prosecution or to offer an out-of-court disposal, prosecutors must go on to consider whether a prosecution is required in the public interest.
- 4.12 A prosecution will usually take place unless the prosecutor is sure that there are public interest factors tending against prosecution which outweigh those tending in favour, or unless the prosecutor is satisfied that the public interest may be properly served, in the first instance, by offering the offender the opportunity to have the matter dealt with by an out-of-court disposal (see section 7). The more serious the offence or the offender's record of criminal behaviour, the more likely it is that a prosecution will be required in the public interest.

- 4.13 Assessing the public interest is not simply a matter of adding up the number of factors on each side and seeing which side has the greater number. Each case must be considered on its own facts and on its own merits. Prosecutors must decide the importance of each public interest factor in the circumstances of each case and go on to make an overall assessment. It is quite possible that one factor alone may outweigh a number of other factors which tend in the opposite direction. Although there may be public interest factors tending against prosecution in a particular case, prosecutors should consider whether nonetheless a prosecution should go ahead and for those factors to be put to the court for consideration when sentence is passed.
- 4.14 The absence of a factor does not necessarily mean that it should be taken as a factor tending in the opposite direction. For example, just because the offence was not “carried out by a group” does not transform the “factor tending in favour of a prosecution” into a “factor tending against prosecution”.
- 4.15 Some common public interest factors which should be considered when deciding on the most appropriate course of action to take are listed below. The following lists of public interest factors are not exhaustive and each case must be considered on its own facts and on its own merits.

Some common public interest factors tending in favour of prosecution

- 4.16 A prosecution is more likely to be required if:
- a) a conviction is likely to result in a significant sentence;
 - b) a conviction is likely to result in an order of the court in excess of that which a prosecutor is able to secure through a conditional caution;
 - c) the offence involved the use of a weapon or the threat of violence;
 - d) the offence was committed against a person serving the public (for example, a member of the emergency services; a police or prison officer; a health or social welfare professional; or a provider of public transport);
 - e) the offence was premeditated;
 - f) the offence was carried out by a group;
 - g) the offence was committed in the presence of, or in close proximity to, a child;

- h) the offence was motivated by any form of discrimination against the victim's ethnic or national origin, gender, disability, age, religion or belief, political views, sexual orientation or gender identity; or the suspect demonstrated hostility towards the victim based on any of those characteristics;
- i) the offence was committed in order to facilitate more serious offending;
- j) the victim of the offence was in a vulnerable situation and the suspect took advantage of this;
- k) there was an element of corruption of the victim in the way the offence was committed;
- l) there was a marked difference in the ages of the suspect and the victim and the suspect took advantage of this;
- m) there was a marked difference in the levels of understanding of the suspect and the victim and the suspect took advantage of this;
- n) the suspect was in a position of authority or trust and he or she took advantage of this;
- o) the suspect was a ringleader or an organiser of the offence;
- p) the suspect's previous convictions or the previous out-of-court disposals which he or she has received are relevant to the present offence;
- q) the suspect is alleged to have committed the offence in breach of an order of the court;
- r) a prosecution would have a significant positive impact on maintaining community confidence;
- s) there are grounds for believing that the offence is likely to be continued or repeated.

Some common public interest factors tending against prosecution

4.17 A prosecution is less likely to be required if:

- a) the court is likely to impose a nominal penalty;
- b) the seriousness and the consequences of the offending can be appropriately dealt with by an out-of-court disposal which the suspect accepts and with which he or she complies (see section 7);
- c) the suspect has been subject to any appropriate regulatory proceedings, or any punitive or relevant civil penalty which remains in place or which has been satisfactorily discharged, which adequately addresses the seriousness of the offending and any breach of trust involved;
- d) the offence was committed as a result of a genuine mistake or misunderstanding;
- e) the loss or harm can be described as minor and was the result of a single incident, particularly if it was caused by a misjudgement;
- f) there has been a long delay between the offence taking place and the date of the trial, unless:
 - the offence is serious;
 - the delay has been caused wholly or in part by the suspect;
 - the offence has only recently come to light;
 - the complexity of the offence has meant that there has been a long investigation; or
 - new investigative techniques have been used to re-examine previously unsolved crimes and, as a result, a suspect has been identified.
- g) a prosecution is likely to have an adverse effect on the victim's physical or mental health, always bearing in mind the seriousness of the offence and the views of the victim about the effect of a prosecution on his or her physical or mental health;
- h) the suspect played a minor role in the commission of the offence;
- i) the suspect has put right the loss or harm that was caused (but a suspect must not avoid prosecution or an out-of-court disposal solely because he or she pays compensation or repays the sum of money he or she unlawfully obtained);
- j) the suspect is, or was at the time of the offence, suffering from significant mental or physical ill health, unless the offence is serious or there is a real possibility that it may be repeated. Prosecutors apply Home Office

- guidelines about how to deal with mentally disordered offenders and must balance a suspect's mental or physical ill health with the need to safeguard the public or those providing care services to such persons;
- k) a prosecution may require details to be made public that could harm sources of information, international relations or national security.

The views of victims or their families

- 4.18 In deciding whether a prosecution is required in the public interest, prosecutors should take into account any views expressed by the victim regarding the impact that the offence has had. In appropriate cases, for example, a case of homicide or where the victim is a child or an adult who lacks capacity as defined by the Mental Capacity Act 2005, prosecutors should take into account any views expressed by the victim's family.
- 4.19 However, the prosecution service does not act for victims or their families in the same way as solicitors act for their clients, and prosecutors must form an overall view of the public interest.
- 4.20 Where prosecutors have a responsibility to explain their decision to the victim, for example, when they stop a case or substantially alter the charge in a case, they must comply with the Code of Practice for Victims of Crime and all relevant CPS Guidance. Prosecutors must follow any agreed procedures, including abiding by any time period within which such decisions should be notified to the victim.

The Threshold Test

- 5.1 Prosecutors will apply the Full Code Test wherever possible. However, there will be cases where the suspect presents a substantial bail risk if released and not all the evidence is available at the time when he or she must be released from custody unless charged.
- 5.2 In such cases, prosecutors may apply the Threshold Test in order to make a charging decision.

When the Threshold Test may be applied

- 5.3 The Threshold Test may only be applied where the prosecutor is satisfied that all the following four conditions are met:
- a) there is insufficient evidence currently available to apply the evidential stage of the Full Code Test; and
 - b) there are reasonable grounds for believing that further evidence will become available within a reasonable period; and
 - c) the seriousness or the circumstances of the case justifies the making of an immediate charging decision; and
 - d) there are continuing substantial grounds to object to bail in accordance with the Bail Act 1976 and in all the circumstances of the case an application to withhold bail may properly be made.
- 5.4 Where any of the above conditions is not met, the Threshold Test cannot be applied and the suspect cannot be charged. Such cases must be referred back to the custody officer who will determine whether the person may continue to be detained or released on bail, with or without conditions.
- 5.5 There are two parts to the evidential consideration of the Threshold Test.

The first part of the Threshold Test – is there reasonable suspicion?

- 5.6 First, the prosecutor must be satisfied that there is at least a reasonable suspicion that the person to be charged has committed the offence.
- 5.7 In determining whether reasonable suspicion exists, the prosecutor must consider the evidence which is currently available. This may take the form of witness statements, material or other information, provided the prosecutor is satisfied that:
- a) it is relevant; and
 - b) it is capable of being put into an admissible format for presentation in court; and
 - c) it would be used in the case.

5.8 If this part of the Threshold Test is satisfied, the prosecutor should proceed to the second part of the Threshold Test.

The second part of the Threshold Test – will there be a realistic prospect of conviction?

5.9 Secondly, the prosecutor must be satisfied that there are reasonable grounds for believing that the continuing investigation will provide further evidence, within a reasonable period of time, so that all the evidence taken together is capable of establishing a realistic prospect of conviction in accordance with the Full Code Test.

5.10 The further evidence must be identifiable and not merely speculative.

5.11 In reaching a decision under this second part of the Threshold Test, the prosecutor must consider:

- a) the nature, extent and admissibility of any likely further evidence and the impact it will have on the case;
- b) the charges that all the evidence will support;
- c) the reasons why the evidence is not already available;
- d) the time required to obtain the further evidence and whether any consequential delay is reasonable in all the circumstances.

5.12 If both parts of the Threshold Test are satisfied, prosecutors must apply the public interest stage of the Full Code Test based on the information available at that time.

Reviewing the Threshold Test

5.13 A decision to charge under the Threshold Test must be kept under review. The evidence must be regularly assessed to ensure that the charge is still appropriate and that continued objection to the granting of bail is justified. The Full Code Test must be applied as soon as is reasonably practicable and in any event before the expiry of any applicable custody time limit or extended custody time limit.

Selection of Charges

6.1 Prosecutors should select charges which:

- a) reflect the seriousness and extent of the offending supported by the evidence;
 - b) give the court adequate powers to sentence and impose appropriate post-conviction orders; and
 - c) enable the case to be presented in a clear and simple way.
- 6.2 This means that prosecutors may not always choose or continue with the most serious charge where there is a choice.
- 6.3 Prosecutors should never go ahead with more charges than are necessary just to encourage a defendant to plead guilty to a few. In the same way, they should never go ahead with a more serious charge just to encourage a defendant to plead guilty to a less serious one.
- 6.4 Prosecutors should not change the charge simply because of the decision made by the court or the defendant about where the case will be heard.
- 6.5 Prosecutors must take account of any relevant change in circumstances as the case progresses after charge.

Out-of-Court Disposals

- 7.1 The prosecution service is responsible for deciding whether to offer an offender a conditional caution in certain cases. In such cases, the Full Code Test must be met. Prosecutors will offer a conditional caution where it is a proportionate response to the seriousness and the consequences of the offending and where the conditions offered meet the aims of rehabilitation, reparation or punishment within the terms of the Criminal Justice Act 2003.
- 7.2 A conditional caution is not a criminal conviction but it forms part of the offender's criminal record and may be cited in court in any subsequent proceedings. It may also be taken into consideration by prosecutors if the offender re-offends. Prosecutors may offer a conditional caution where, having taken into account the views of the victim, they consider that it is in the interests of the suspect, victim or community to do so.

- 7.3 Prosecutors must follow the relevant Code of Practice and the DPP's Guidance on Conditional Cautioning when deciding whether to offer an offender a conditional caution.
- 7.4 The offer of a conditional caution which is accepted and complied with takes the place of a prosecution. If the offer of a conditional caution is refused or the suspect does not make the required admission of guilt to the person who seeks to administer the conditional caution, a prosecution must follow for the original offence. If the terms of the conditional caution are not complied with, the prosecutor will reconsider the public interest and decide whether to charge the offender. Usually, a prosecution should be brought for the original offence.
- 7.5 Only prosecutors can decide whether to authorise the offer of a simple caution to an offender for an offence that may only be heard in the Crown Court. The occasions when this will be an appropriate disposal will be exceptional.
- 7.6 In all other cases, prosecutors may direct that a simple caution be offered in accordance with CPS and Home Office Guidance, or suggest, for example, the issue of a Penalty Notice for Disorder. The issue of a Penalty Notice for Disorder is, however, a decision for the police.
- 7.7 Prosecutors must be satisfied that the Full Code Test is met and that there is a clear admission of guilt by the offender in any case in which they authorise or direct a simple caution to be offered by the police.
- 7.8 The acceptance of a simple caution or other out-of-court disposal which is complied with takes the place of a prosecution. If the offer of a simple caution is refused, a prosecution must follow for the original offence. If any other out-of-court disposal is not accepted, prosecutors will apply the Full Code Test, upon receipt of the case from the police or other investigators, and decide whether to prosecute the offender.

Youths

- 8.1 For the purposes of the criminal law, a youth is a person under 18 years of age.
- 8.2 Prosecutors must bear in mind in all cases involving youths that the United Kingdom is a signatory to the United Nations 1989 Convention on the Rights of the Child and the United Nations 1985 Standard Minimum Rules for the Administration of Juvenile Justice. In addition, prosecutors must have regard to the principal aim of the youth justice system which is to prevent offending by children and young people. Prosecutors must consider the interests of the youth when deciding whether it is in the public interest to prosecute.
- 8.3 Prosecutors should not avoid a decision to prosecute simply because of the suspect's age. The seriousness of the offence or the youth's past behaviour is very important.
- 8.4 Cases involving youths are usually only referred to the prosecution service for prosecution if the youth has already received a reprimand and final warning, unless the offence is so serious that neither is appropriate or the child or young person does not admit committing the offence.
- 8.5 Reprimands, final warnings and conditional cautions (see section 7) are intended to prevent re-offending and the fact that a further offence has occurred may indicate that those previous disposals have not been effective. The public interest will usually require a prosecution in such cases.

Mode of Trial

- 9.1 Prosecutors must have regard to the current Magistrates' Court Sentencing Guidelines and the relevant Practice Direction when making submissions to the court about where the defendant should be tried.
- 9.2 Speed must never be the only reason for asking for a case to stay in the magistrates' courts. But prosecutors should consider the effect of any

likely delay if a case is committed or sent to the Crown Court, and the possible effect on any victim or witness if the case is delayed.

Venue for trial in cases involving youths

- 9.3 Generally, prosecutors must bear in mind that youths should be tried in the youth court, wherever possible. It is the court which is best designed to meet their specific needs. A trial of a youth in the Crown Court should be reserved for the most serious cases or where the interests of justice require a youth to be jointly tried with an adult.

Accepting Guilty Pleas

- 10.1 Defendants may want to plead guilty to some, but not all, of the charges. Alternatively, they may want to plead guilty to a different, possibly less serious, charge because they are admitting only part of the crime.
- 10.2 Prosecutors should only accept the defendant's plea if they think the court is able to pass a sentence that matches the seriousness of the offending, particularly where there are aggravating features. Prosecutors must never accept a guilty plea just because it is convenient.
- 10.3 In considering whether the pleas offered are acceptable, prosecutors should ensure that the interests and, where possible, the views of the victim, or in appropriate cases the views of the victim's family, are taken into account when deciding whether it is in the public interest to accept the plea. However, the decision rests with the prosecutor.
- 10.4 It must be made clear to the court on what basis any plea is advanced and accepted. In cases where a defendant pleads guilty to the charges but on the basis of facts that are different from the prosecution case, and where this may significantly affect sentence, the court should be invited to hear evidence to determine what happened, and then sentence on that basis.
- 10.5 Where a defendant has previously indicated that he or she will ask the court to take an offence into consideration when sentencing, but then

declines to admit that offence at court, prosecutors will consider whether a prosecution is required for that offence. Prosecutors should explain to the defence advocate and the court that the prosecution of that offence may be subject to further review.

10.6 Particular care must be taken when considering pleas which would enable the defendant to avoid the imposition of a mandatory minimum sentence. When pleas are offered, prosecutors also must bear in mind the fact that ancillary orders can be made with some offences but not with others.

10.7 Prosecutors must comply with the “Attorney General’s Guidelines on the Acceptance of Pleas and the Prosecutor’s Role in the Sentencing Exercise” which set out in greater detail the extent of prosecutors’ duties and role in the acceptance of guilty pleas.

The Prosecutor’s Role in Sentencing

11.1 Sentencing is a decision for the court, but prosecutors have a duty to offer assistance to the sentencing court in reaching its decision as to the appropriate sentence by drawing the court’s attention to the following factors:

- a) any aggravating or mitigating factors disclosed by the prosecution case;
- b) any Victim Personal Statement;
- c) where appropriate, evidence of the impact of the offending on a community;
- d) any statutory provisions, sentencing guidelines, or guideline cases which may assist; and
- e) any relevant statutory provisions relating to ancillary orders (such as anti-social behaviour orders).

11.2 Prosecutors may also offer assistance to the court by making submissions, in the light of all the above factors, as to the sentencing range within which the current offence falls.

- 11.3 In all complex cases or where there is the potential for misunderstanding, the prosecutor must set out in writing the aggravating and mitigating factors that he or she will outline when informing the court of the case in the sentencing hearing. In all other cases, this approach should be considered and undertaken if it will be of benefit to the court or the public to understand the case.
- 11.4 It is the duty of the prosecutor to apply for compensation and ancillary orders, such as anti-social behaviour orders and confiscation orders, in all appropriate cases. When considering which ancillary orders to apply for, the prosecutor must always have regard to the victim's needs, including the question of their future protection.
- 11.5 Prosecutors should challenge any assertion made by the defence in mitigation that is inaccurate, misleading or derogatory. If the defence persist in the assertion, and it appears relevant to the sentence, the court should be invited to hear evidence to determine the facts and sentence accordingly.
- 11.6 Prosecutors must comply with the "Attorney General's Guidelines on the Acceptance of Pleas and the Prosecutor's Role in the Sentencing Exercise" which set out in greater detail the extent of prosecutors' duties and role in the sentencing process.

Reconsidering a Prosecution Decision

12.1 People should be able to rely on decisions taken by the prosecution service. Normally, if the prosecution service tells a suspect or defendant that there will not be a prosecution, or that the prosecution has been stopped, the case will not start again. But occasionally there are special reasons why the prosecution service will overturn a decision not to prosecute or to deal with the case by way of an out-of-court disposal or when it will restart the prosecution, particularly if the case is serious.

12.2 These reasons include:

- a) rare cases where a new look at the original decision shows that it was wrong and, in order to maintain confidence in the criminal justice system, a prosecution should be brought despite the earlier decision;
- b) cases which are stopped so that more evidence which is likely to become available in the fairly near future can be collected and prepared. In these cases, the prosecutor will tell the defendant that the prosecution may well start again;
- c) cases which are stopped because of a lack of evidence but where more significant evidence is discovered later; and
- d) cases involving a death in which a review following the findings of an inquest concludes that a prosecution should be brought, notwithstanding any earlier decision not to prosecute.

12.3 There may also be exceptional cases in which, following an acquittal of a serious offence, a prosecutor may, with the written consent of the DPP, apply to the Court of Appeal for an order quashing the acquittal and requiring the defendant to be retried.

Annex B – Casework Statistics

In these statistics, a **defendant** represents one person in a single set of proceedings, which may involve one or more charges. A set of proceedings usually relates to an incident or series of related incidents that are the subject of a police file. If a set of proceedings relates to more than one person then each is counted as a defendant. Sometimes one person is involved in several sets of proceedings during the same year: if so, he or she is counted as a defendant on each occasion.

The figures comprise defendants dealt with by the 42 Areas of the Service, but do not include the specialised casework handled by the central Casework Divisions. The central Casework Divisions, including prosecutions handled by the former Revenue and Customs Prosecutions Office, prosecuted 1,234 defendants in the period.

Table 1: Magistrates' courts: caseload

Table 1 shows the number of cases dealt with by the CPS in 2010-11 and in the two preceding years.

The number of defendants prosecuted by the CPS fell by 3.6% during the year. Several factors may affect this figure, including the number of arrests, the impact of the early involvement of prosecutors, the number of offences cleared up by the police, and the number of offenders cautioned by the police. The present fall in caseload may also be related to lower levels of recorded crime, and to the increased number of comparatively minor offences now dealt with by way of a fixed penalty without CPS involvement.

	2008-09	2009-10	2010-11
Pre-charge decisions	532,427	477,522	466,611
Prosecuted by CPS	928,708	872,585	840,983
Out of court disposals	22,494	19,357	15,894
Other proceedings	3,812	3,302	2,501

Pre-charge decisions: in around one third of cases, Crown Prosecutors are responsible for deciding whether a person should be charged with a criminal offence and, if so, what that

offence should be in accordance with the Director's Guidelines. The figures shown here comprise all such decisions, regardless of whether the decision was to prosecute or not, and are inclusive of out of court disposals. Many pre-charge decisions will have been made in cases subsequently prosecuted by the CPS.

Prosecuted by the CPS: this figure comprises all defendants charged or summonsed whose case was completed in magistrates' courts during the period, including those proceeding to a trial or guilty plea, those discontinued, and those which could not proceed. Cases committed or sent for trial in the Crown Court are not included in magistrates' caseload data. Further information on the type of finalisations is shown at Table 3.

Out of court disposals a simple caution, conditional caution, reprimand, final warning or TIC (taken into consideration) issued by the CPS at pre-charge stage.

Other proceedings: non-criminal matters, such as forfeiture proceedings under the Obscene Publications Acts.

Counting rules for the presentation of case volumes and outcomes were amended with effect from April 2007. Cases involving mixed pleas of guilty to some charges while other charges proceeded to contest were formerly double counted, but are now treated as a single defendant case. Historical figures in the present report have been adjusted in accordance with the revised rules, giving a consistent run of figures.

Table 2: Magistrates' courts: types of cases

Table 2 shows the different types of cases dealt with by the CPS in magistrates' courts.

They are:

Summary: cases which can be tried only in the magistrates' courts.

Indictable only/either way: indictable only cases can be tried only in the Crown Court, but either way cases may be tried either in magistrates' courts or in the Crown Court.

	2008-09	%	2009-10	%	2010-11	%
Summary	602,180	58.2	565,572	57.3	523,556	54.9
Indictable only/ either way	432,293	41.8	421,321	42.7	429,592	45.1
Total	1,034,473		986,893		953,148	

The above figures include cases committed or sent for trial in the Crown Court as well as those completed in magistrates' courts.

Table 3: Magistrates' courts: case outcomes

Table 3 shows the outcome of defendant cases completed during the year. These are cases where a decision has been made by the police or CPS to charge or summons. Cases may proceed to prosecution or be discontinued at any stage of the proceedings up to the start of trial.

Discontinuances: Consideration of the evidence and of the public interest may lead the CPS to discontinue proceedings at any time before the start of the trial. The figures include both cases discontinued in advance of the hearing and those withdrawn at court. Also included are cases in which the defendant was bound over to keep the peace.

Warrants etc: when the prosecution cannot proceed because the defendant has failed to appear at court and a Bench Warrant has been issued for his or her arrest; or the defendant has died; or where proceedings are adjourned indefinitely.

Discharges: committal proceedings in which the defendant is discharged.

Dismissals no case to answer: cases in which the defendant pleads not guilty and prosecution evidence is heard, but proceedings are dismissed by the magistrates without hearing the defence case.

Dismissals after trial: cases in which the defendant pleads not guilty and proceedings are dismissed by the magistrates after hearing the defence case – a not guilty verdict.

Proofs in absence: these are mostly minor motoring matters which are heard by the court in the absence of the defendant.

Guilty pleas: where the defendant pleads guilty.

Convictions after trial: cases in which the defendant pleads not guilty but is convicted after the evidence is heard.

	2008-09	%	2009-10	%	2010-11	%
Discontinuances (including bind overs)	80,661	8.7	78,901	9.0	80,911	9.6
Warrants etc	15,069	1.6	12,156	1.4	9,849	1.2
Discharges	1,984	0.2	2,252	0.3	1,690	0.2
Dismissals no case to answer	1,707	0.2	1,605	0.2	1,525	0.2
Dismissals after Trial	18,682	2.0	20,322	2.3	19,517	2.3
Proofs in absence	140,328	15.1	133,844	15.3	124,573	14.8
Guilty pleas	636,887	68.6	589,789	67.6	570,073	67.8
Convictions after trial	33,390	3.6	33,716	3.9	32,845	3.9
Total	928,708		872,585		840,983	

The rate of discontinuance rose slightly from 9.0% in 2009-10 to 9.6% in 2010-11.

Convictions rose from 76.5% in 2000-01 to 86.5% in 2010-11.

During 2010-11, a total of 7,653 defendants pleaded guilty to some charges, and were convicted after trial of other charges. To avoid double counting, and to ensure consistency with figures for previous years, the outcome for these defendants is shown as a guilty plea.

Table 4: Magistrates' courts: committals to the Crown Court

In addition to the above cases, which were completed in magistrates' courts, the following numbers of defendants were committed or sent for trial in the Crown Court:

	2008-09	2009-10	2010-11
committals for trial	105,790	114,341	112,185

Table 5: Crown Court caseload

Table 5 shows the number of defendants whose case was completed in the Crown Court:

Prosecuted by the CPS: This figure comprises all cases proceeding to trial or guilty plea in the Crown Court, together with those discontinued or dropped by the CPS after having been committed or sent for trial. The outcome of these proceedings is shown at Table 7.

appeals: defendants tried in magistrates' courts may appeal to the Crown Court against their conviction and/or sentence.

committals for sentence: some defendants tried and convicted by the magistrates are committed to the Crown Court for sentence, if the magistrates decide that greater punishment is needed than they can impose.

	2008-09	2009-10	2010-11
Prosecuted by the CPS	103,890	110,146	116,898
Appeals	13,898	14,221	13,961
Committals for sentence	21,509	18,920	19,857

The number of defendants prosecuted increased by 6.1% during 2010-11.

Counting rules for the presentation of case volumes and outcomes were amended with effect from April 2007. Cases involving mixed pleas of guilty to some charges while other charges proceeded to contest were formerly double counted, but are now treated as a single defendant case. Historical figures in the present report have been adjusted in accordance with the revised rules, giving a consistent run of figures.

Table 6: Crown Court: source of committals for trial

Magistrates' direction: these are either way proceedings which the magistrates thought were serious enough to call for trial in the Crown Court.

Defendants' elections: these are either way proceedings in which the defendant chose Crown Court trial.

Indictable only: these are more serious cases which can only be tried in the Crown Court.

	2008-09	%	2009-10	%	2010-11	%
Magistrates'						
Directions:	55,315	53.5	59,624	54.4	63,771	54.9
Defendants'						
Elections:	7,614	7.4	9,170	8.4	10,427	9.0

Indictable only:	40,493	39.2	40,754	37.2	42,019	36.3
Total:	103,422		109,548		116,217	

Table 7: Crown Court: case outcomes

Cases against defendants committed for trial in the Crown Court can be completed in several ways:

Judge ordered

acquittals: These are cases where problems are identified after a case is committed or sent to the Crown Court. The prosecution offers no evidence, and the judge orders a formal acquittal of the defendant. These include cases where an evidential deficiency has been identified, where the defendant has serious medical problems; or has already been dealt with for other offences; or when witnesses are missing. Cases sent to the Crown Court under s51 Crime and Disorder Act 1998 and subsequently discontinued are also included in this total. Also included are cases in which charges do not proceed to a trial, and the defendant is bound over to keep the peace.

Warrants etc: when the prosecution cannot proceed because the defendant fails to attend court and a Bench Warrant has been issued for his or her arrest; or the defendant has died; or is found unfit to plead. If the police trace a missing defendant, then proceedings can continue.

Judge

directed

acquittals: these are cases where, at the close of the prosecution case against the defendant, a successful submission of 'no case' or 'unsafe' is made on behalf of the defendant, and the judge directs an acquittal rather than allow the case to be determined by the Jury.

Acquittals

after trial: when the defendant pleads not guilty and, following a trial, is acquitted by the jury.

Guilty pleas: where the defendant pleads guilty.

Convictions

after trial: cases in which the defendant pleads not guilty but, following a trial, is convicted by the jury.

	2008-09	%	2009-10	%	2010-11	%
judge ordered acquittals (including bind overs)	12,198	11.7	12,930	11.7	14,958	12.8
warrants etc	999	1.0	980	0.9	923	0.8
judge directed acquittals	990	1.0	1,048	1.0	1,101	0.9
acquittals after trial	5,703	5.5	6,316	5.7	6,810	5.8
guilty pleas	76,049	73.2	81,000	73.5	84,742	72.5
convictions after trial	7,951	7.7	7,872	7.2	8,364	7.2
Total	103,890		110,146		116,898	

Convictions rose from 74.4% in 2000-01 to 79.7% in 2010-11.

During 2010-11, a total of 2,296 defendants pleaded guilty to some charges, and were convicted after trial of other charges. To avoid double counting, and to ensure consistency with figures for previous years, the outcome for these defendants is shown as a guilty plea.

Agent Usage

The proportion of half day sessions in magistrates' courts covered by lawyers in private practice acting as agents in 2010-11 was 9.7% compared with 14.9% in 2009-10.

Annex C - Instructions Issued by the Director of Public Prosecutions to Associate Prosecutors of the Crown Prosecution Service Pursuant to Section 7A of the Prosecution of Offences Act 1985 as Amended

1. Introduction

- 1.1 These instructions are issued by the Director of Public Prosecutions pursuant to sections 7A (3) and (4) of the Prosecution of Offences Act 1985 (the Act) which apply generally to CPS non-legal employees designated by the Director in accordance with section 7A (1) of the Act.
- 1.2 They will take effect on the 4 October 2010.
- 1.3 A non-legal employee designated in accordance with section 7A (1) will be referred to in these instructions as an Associate Prosecutor (AP).
- 1.4 These instructions apply whether an AP has been designated prior to the date specified in paragraph 1.2, upon that date, or subsequently.
- 1.5 Upon these instructions taking effect in accordance with paragraph 1.1, all previous instructions issued to APs pursuant to section 7A(3) and (4) of the Act, and set out in the appropriate Annex of the Director's annual report to the Attorney General in accordance with section 7A (7)(c) of the Act, will cease to have effect.
- 1.6 The Director may from time to time issue guidance to Chief Crown Prosecutors on the implementation of these instructions, and dealing with related matters including procedures for supervision of APs and training requirements relevant to certain duties.
- 1.7 Nothing in these instructions prevents an AP from reminding a court of its duties and powers in relation to any proceedings (including sentencing).

2. The Statutory powers under section 7A

2.1 Subject to any exceptions or limitations contained within these instructions, Section 7A, as amended, confers on APs the powers and rights of audience of a Crown Prosecutor in relation to:

- (i) bail applications;
- (ii) The conduct of criminal proceedings in the magistrates' courts (including the youth court) other than trials of either way offences tried summarily or offences punishable with a term of imprisonment;
- (iii) The conduct of applications or other proceedings relating to preventative civil orders;
- (iv) The conduct of proceedings (other than criminal proceedings) in connection with the discharge of the functions assigned to the Director by the Attorney General; and
- (v) Any other powers of a Crown Prosecutor not involving the exercise of rights of audience in relation to the conduct of proceedings falling within (ii), (iii) and (iv) above.

2.2 Section 7A does not give APs power to institute or commence criminal proceedings.

3. Powers and rights of audience

3.1 Subject to the exceptions or limitations specified in Schedules 1 to 5 and completion of the approved AP training, all APs will exercise the statutory powers under section 7A.

Bail applications (paragraph 2.1 (i) above)

3.2 Bail applications include a defendant's application for bail, or application in relation to bail (including proceedings for breach and variation) in the Crown Court or the magistrates' court, subject to the exceptions listed in Schedule 1.

Conduct of criminal proceedings (paragraph 2.1 (ii) above)

- 3.3 The powers and rights of audience in relation to the conduct of criminal proceedings relate to all stages of the proceedings in magistrates' courts after a person has been charged. However the power to conduct trials is restricted to trials of non-imprisonable summary offences.
- 3.4 In applying these instructions a 'trial' is defined in section 7A (5A) of the Act as beginning *with the opening of the prosecution case after a not guilty plea and ends with the conviction or acquittal of the accused*.
- 3.5 APs exercise these powers and rights of audience on the instructions of a Crown Prosecutor and do not have a power of review under the Code for Crown Prosecutors for this purpose, except in accordance with paragraph 3.14 below.
- 3.6 APs are not designated to exercise the powers and rights of audience of Crown Prosecutors in the magistrates' court, (including the youth court), in relation to the proceedings specified in Schedule 2.

Preventative Civil Orders (paragraph 2.1 (iii) above)

- 3.7 APs are designated to conduct applications or other proceedings relating to those Preventative Civil Orders (PCOs) set out in paragraph 3.8 below. The conduct of proceedings that APs may undertake varies according to the legislative requirements of the particular PCO. This gives APs, where the legislation applies, authority to conduct an application for an order, or adduce further evidence, or apply for the variation or discharge of an order.
- 3.8 PCOs relate only to the following:
- (i) Anti-Social Behaviour Order – the conduct of applications for orders made after a verdict or finding; variation and discharge of such orders.
 - (ii) Football Banning Order – the conduct of applications on complaint or after a verdict or finding; to adduce and lead further

evidence where appropriate; and to appeal against the refusal of a court to impose such an order.

- (iii) Drinking Banning Order (to come into force on a day to be appointed) – the conduct of applications for orders made after a verdict or finding; variation and discharge of such orders.
- (iv) Parenting Orders – a duty to assist the court on request.
- (v) Restraining Orders – in relation to orders made after a verdict or finding to adduce and lead further evidence; and to apply for a variation or discharge of such an order. In relation to orders on acquittal to adduce and lead further evidence; and to apply for a variation or discharge of such an order.

3.9 A breach of a PCO is a criminal offence. Each PCO carries a different penalty. APs have power to deal with breaches subject to Schedule 2 and 4 below.

3.10 APs shall only exercise the powers and rights of audience as specified in Schedule 3.

**Functions assigned by the Attorney General to the Director
(paragraph 2.1 (iv) above)**

3.11 The Attorney General has assigned to the Director the following functions:

- (i) applications for warrants of further detention under section 43(1) of the Police and Criminal Evidence Act 1984 and their extension under section 44 of that Act;
- (ii) applications by other countries for extradition of persons in the UK;
- (iii) conduct of proceedings relating to case stated and Habeas Corpus;
- (iv) conduct of proceedings under section 2 of the Dogs Act 1871 instituted by a police force (dangerous dogs that may be destroyed); and

- (v) applications for removal of driving disqualifications under section 42 Road Traffic Offenders Act 1988.

3.12 APs are designated to conduct proceedings only in relation to paragraphs 3.11 (iv) and (v) above, (proceedings under section 2 of the Dogs Act 1871 and those under section 42 of the Road Traffic Offenders Act 1988).

Powers not involving rights of audience (paragraph 2.1 (v) above)

3.13 The powers of a Crown Prosecutor that do not involve rights of audience relate to all other criminal proceedings conducted in the magistrates' court.

3.14 APs shall only review magistrates' court cases which are straightforward and which involve no difficult technical issues, or other complication of fact or law. Consistent with that principle, the power to review and determine such proceedings shall only be exercised in accordance with Schedule 4.

Schedule 1

Otherwise than as provided for in Schedule 6 APs are not designated to conduct bail applications (including any variations, breaches and appeals) in the following matters.

1. Bail applications in the Crown Court.
2. Bail applications in youth courts.
3. Bail applications in relation to youths charged with an adult in the magistrates' court or a youth appearing alone in the magistrates' court.

Schedule 2

Otherwise than as provided for in Schedule 5 APs are not currently designated to exercise the powers and rights of audience of Crown Prosecutors in the magistrates' court (including the youth court) for the following proceedings.

1. Trials relating to summary only non-imprisonable offences. Summary trials relating to either way offences and those punishable with a term of imprisonment are excluded from section 7A of the Act.
2. Post conviction hearings commonly known as 'Newton Hearings'.
3. Hearings in relation to committal proceedings where there is consideration of the evidence (section 6(1) of the Magistrates' Courts Act 1980).
4. Matters that involve obligatory driving disqualification where evidence will be called in respect of 'special reasons' as to why the court should not impose disqualification.

Schedule 3

APs shall only exercise the powers and rights of audience of Crown Prosecutors in relation to Preventative Civil Orders in the following circumstances.

APs shall only conduct proceedings for PCOs where the conditions in (i) and (ii) both apply. The conditions are:

- (i) Instructions have been given by a Crown Prosecutor in relation to the application, variation, or discharge or in adducing or leading further evidence, where applicable: and
- (ii) The proceedings are not contested.

Schedule 4

APs shall only exercise the powers of a Crown Prosecutor (including the power to review and determine criminal proceedings) in the following circumstances.

1. To review summary or either way offences only where:
 - the defendant is an adult; and
 - the matter is summary-only or considered to be suitable for summary disposal; and
 - a guilty plea is reasonably expected; or
 - (if otherwise) the offence is a minor road traffic offence, provided the defendant is not a youth.

A guilty plea may reasonably be expected where:

- a. The suspect has made a clear and unambiguous admission to the offence to be proved and has said nothing that could be used as a possible defence,

Or

- b. Though the suspect has made no admission in interview⁵, the commission of the offence and the identification of the offender can be established by good quality evidence (e.g. of a police

⁵ Either because he made no comment, or because he was not interviewed at all, but has not at any time denied the offence or otherwise indicated that the charge will be contested at court.

officer or another reliable independent witness) or the suspect can be seen clearly committing the offence on a good quality visual recording.

2. To amend a charge or summons where the amendment is minor, for example:
 - An error as to the value of any property;
 - The date upon which an offence took place;
 - The venue for the offence;
 - The description of any relevant object.

3. To withdraw a charge or summons where:
 - a road traffic offence involves the production of documents by the defendant (otherwise than in specified proceedings), and the defendant has produced the relevant documents to the court's Police Liaison Officer or other police officer; and
 - the AP is satisfied that the charge or summons is no longer sustainable.

Schedule 5

1. The following provisions of these instructions do not apply to those members of staff designated under Section 7A (1) of the Prosecution of Offences Act 1985 who have been appointed as Level 2 Associate Prosecutors:
 - i Schedule 2, paragraph 1 (Trials relating to summary only non-imprisonable offences).
 - ii Schedule 2, paragraph 2 (Newton Hearings in relation to summary only non-imprisonable offences only).
 - iii Schedule 2, paragraph 4 ('special reasons hearings').
 - iv Schedule 3, paragraph (ii) (thus allowing Level 2 Associate Prosecutors to conduct contested PCOs).

2. Level 2 Associate Prosecutors will be able to exercise the powers contained in Schedule 4 (2) and (3) to amend a charge or summons, or

to withdraw a road traffic offence requiring the production of documents during the course of a trial.

3. Level 2 Associate Prosecutors have the following additional powers also exercisable during the course of prosecuting a trial:
 - i. To withdraw or offer no evidence or no further evidence in relation to any charge where:
 - They form the opinion that there is no longer sufficient evidence to support the charge and the trial will continue in relation to other charge(s) which are before the court

Schedule 6

The following provisions of these instructions do not apply to those members of staff designated under Section 7A (1) of the Prosecution of Offences Act 1985 who have undertaken specialist youth training and are prosecuting in one of the following courts: Leeds, Wakefield, Pontefract, Dewsbury, Bradford, Huddersfield, Calder, Bingley, Oxford, Banbury, Didcot, Witney, Bicester, Milton Keynes, High Wycombe, Aylesbury, Reading, Newbury, Maidenhead, Slough, Bracknell, Hemel Hempstead, St Albans, Hertford, Stevenage, Watford, Hatfield, Bedford and Luton.

- i. Schedule 1, paragraph 2 (bail applications in youth courts).
- ii. Schedule 1, paragraph 3 (Bail applications in relation to youths charged with an adult in the magistrates' court or a youth appearing alone in the magistrates' court).

Annex D - Associate Prosecutors Training and Selection

Criteria for designation

All persons designated under section 7A (1) of the Prosecution of Offences Act 1985 are generally known as Associate Prosecutors (APs).

All persons are selected for the AP role through fair and open competition or appointed in accordance with published CPS policy on "Staff movements within the CPS, including retirement, redundancy, promotion and transfer".

In order to be designated as an AP all persons must meet the criteria and satisfy the personal competencies for the role. These competencies include having experience of casework within the criminal justice system or of lay presentation, and having a working knowledge of criminal law and its application, magistrates' courts procedure and the criminal justice system.

Training

All prospective APs undertake an internal training programme which involves assimilating a comprehensive resource pack through distance learning and attending both a foundation course (legal principles) and a separate advocacy course, unless by virtue of their being a practising Crown Prosecutor immediately prior to re-grading as an AP, it is determined that they already possess the knowledge and experience necessary to exercise the designated powers.

The training equips the applicant with the knowledge and advocacy skills to undertake a review and presentational role in the magistrates' courts in accordance with the Instructions issued by the Director, under section 7A (3) and (4) of the Prosecution of Offences Act 1985. Applicants attending this training will only be designated as an AP where they have passed an independent assessment of competence at its conclusion. After successfully completing the advocacy course, APs have to complete a face-to-face training

course dealing with bail applications. It is recommended that this is completed no longer than three to four months after the Advocacy assessment.

APs also have access to the CPS e-learning modules to further enhance their knowledge. These include Acceptance of Pleas, Criminal Procedure Rules, Assault Sentencing Guidelines and Custody Time Limits,

APs selected to prosecute trials in summary only non-imprisonable offences, and other contested cases, are known as Level 2 Associate Prosecutors (AP2s). AP2s undertake an intensive additional training programme, unless by virtue of their being a practising Crown Prosecutor prior to re-grading as an AP2, it is determined that they already possess the knowledge and experience necessary to perform that role.

The additional AP2 training involves the study of e-learning modules, observation of experienced advocates in trials and other contested hearings, attending a five day course on the underpinning knowledge and skills required for the role and a further five day practical advocacy course.

All prospective AP2s who attend this training must pass an independent assessment of competence at the end of the second five day course before they are permitted to deal with the summary trials and other contested hearings as set out in the Director's Instructions.

Continuing professional development

All APs must complete 16 hours of continuing professional development training per year.

Annex E - Director's Guidance

During the period of this report, the Director of Public Prosecutions has issued guidance under Section 37A of the Police and Criminal Evidence Act 1984 as follows:

- The Director's Guidance on Charging (Fourth Edition) with effect from January 2011.

Annex F - Common Core Tables

Common Core Tables

	Title	Description	Period Covered
Table 1	Total Departmental Spending	A summary of the department's total expenditure by Treasury budgetary control total and expenditure type	2006-07 to 2014-15
Table 2	Spending Controls	Current year expenditure against initial and final budgetary provision	2006-07 to 2014-15
Table 3	Capital Employed	Capital employed by the department in meeting its objectives	2006-07 to 2014-15
Table 4	Administration Budget	Administrative expenditure related to the running of the department	2006-07 to 2014-15
Table 5	Staff in Post	Average staffing numbers for the department	2008-09 to 2014-15
Table 6	Total Spending by Country and Region	Analysis of spending in each UK country and nine regions of England	2005-06 to 2010-11
Table 7	Total Spending per Head by Country and Region	Analysis of spending per head of population in each UK country and nine regions of England	2005-06 to 2010-11

Table 1: Total departmental spending

	2006-07	2007-08	2008-09	2009-10	2010-11 Projected outturn	2011-12 Plans	2012-13 Plans	2013-14 Plans	2014-15 Plans	£'000
Total Resource Budget	645,972	662,920	664,943	676,455	613,511	621,033	592,597	565,734	526,315	
Of which:										
Depreciation ²	4,679	5,463	5,623	7,384	4,947	9,200	8,900	6,400	3,800	
Capital DEL										
Section B: Crown Prosecutions and Legal Services	4,761	4,134	5,506	6,112	3,032	2,620	2,700	2,260	3,280	
Total Capital DEL	4,761	4,134	5,506	6,112	3,032	2,620	2,700	2,260	3,280	
Of which:										
Net capital procurement ⁴	4,761	4,134	5,506	6,112	3,032	2,620	2,700	2,260	3,280	
Capital grants to the private sector and abroad	-	-	-	-	-	-	-	-	-	
Capital support for local government	-	-	-	-	-	-	-	-	-	
Capital support for public corporations	-	-	-	-	-	-	-	-	-	
Other	-	-	-	-	-	-	-	-	-	
Capital AME										

Table 1: Total departmental spending

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Outturn	Outturn	Outturn	Outturn	Projected outturn	Plans	Plans	Plans	Plans
Total Capital AME	-	-	-	-	-	-	-	-	-
Of which:									
Capital grants to the private sector and abroad	-	-	-	-	-	-	-	-	-
Net lending to the private sector and abroad	-	-	-	-	-	-	-	-	-
Capital support for public corporations	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-
Total Capital Budget	4,761	4,134	5,506	6,112	3,032	2,620	2,700	2,260	3,280
Total departmental spending⁵	646,054	661,591	664,826	675,183	611,596	614,453	586,397	561,594	525,795

of which:

Total DEL	644,767	650,934	652,590	657,930	620,643	606,860	577,926	555,502	520,531
Total AME	1,287	10,657	12,236	17,253	-9,047	7,593	8,471	6,092	5,264

1. Net of income from sales of goods and services
2. Includes impairments
3. Pension schemes report under FRS 17 accounting requirements. These figures therefore include cash payments made and contributions received, as well as certain non-cash items
4. Expenditure on tangible and intangible fixed assets net of sales

5. Total departmental spending is the sum of the resource budget and the capital budget less depreciation. Similarly, total DEL is the sum of the resource budget DEL and capital budget DEL less depreciation in DEL, and total AME is the sum of resource budget AME and capital budget AME less depreciation in AME
6. These figures are not subject to audit by the NAO.

Table 2: Spending Control

	£'000		
	2010-11	2010-11	2010-11
	Initial Budgetary Limit	Final Budgetary Limit	Projected outturn
Resource DEL			
Section A: Administration Costs in headquarters and on Central Services	48,003	48,003	39,242
Section B: Crown Prosecutions and Legal Services	583,522	588,380	569,950
Use of Provisions	1,673	5,000	6,705
Total Resource DEL	633,198	641,383	615,897
Of which:			
Pay	361,893	373,405	379,005
Net current procurement ¹	266,154	262,827	232,958
Current grants and subsidies to the private sector and abroad	-	-	-
Current grants to local government	-	-	-
Depreciation ²	5,056	5,056	4,557
Other	95	95	93
Resource AME			
Section C: CPS voted AME Charges	962	4,000	-9,047
Total Resource AME	962	4,000	-9,047
Of which:			
Pay	-	-	-2,938
Net current procurement ¹	-	-	-
Current grants and subsidies to the private sector and abroad	-	-	-
Current grants to local government	-	-	-
Net public service pensions ³	-	-	-
Take up of provisions	2,635	6,000	-2,078
Release of provisions	-1,673	-5,000	-6,705
Depreciation ²	-	-	-
Other	-	3,000	2,674
Total Resource Budget	634,160	645,383	606,850
Of which:			
Depreciation ²	5,056	5,056	4,557
Capital DEL			

Table 2: Spending Control

	£'000		
	2010-11	2010-11	2010-11
	Initial Budgetary Limit	Final Budgetary Limit	Projected outturn
Section B: Crown Prosecutions and Legal Services	5,100	5,100	3,032
Total Capital DEL	5,100	5,100	3,032
Of which:			
Net capital procurement ⁴	5,100	5,100	3,032
Capital grants to the private sector and abroad	-	-	-
Capital support for local government	-	-	-
Capital support for public corporations	-	-	-
Other	-	-	-
Capital AME			
Total Capital AME	-	-	-
Of which:			
Capital grants to the private sector and abroad	-	-	-
Net lending to the private sector and abroad	-	-	-
Capital support for public corporations	-	-	-
Other	-	-	-
Total Capital Budget	5,100	5,100	3,032
Total departmental spending⁵	634,204	645,427	605,325
of which:			
Total DEL	633,242	641,427	614,372
Total AME	962	4,000	-9,047

1. Net of income from sales of goods and services

2. Includes impairments

3. Pension schemes report under FRS 17 accounting requirements. These figures therefore include cash payments made and contributions received, as well as certain non-cash items

4. Expenditure on tangible and intangible fixed assets net of sales

5. Total departmental spending is the sum of the resource budget and the capital budget less depreciation. Similarly, total DEL is the sum of the resource budget DEL and capital budget DEL less depreciation in DEL, and total AME is the sum of resource budget AME and capital budget AME less depreciation in AME

6. These figures are not subject to audit by the NAO.

Table 3: Capital Employed

	2006-07 Outturn	2007-08 Outturn	2008-09 Outturn	2009-10 Outturn	2010-11 Projected Outturn	2011-12 Plans	2012-13 Plans	2013-14 Plans	2014-15 Plans
Assets and liabilities on the statement of financial position at end of year:									
Assets									
Non-current assets									
Intangible	860	27,428	24,594	19,761	15,675	12,000	9,000	6,000	3,000
Property Plant and Equipment	27,753	47,002	41,798	45,907	36,234	32,500	30,000	27,500	25,000
of which:									
Land and buildings	6,111	5,896	4,307	5,065	4,884	4,500	4,000	3,500	3,000
Plant and machinery	21,642	22,218	37,491	40,842	31,348	28,000	26,000	24,000	22,000
Investments	-	-	-	-	-	-	-	-	-
Current assets	69,672	83,074	60,853	83,629	71,953	75,000	75,000	75,000	75,000
Liabilities									
Current (<1 year)	-67,321	-111,758	-93,679	-120,046	-94,655	-100,000	-100,000	-100,000	-100,000
Non Current (>1 year)									
Provisions	-9,419	-8,114	-11,612	-15,825	-7,470	-6,000	-5,000	-4,000	-3,000

Table 3: Capital Employed

	2006-07		2007-08		2008-09		2009-10		2010-11		2011-12		2012-13		2013-14		2014-15	
	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Outturn	Projected	Outturn	Plans	Plans	Plans	Plans	Plans	Plans	Plans	Plans
Capital employed within main department	21,545	-2,906	-17,907	-23,387	-7,859	-12,500	-14,000	-15,500	-17,000	-	-	-	-	-	-	-	-	-
NDPB net assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total capital employed in departmental group	21,545	-2,906	-17,907	-23,387	-7,859	-12,500	-14,000	-15,500	-17,000	-	-	-	-	-	-	-	-	-

1. These figures are not subject to audit by the NAO.

Table 4: Administration budget

	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15
	Outturn	Outturn	Outturn	Outturn	Projected outturn	Plans	Plans	Plans	Plans
Section A: Administration Costs in headquarters and on Central Services	51,437	52,395	51,763	54,175	39,184	42,574	40,499	37,726	32,996
Total administration budget	51,437	52,395	51,763	54,175	39,184	42,574	40,499	37,726	32,996
Of which:									
Paybill	24,880	25,230	25,897	25,280	23,961	21,468	20,529	18,887	12,761
Expenditure	51,750	54,045	53,584	56,220	46,314	43,374	41,099	38,326	33,596
Income	-313	-1,650	-1,821	-2,045	-7,130	-800	-600	-600	-600

1. These figures are not subject to audit by the NAO.

Table 5: Staff In Post

	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Plans	2012-13 Plans	2013-14 Plans	2014-15 Plans
Crown Prosecution Service:							
Civil Service FTEs	8,554	8,390	7,978	7,350	6,900	6,540	6,260
Other	201	172	116	50	40	30	20
Total	8,755	8,562	8,094	7,400	6,940	6,570	6,280

1. These figures are not subject to audit by the NAO.

Table 6: Total identifiable expenditure on services by country and region

	National Statistics						£ million
	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans	
North East	33	33	34	33	33	33	33
North West	96	99	100	95	93	95	95
Yorkshire and the Humber	57	57	56	58	62	57	57
East Midlands	43	41	43	44	43	42	42
West Midlands	65	66	67	67	63	59	59
East	48	50	54	51	52	50	50
London	140	145	142	149	152	146	146
South East	74	76	80	82	80	80	80
South West	41	41	41	41	40	40	40
Total England	597	608	616	619	619	602	602
Scotland	0	0	0	0	0	0	0
Wales	35	37	37	37	37	35	35
Northern Ireland	0	0	0	0	0	0	0
UK identifiable expenditure	633	645	654	656	656	637	637
Outside UK	0	0	0	0	0	0	0
Total identifiable expenditure	633	645	654	656	656	637	637
Non-identifiable expenditure	0	0	0	0	0	5	5
Total expenditure on services	633	645	654	656	656	641	641

1. These figures are not subject to audit by the NAO.

Table 7: Total identifiable expenditure on services by country and region

	National Statistics					£ per head
	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 plans
North East	13	13	13	13	13	13
North West	14	14	15	14	14	14
Yorkshire and the Humber	11	11	11	11	12	11
East Midlands	10	9	10	10	10	9
West Midlands	12	12	12	12	12	11
East	9	9	10	9	9	9
London	19	19	19	20	20	19
South East	9	9	10	10	10	9
South West	8	8	8	8	8	8
England	12	12	12	12	12	12
Scotland	0	0	0	0	0	0
Wales	12	12	12	12	12	12
Northern Ireland	0	0	0	0	0	0
UK identifiable expenditure	11	11	11	11	11	10

1. These figures are not subject to audit by the NAO.

Annex G - PAC Recommendations

The CPS has no outstanding PAC recommendations.

Annex H - Complaints to the Parliamentary Ombudsman

The CPS was not the subject of any complaints to the Parliamentary Ombudsman during the reporting period.

Annex I - CPS Area/Police Force Boundary Map



Annex J – Glossary

ABM	Area Business Manager
ACPO	Association of Chief Police Officers
AGO	Attorney General's Office
CA	Crown Advocate
CCP	Chief Crown Prosecutor
CJS	Criminal Justice System
Code for Crown Prosecutors	Sets out the principles the CPS applies when carrying out its work
CPS	Crown Prosecution Service
CQS	Core Quality Standards
DPP	Director of Public Prosecutions
DV	Domestic Violence
FreM	Financial Reporting Manual
GFS	Graduated Fee Scheme
HMCPsi	Her Majesty's Crown Prosecution Service Inspectorate
HMCS	Her Majesty's Court Service
HMIC	Her Majesty's Inspectorate of Constabulary
HMICA	Her Majesty's Inspectorate of Court Administration
HMRC	Her Majesty's Revenue & Customs
HQ	Headquarters
MoJ	Ministry of Justice
NAO	National Audit Office
NED	Non-executive Director
OBM	Optimum Business Model

QC	Queen's Counsel
RCPO	Revenue and Customs Prosecutions Office
SOCA	Serious & Organised Crime Agency
T3	Transforming Through Technology (T3)
UKBA	UK Border Agency
VAW	Violence Against Women



information & publishing solutions

Published by TSO (The Stationery Office) and available from:

Online

www.tsoshop.co.uk

Mail, Telephone, Fax & E-mail

TSO

PO Box 29, Norwich, NR3 1GN

Telephone orders/General enquiries: 0870 600 5522

Order through the Parliamentary Hotline Lo-Call 0845 7 023474

Fax orders: 0870 600 5533

E-mail: customer.services@tso.co.uk

Textphone: 0870 240 3701

The Parliamentary Bookshop

12 Bridge Street, Parliament Square

London SW1A 2JX

Telephone orders/General enquiries: 020 7219 3890

Fax orders: 020 7219 3866

Email: bookshop@parliament.uk

Internet: <http://www.bookshop.parliament.uk>

TSO@Blackwell and other Accredited Agents

Customers can also order publications from:

TSO Ireland

16 Arthur Street, Belfast BT1 4GD

Tel 028 9023 8451 Fax 028 9023 5401

ISBN 978-0-10-297466-9



9 780102 974669