

**Hampshire
Probation Trust**



Working together to reduce offending

Hampshire Probation Trust

**Annual Report and Accounts
2013–2014**

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

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Contents

Vision, Mission & Values of the Trust	2
Foreword: Introduction and Review 2013–14	3
1. Operational & Performance Review 2013–14	4
2. Management Commentary (incorporating the Strategic Report)	13
3. Remuneration Report	18
4. Statement of Accountable Officer’s Responsibilities	21
5. Governance Statement	22
6. The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament	28
7. Accounts	30
8. Sustainability Report	67
Glossary	73

Vision, Mission & Values of the Trust

Our vision, mission and values are drawn from Hampshire's Strategic Plan 2009–13.

Our Vision

The **vision** of Hampshire Probation Trust is to be a clear leader in providing probation services, inspiring public confidence in community sentences through the high professional standards of our staff.

We will strive to achieve excellent results and demonstrate quality and innovation in our work with victims, offenders and partner agencies.

Our Mission

Our **mission** is to protect the public, reduce re-offending, rehabilitate offenders and enforce the Orders of the Court.

Our Values

Hampshire Probation Trust holds the following values. These underpin our organisation, our work and our engagement with all our stakeholders.

- **A belief that everyone has the capacity to change**

We believe in everyone's capacity to change and in our ability to assist offenders to bring about change.

- **A culture of learning and continuous improvement**

We base our practice on 'what works' and on learning from others. We are committed to innovation and continuous improvement.

- **Valuing people and their differences**

Respect and fairness for everyone permeates all our activities. We recognise and value diversity, striving to ensure equity and equality in all our approaches.

- **Delivering standards and excellence**

We are accountable for meeting standards and when things go wrong for putting these right. We value the professionalism and integrity of our staff at all times, aiming for excellence in all that we do.

- **Open communication and collaboration**

Clear and responsive communication is important to Hampshire Probation Trust as is our commitment to collaboration with our partners and stakeholders to achieve our aims.

A commitment to equality underpins all the work of the Trust. The detail of how this is carried into practice is set out in the Equality Compliance and Objective Planning Scheme 2012–16. The scheme covers our 13 objectives for the period. Performance monitoring provides a review mechanism for this work.

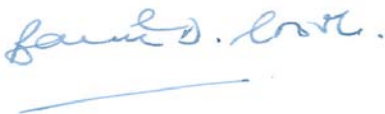
Foreword: Introduction and Review 2013–14

The year has been dominated by the Government's plans for "Transforming Rehabilitation". This programme signals the abolition of Probation Trusts, which will cease delivering services from 31st May 2014. As with any initiative of this magnitude and sensitivity, staff have experienced a great deal of change and uncertainty. Many managers have also taken on a significant additional workload to ensure that the Government's plans can be implemented in a timely and orderly way at local level.

It is therefore to the great credit of all staff that this has again been a successful year for Hampshire Probation Trust with a number of key achievements:

- An independent inspection of adult offending work by HM Inspectorate of Probation concluded that "the overall standard of work within the Trust was high."
- Hampshire became only the fifth Probation Trust to be awarded the Gold standard for Investors in People.
- Level 3 performance has been maintained within the Probation Trust Rating System (PTRS) with the Public Protection domain still rated level 4.
- Performance against the predicted level of reoffending has improved with the Trust overall reducing reoffending by 5.8% and Southampton Local Delivery Unit achieving the highest level of 15.40% which is a significant improvement.
- Integrated Offender Management schemes, jointly run by Probation, Police and community safety partners in conjunction with the Society of St James, have continued to make an impact upon reoffending rates. Over a 2 year period reoffending rates for the tracked group have reduced by 71%.
- The Trust has extended and increased contracts to provide Education, Training and Employment Services enhancing income by £53,000.
- Overall levels of income exceeded those projected by £166,000.
- LEAN service reviews were initiated and implemented during 2012/13, covering community orders, breach, complaints, expenses, programmes timeliness, electronic offender files and a MAPPA project. The implementation of the LEAN reviews has been tracked to measure efficiencies are achieved during 2013–14.
- The final phase of Skills for Effective, Engagement, Development and Supervision (SEEDS) was successfully rolled out to all staff.
- An improvement project has been completed focusing upon reducing reoffending and a number of the recommendations are built into the Business Plan for 2013–14.
- A development programme for all middle and operations managers commissioned during 2012–13 has continued in 2013–14.

A detailed account of performance against the strategic and operational objectives set in the last Business Plan can be found in the Operational & Performance Review section of the Annual Report.



Barrie Crook
Chief Executive Officer
16th June 2014

1. Operational & Performance Review 2013–14

1.1 Review of Strategic and Operational Objectives 2013–14

Strategic and Operational Objectives 2013–14

Aim 1: We will maintain excellent standards in Public Protection and Offender Management to enhance Hampshire’s status as a high performing Trust.

Strategic Project	Commentary
Implement the next phase of the Offender Engagement Programme – Skills for Effective Engagement. Development and Supervision (SEEDS).	SEEDS has been successfully rolled out across the Trust, supported by observations of practitioner’s practice, peer learning discussions and SPO Action Learning sets.
Implement the Quality Assurance Plan for Offender Management agreed with NOMS.	The Trust’s Implementation plan was rated ‘Excellent’ by NOMS. A review of the plan, which was due in December has been superseded by the TR Programme agenda. However, Quality Assurance activities have continued to be undertaken.

Aim 2: We will play a key role in enabling Community Safety Partnerships to reduce crime and the fear of crime.

Strategic Project	Commentary
Undertake a strategic review of Integrated Offender Management with key partners.	This has been completed in conjunction with Hampshire Police. The review has streamlined the existing cohorts into three: PPO, Statutory & Non-Statutory Resettlement, and a new Emerging Threat Offender. A standard approach to working with short-term custody cases has been established across agencies. Work is also underway to improve the performance framework.
Implement the key recommendations of the Reducing Re-offending Project Group.	
To work more intensively with 16–25 year olds using the ‘Good Life’ model.	A pilot project has been operational in the NE YOT since November 2013. Early findings are very positive. Also, across the whole Trust, the Youth Justice Board’s Youth to Adult Transition model has been implemented to improve the quality of the work between YOTs and the Trusts at the point of transfer.
To develop an ETE provision targeted at young adult offenders using young mentors.	This has not been taken forward.
Work with Hampshire Police to develop access to Police National Computer to gain up-to-date re-offending data.	Discussions with Hampshire Police indicate that this is not a viable option locally. Authority needs to be gained through national procedures. This has been raised with the Community Contract Manager who supports an application and is now being taken forward by NOMS.
Continue to work at an LDU level with the Troubled Families programmes.	Work has been embedded in each LDU who are working closely with the Troubled Families programme in each local authority.

Aim 3: We will reduce re-offending by commissioning high quality interventions delivered by our own staff and through our local partners.

Strategic Project	Commentary
To develop the Family Man project in other LDUs.	This is being considered within Hampshire LDU but not Portsmouth and Isle of Wight.
To extend provision for women offenders at Tier 2 and Tier 3.	This has been implemented using additional funding from NOMS.
To introduce Intensive Community Payback (ICP) for all new qualifying Orders.	ICP was implemented ahead of time. Monthly cohorts have been monitored since August 2013 which demonstrates that nearly 90% of offenders who qualify for ICP were instructed to work within the criteria. Attendance rates are broadly consistent with generic attendance rates of 67–69%. The monitoring to date indicates that ICP has been successfully implemented.
Re-align the portfolio of accredited programme delivery to take account of recent research findings and the higher profile of violent offending contained in the Hampshire caseload.	Given the structural changes to be undertaken as part of “Transforming Rehabilitation”, there will not be significant changes to programme delivery or other targets in the new commissioning round. Further detailed work is being undertaken to examine the reasons for the drop in IDAP completions.

Aim 4: We will build confidence in community sentences and the Criminal Justice System.

Strategic Project	Commentary
Implement a project to deliver Restorative Justice as part of an Order of the court.	Due to change expected on “Transforming Rehabilitation” this has been put on hold.
Share the findings of serious further offence reviews with victims in appropriate cases.	There has been one recent case and plans are in place to inform the victim.
Gather information to demonstrate the extent of voluntary work undertaken by staff within the Trust’s corporate social responsibility policy.	This is being monitored on a quarterly basis. The Board received a report on the Social Responsibility policy at the July meeting. Staff continue to support good causes in their own time.
Maintain briefings re: transition project to key stakeholders during 2013–14.	Two briefings have been undertaken in the summer and autumn. We held an MP briefing in Westminster in July and an Integrated Offender Management media event in November. The Criminal Justice Board has been briefed at every meeting.

Aim 5: We will prioritise the professional development of our staff, supporting them with effective management and strong leadership.

Strategic Project	Commentary
Complete the development programme for middle and operations managers.	360 feedback has been undertaken for the majority of managers. Further work has been undertaken to embed the findings into development objectives and the Trust training plan. The Trust continues to support a further group of managers to study for the ILM management qualification finishing in November as well as sending individuals on MIND and Prince2 training.
Complete the Investors in People assessment and retain the Silver level of recognition.	Exceeded – the Trust gained Gold level of recognition.

Strategic Project	Commentary
Deliver regular briefings/updates for staff in relation to: i) The latest research available in respect of desistance and reducing re-offending. ii) The transition programme.	Not yet taken forward. Four rounds of briefings have been undertaken during this business year. We also ran 'Looking Ahead' workshop events for all staff in each LDU. A set of three 'Change Management' Programmes were also attended by all middle managers. Monthly Chief Executive bulletins are circulated as well as fortnightly information bulletins.

Aim 6: We will be a Trust which is financially stable and sustainable, seeking realistic efficiencies which can be reinvested in front-line services.

Strategic Project	Commentary
Ensure the effective implementation of n-Delius and OASys-r.	Implementation was completed successfully, but there have been continuing issues to resolve in respect of the impact of nDelius upon a small number of performance measures.
Complete and realise savings from all current LEAN projects.	Good progress is being made on all projects and a full cost benefit analysis of the lean projects has been taken to the Board for review on a bi-annual basis.
Continue to improve and make use of data in Preview to support the transition programme.	Completed. Information from the latest Preview was integrated into the Trust Resource Model in preparation for separation of the caseload and the assignment of staff to the new organisations.

Aim 7: We will implement a strategy for growth to develop the Trust as a business.

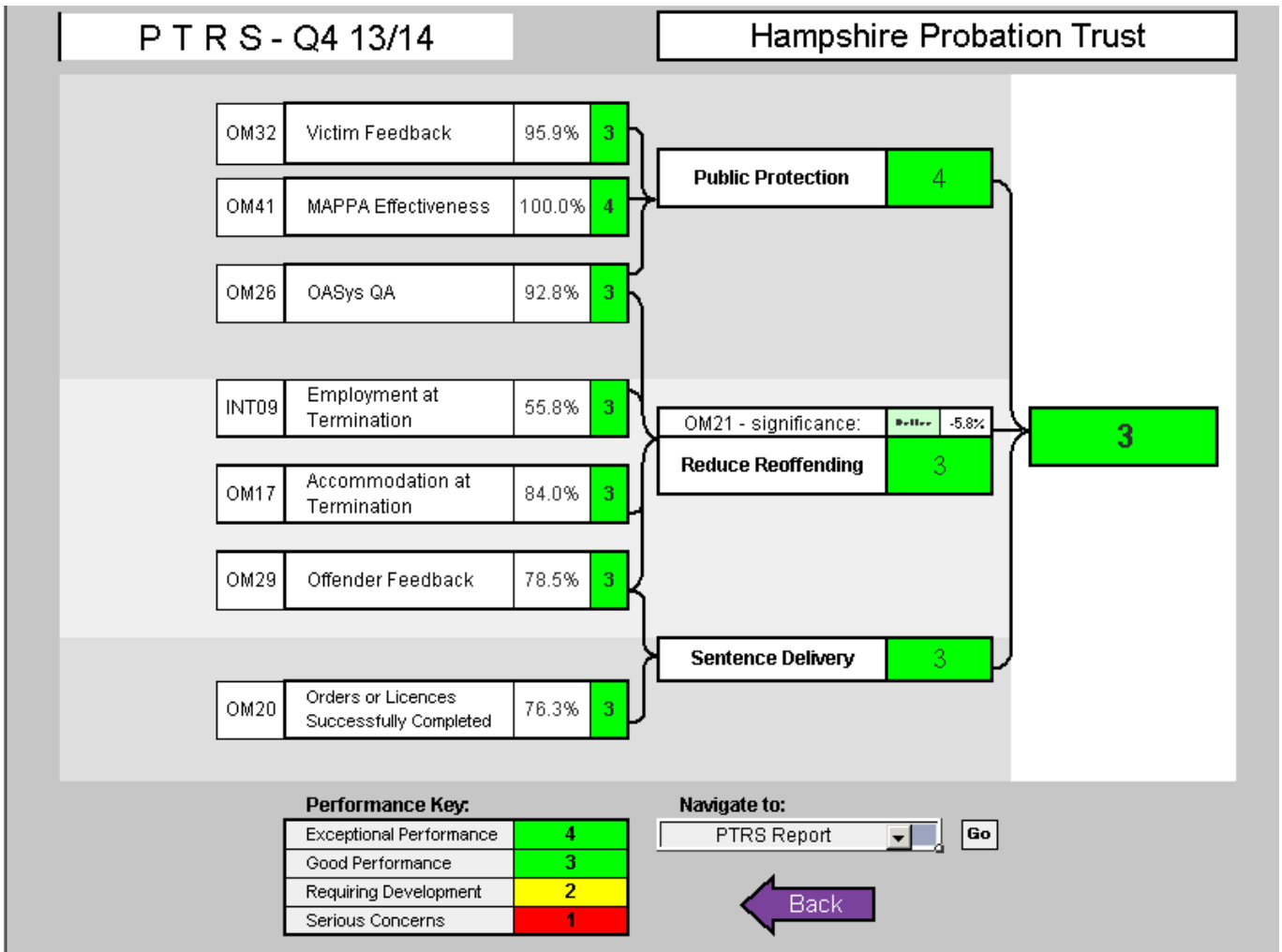
Strategic Project	Commentary
Establish a Transition Team to implement a programme of change in respect of: <ul style="list-style-type: none"> • The transition of work to a public sector body. • The creation of a new organisational model to successfully bid for work that is subject to competition. 	The Trust Transition Team, and SMT, have achieved TR Programme's milestones as required to ensure a smooth transition to the new National Probation Service and Community Rehabilitation Company. A project team has worked to bid within the "Transforming Rehabilitation" tender process with a partner. The joint venture successfully negotiated the first stage, the Invitation To Tender. However, subsequently the lead partner withdrew from the competition.

1.2 Probation Trust Rating Scheme (PTRS)

Achievements by Trust in 2013–14

During 2013–14 the Trust was measured by the Probation Trust Rating Scheme (PTRS). The performance rating for Q4 2013/14 was level 3 with a level 4 rating in Public Protection and 3 for the other domains. Performance against the predicted level of reoffending has improved with the Trust reducing reoffending by 5.8% which is a significant improvement.

Below is Hampshire's Provisional 2013–14 Q4 PTRS:



1.3 Workload and Activity Statistics

Workload and activity figures have been taken from nDelius and reflect 2013–14 as at 31 March 2014.

Caseload of Sentences

Order/Licence	Mar-10	Mar-11	Mar-12	Mar-13	Mar-14
Add Hours – Breach of CP or Att Centre	10	3	0	0	0
Automatic Conditional Release	209	154	119	105	0
C&YP Act 1969 Supervision Order	10	10	8	0	2
CJA Adult Custody	1,402	1,501	1,505	1,581	1,543
CJA Community Order	3,085	2,953	2,470	2,185	2,096
CJA Deferred Sentence	0	3	0	0	1
CJA Extended Sentence	117	99	80	83	71
CJA Indeterminate Public Protection	174	190	193	202	193
CJA Suspended Sentence	1,036	1,094	1,030	978	950
Comm Pun/Rehab Order – Punish	20	9	4	0	0
Comm Pun/Rehab Order – Rehab	21	6	3	3	0
Community Punishment Order	47	15	6	8	0
Community Rehabilitation Order	32	11	9	2	0
Custody Extended Supn Sex	36	29	20	18	0
Custody Extended Supn Violence	9	6	3	3	2
Custody Plus	5	3	4	4	3
Detained S53(2)	7	7	7	6	0
Detention and Training Order	4	5	2	2	0
Detention Centre	51	21	7	4	0
Discretionary Conditional Release	13	9	4	4	0
Drug Treatment and Testing Order	0	0	0	1	0
DTTO – Lite	0	0	0	0	0
Extended Supervision (Sex Offenders)	7	6	4	2	9
Imprisonment – no contact	1	3	1	2	0
Life Imprisonment/detention S53(1)	224	231	226	235	227
Parole	1	1	1	1	0
Psychiatric Hospital	4	4	4	4	2
Suspended Sentence Supervision Order	3	1	1	0	2
Unconditional Automatic Release	1	1	27	57	0
Youth Custody <= 12 months	141	147	111	102	31
Youth Custody; 12 months +	218	251	223	205	139
Youth Rehabilitation Order	6	55	74	0	33
Adult Custody 12m plus	0	0	0	0	65
Conc/Consec Adult Custody <12m	0	0	0	0	1
Extended Determinate Sentence	0	0	0	0	28
Extended Sentence (pre-Oct92)	0	0	0	0	11
Life imprisonment (Youth)	0	0	0	0	14
Non-Stat IOM	0	0	0	0	22
CJA – Trans Custody – Youth	0	0	0	0	2
CP component of CPRO	0	0	0	0	3
ICMS Miscellaneous Event	0	0	0	0	1
Rehabilitation component of CPRO	0	0	0	0	2
Sex Offender Ext Supn post-Oct98	0	0	0	0	1
Total Caseload	6,894	6,828	6,146	5,797	5,454

Community Orders Commencements

	CJA Community Order	CJA Suspended Sentence	CPRO	CPO	CRO	DTTOs	Other	Total Orders
2009/10	4,711	1,308	50	113	30	0	1	6,213
2010/11	4,942	1,478	7	29	2	0	112	6,570

	CJA Community Order	CJA Suspended Sentence	CPRO	CPO	CRO	DTTOs	Other	Total Orders
2011/12	3,903	1,360	1	3	2	0	135	5,404
2012/13	3,486	1,316	0	2	0	1	128	4,933
2013/14	3,397	1,363	0	1	0	0	285	5,046

Licence Releases

	ACR	CJA Adult Custody	Extended Supervision	UAR	YOI	Other	Total Licences
2009/10	55	595	7	3	351	4	1,015
2010/11	49	630	4	6	349	44	1,082
2011/12	38	626	7	35	301	39	1,046
2012/13	30	624	2	168	248	43	1,115
2013/14	0	575	0	0	156	41	772

Total Orders & Licences

	Total Orders & Licences	Date	Total Caseload
2009/10	7,228	31/03/10	6,894
2010/11	7,652	31/03/11	6,828
2011/12	6,450	31/03/12	6,146
2012/13	6,048	08/03/13	5,797
2013/14	5,818	31/03/14	5,454

Pre-Sentence Reports Completed for Magistrates' Courts

	PSR: Fast Delivery	PSR: Oral	PSR: Standard	SSR	Grand Total
2009/10	2,003	1,315	1,582	0	4,900
2010/11	2,139	1,802	1,392	0	5,333
2011/12	2,339	2,115	644	0	5,098
2012/13	1,903	1,703	60	0	3,666
2013/14	1,969	1,482	73	0	3,524

Pre-Sentence Reports Completed for Crown Courts

	PSR: Fast Delivery	PSR: Oral	PSR: Standard	SSR	Grand Total
2009/10	676	41	1,301	0	2,018
2010/11	1,019	114	964	0	2,097
2011/12	1,241	191	463	0	1,895
2012/13	1,312	120	228	0	1,660
2013/14	766	92	212	0	1,070

Unpaid Work Hours Ordered & Worked (Unpaid Work & Community Punishment Orders)

	Hours ordered	Hours worked
2009/10	348,940	268,834
2010/11	349,858	255,163
2011/12	328,587	235,235
2012/13	240,723	188,274
2013/14	191,733	156,540

Performance

Performance data is for 12 month period from Apr 13 to March 2014.

Above or on target
Below target



Public Protection

Description of Indicator and Target	2009/10	2010/11	2011/12	2012/13	2013/14
NS Public Protection (Achievement of Public Protection National Standards) 90%	98%	96%			
Parole Assessment Report Timeliness (The percentage of Parole eligible cases in which the Parole Assessment Report was provided within the required timescale) 90%	100%	93%			
Generic Parole Process (The percentage of Indeterminate Sentence prisoners (IPP & Lifers) parole assessment reports (PAROM1) completed and returned to prison within 8 weeks of Parole Review Process Commencement date) 80%		86%	92%	98%	100%
Approved Premises Audit (Average audit score for all Approved Premises within area)	30	30	30	30	
Licence Recall Requests (The percentage of licence recall requests to reach NOMS Post Release Section within 24 hours of the decision by the Offender Manager) 90%	99%	99%	98%	95%	96%
OMI Risk of Harm					
Assessment of quality of start to end offender management against HMIP published criteria 66%	69%	73%	73%	73%	
Tier 2 & 3 OASys Final Reviews (The percentage of OASys final reviews (terminations) to be completed within the appropriate timescales for all Tier 2 and Tier 3 offenders) 90%	95%	95%			
Tier 4 OASys Final Reviews (The percentage of OASys final reviews (terminations) to be completed within the appropriate timescales for all Tier 4 offenders) 95%	96%	96%			
PPO OASys Final Reviews (The percentage of OASys final reviews (terminations) to be completed within the appropriate timescales for all PPO offenders) 95%	96%	96%			

Offender Management

Description of Indicator and Target	2009/10	2010/11	2011/12	2012/13	2013/14
NS Offender Management (Achievement of Offender Management National Standards) 90%	95%	94%			
Orders or Licences Successfully Completed (The proportion of Orders and Licences successfully completed) 72%	76%	73%	77%	76%	77%
OASys Tier 2, 3, 4 & PPO Final Reviews (The percentage of OASys final reviews/terminations to be completed within appropriate timescales) 90%	94%	93%	93%	89%	86%
Accommodation at Termination (The percentage of offenders in settled and suitable accommodation at the end of their Order or Licence) 70%	81%	83%	83%	81%	84%
Appointments Attended (The percentage of arranged appointments which the offender attends in the first 6 weeks of the order or licence to be no fewer than 85%)	94%				
End To End Enforcement (The percentage of breaches of Community Orders resolved within 25 working days of the relevant failure to comply) 60%	67%	73%	73%	70%	71%

Description of Indicator and Target

Court Report Timeliness (The percentage of Pre-Sentence Reports completed within the timescales set by the Court) 90%
RIC PSRs for Magistrates' Courts (The percentage of RICs PSRs for Magistrates' Courts completed within 10 working days) 90%
Enforcement (The percentage of cases in which initiation of breach proceedings took place within 10 working days of the relevant unacceptable failure to comply) 90%
Victim Contact (*Data at end of Q3) (The percentage of victims who are contacted within 8 weeks of an offender receiving 12 months imprisonment or more for a serious sexual or violent offence) 90%
OMI Assessment and Sentence Planning 66%
OMI Enforcement and Compliance 66%

2009/10	2010/11	2011/12	2012/13	2013/14
99%	98%	98%	98%	98%
93%				
94%	98%	98%	95%	84%
100%	100%	98%	98%	98%
68%	74%	74%	74%	
	77%	77%	77%	

Interventions**Description of Indicator and Target**

NS Interventions (Achievement of Interventions National Standards) 90%
Sex Offender Programme Completions (The number of accredited sex offender programme completions)
Domestic Violence Programme Completions (The number of accredited domestic violence programme completions)
Accredited OBP Programme Completions (excl. SOTP & DV) (The number of accredited offending behaviour programme completions)
Accredited OBP Starts (Relevant Criteria) (The proportion of accredited programme starts that meet the OGRs eligibility criteria) 85%
ATR Completions (The number of ATR completions) 40
DRR Completions (The number of DTTO/DRR completions) 175
DRR Starts (Number of offenders that start a Drug Rehabilitation Requirement) 489
Unpaid Work Completions (The number of Unpaid Work completions) 1700
UPW Stand-downs (The proportion of Unpaid Work offender days which are lost because of stand downs on the day or notified in advance) 4%
Sustained Employment (The number of offenders under supervision who find and sustain employment) 475
Employment at Termination (The percentage of offenders in employment at termination of their Order or Licence) 47%
OMI Interventions
Assessment of quality of start to end offender management against OMI criteria 66%
Educational Referrals (The number of referrals to LSC (in the community) 1375
PPO Drug Testing Condition (The percentage of PPOs on Licence for a trigger offence that have a drug testing condition inserted in their Licence) 90%
OMI 2 Likelihood of Reoffending

2009/10	2010/11	2011/12	2012/13	2013/14
84%	87%			
100%	96%	111%	117%	138%
105%	75%	100%	85%	99%
78%	73%	69%	112%	104%
93%	98%	100%		
166%	231%	148%	213%	270%
182%	147%	118%	99%	120%
95%				
127%	166%	106%	89%	106%
2.53%	1.60%	0.70%	0.50%	1.6%
143%	127%	117%	117%	110%
46%	51%	55%	54%	56%
68%	77%	77%	77%	
126%	126%			
100%	100%			
68%	77%	77%	77%	

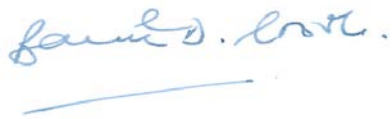
Operational capability, resource use and strategy

Description of Indicator and Target

Sickness Absence (Average days lost due to sickness per employee per annum) 9 days

Staff Diversity 8.3%

2009/10	2010/11	2011/12	2012/13	2013/14
8.7 days	9.1 days	8.7 days	10.4 days	9.7 days
3.80%	4.30%			



Barrie Crook
Chief Executive Officer
16th June 2014

2. Management Commentary (incorporating the Strategic Report)

Statutory background

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

These accounts have been prepared in accordance with the Government Financial Reporting Manual (FReM) issued by Her Majesty's Treasury (HMT) and in accordance with the accounts direction, on page 65, issued by the Secretary of State under the OM Act.

Principal activities and Operational Performance during 2013–14

Strategic objectives and operational performance across all principal activities has remained strong. An analysis of performance outcomes is summarised in the Annual Report on pages 4 to 12.

Results for the year

The Statement of Comprehensive Net Expenditure (SoCNE) for the year is shown on page 30. The Statement of Changes in Taxpayers' Equity is shown on page 33.

Operating costs

The net operating cost after tax for 2013–14 stands at £2,543,000 compared to £1,888,000 (restated) for 2012–13. The reason for the increase is due to Pension Current Service Costs which have increased because the real Discount rate has reduced to 1.6% compared to 2.2% in 2012–13.

Statement of Financial Position and Statement of Cash Flows

The Statement of Financial Position and Statement of Cash Flows are on pages 31 and 32.

The net liabilities position has decreased from £45,415,000 at 31 March 2013 to £37,731,000 at 31 March 2014. The largest single movement in net liabilities is £7,700,000 due to pension liabilities

Payment of creditors

In the year to 31 March 2014, the Trust paid 4,304 trade invoices with a value of £6,674,608. The percentage of undisputed invoices paid within 30 days by the Trust was 96.45% compared to 95.56% in 2012–13.

Treatment of Pension Liabilities

Past and present employees of the Trust are covered by the provisions of the Local Government Pension Scheme (LGPS). This is a funded defined benefit scheme meaning that retirement benefits are determined independently of the investments of the scheme, and employers are obliged to make additional contributions where assets are insufficient to meet retirement benefits.

On 1 June 2014, the Trust's existing pension liabilities and corresponding assets transferred to the Greater Manchester Pension Fund (GMPF).

From 1 June 2014, the Trust is no longer required to pay employer contributions to the fund as responsibility will pass to the CRC or NPS.

The responsibility for funding the past service liabilities and all future contributions associated with those original employees who are active members of the LGPS transferred with the employee to the new employer the Community Rehabilitation Company (CRC) or the National Probation Service (NPS). The

MoJ ensures that the past service liabilities are 100% funded on an ongoing basis from the date the employees transferred to the CRC.

The Secretary of State for Justice has provided a guarantee to the GMPF in respect of the CRCs' participation in the GMPF for pension liabilities that transfer to the CRCs.

The responsibility for funding the past service liabilities associated with the original employees who are deferred or pensioner members of the LGPS transferred to the NPS under the Secretary of State for Justice.

Further information can be found in **Note 4** to the Accounts.

Sickness absence data

The average levels of absence due to staff sickness were 9.7 days across the Trust (2012–13 10.4 days).

Personal data related incidents

In 2013–14 there were no instances of a significant personal data related incident which required reporting to the Information Commissioner's Office (ICO).

Events after the reporting period

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

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

The Probation Trust ceased trading on 1 June 2014. The operations of the Trust have been divided between the National Probation Service (NPS) and a Community Rehabilitation Company (CRC), both public sector bodies. The assets and liabilities of the Trust have been split on a practical basis that reflects the future use of assets, services provided and the allocation of employees. Refer to **Note 27** of the Accounts for further details.

Transforming Rehabilitation

As a part of the "Transforming Rehabilitation" programme, the Trust is required to assign and allocate all staff to the CRC/NPS prior to 1 June 2014. The proportion of staff transferring to the CRC/NPS is approximately CRC 56%/NPS 44%.

Related Party Transactions

On 12th August 2013, the Probation Board agreed to support the development of a joint venture and creation of a new entity that could bid for a contract within the "Transforming Rehabilitation" competition.

2 managers were released from their normal duties to work on this. 2 Board members also expressed the wish to support the venture.

Ethical walls were established in accordance with guidance from MoJ procurement. Those working on or supporting the joint venture signed Declaration B and management responsibilities were reallocated. All other members of the Board and Strategic Management Team and relevant HQ managers signed Declaration A.

Agendas for meetings of the Probation Board and the SMT were then sub-divided into restricted and non-restricted sections, with the former only attended by staff and Board members who had signed Declaration A. The Chair of the Board and the Chief Executive maintained oversight of progress and use of Trust resources via the transition governance meeting.

A joint venture was formed with a potential partner and the PQQ stage successfully passed. However the joint venture was terminated in January 2014 when the partner decided not to continue its interest in the bid.

Sustainable development

The Trust falls within the scope of reporting under the Greening Government commitment. As such we have produced a separate Sustainability Report showing performance against sustainability targets for greenhouse gas emissions, waste minimisation and management and the use of finite resources and their related expenditure. The Sustainability Report is shown on pages 67 to 72.

Future developments

The Probation Trust ceased trading on 1 June 2014. Priorities for April and May 2014 were the effective division of the Trust between NPS and the CRC.

Going concern

In March 2012, the Secretary of State announced the start of consultation exercises on the future of probation services in England and Wales and on planned reforms to community sentences. The results of these consultations, that ended on 13 February 2013, were published in “Transforming Rehabilitation: A strategy for Reform”, on 9 May 2013 by the Secretary of State for Justice. This outlined plans to contract out probation services more widely and increase the use of Payment by Results.

As part of the transformation, all Probation Trusts ceased trading from 1 June 2014. A Statutory Instrument to dissolve the Probation Trust, under section 5(1)(c) of the Offender Management Act 2007, will be made by the Secretary of State for Justice subject to the negative resolution procedure.

On 1 June 2014, a National Probation Service (NPS) was created to protect the public from the most dangerous offenders and manage the provision of probation services across England and Wales. The NPS remains part of the public sector.

The remaining services are divided into 21 contract areas, which align closely with local authorities and Police and Crime Commissioner Areas. They are served by 21 new Community Rehabilitation Companies (CRCs). They are fully owned by the Secretary of State for Justice on behalf of the Ministry of Justice.

On 1 June 2014, a Transfer Order effected the transfer of the existing assets, liabilities and staff of the Trust to the NPS and CRC public sector bodies in a practical way that reflects the services that each provides. Some assets and liabilities remained in the Trust to be settled as soon as practically possible.

MoJ/NOMS has committed to fund and ensure all current services will continue under the new structure, including the CRC in private ownership, using the same assets and resources, for the foreseeable future.

A tender process is currently under way with a successful bidder(s) to take ownership of the CRCs starting from winter 2014–15. As part of the sale, the contracts will influence the operations of the CRCs ensuring continuity of services beyond this date. Services will continue to be commissioned by MoJ/NOMS under this arrangement.

As the functions previously provided by the Trust will continue to be provided by public sector entities and commissioned by the public sector when the CRC is in private ownership, the Accountable Officer with the support of senior management has concluded therefore that within the context of the Financial Reporting Manual (FRM), it is appropriate for the Trust to prepare the 2013–14 Annual Report and Accounts on a going concern basis.

Communications and employee involvement

There have been regular meetings and briefings for staff throughout the year. This has covered the “Transforming Rehabilitation” programme and change management to support staff through this major

change and maintain a regular two way feedback process. Regular Chief Executive bulletin's and Fortnightly Transition bulletins have been issued to staff. Information Centres have also continued to keep staff up to date.

Staff diversity

Hampshire Probation Trust has a strong commitment to ensuring equality of opportunity for all of its staff through its policies and procedures.

The Trust publishes its defined objectives and planned action around meeting the Public Sector Equality Duties, both in service delivery and in employment practice. The Trust publishes the following reports 'Equality Compliance and Objective Planning Scheme 2012–2016', 'The Diversity Results Report 2013' and the "Equality Report – Compliance with the General and Specific Duties 2013'. These reports are available in full on HPT's website: www.hampshire-probation.gov.uk

All equality work, achievement against objectives and performance results are scrutinised by the Board's HR sub-group on a quarterly basis and the Senior Management Team (SMT) on a bi-annual basis.

Detailed below are some of the key measures, as per the 'The Diversity Results Report 2013'.

Overall staff profile based on 651 staff, including sessional staff.

BME staff	Female staff	Male staff	Disabled staff	Age profile	
4%	74%	26%	15%	<25	6%
(local population between 4.35% & 11.36%)			(working age population 20%)	26–35	26%
				36–45	26%
				46–55	26%
				56–65	14%
				66+	2%

Staff profile by grade based on 501 staff, excluding sessional staff.

	BME	Female	Male	Disclosed a Disability
Senior Staff (n = 46)	10%	65%	35%	13%
Other Staff (n = 455)	2.8%	80%	20%	17%

Audit

In accordance with the direction given by the Secretary of State, these accounts have been prepared in accordance with the FReM. The Comptroller and Auditor General is appointed by statute to audit the Trust and reports on the truth and fairness of the annual financial statements and the regularity of income and expenditure. The Audit Certificate of the Comptroller and Auditor General is attached to the Accounts on pages 28 and 29.

Total audit fees reported in the Accounts are £46k. The audit fees for 2013–14 are made up of:

- External Audit NAO £28k
- Internal Audit NOMS £18k

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

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

The Hampshire Probation Trust Management Board

The governance arrangements within the Trust for the period April 2013 to March 2014 included the following:

- The Trust operated in compliance with the MoJ Governance Handbook Version 3 and the July 2012 updated version.
- The Trust operated in compliance with the MoJ Finance Manual.
- A formal Board meeting structure.
- A formal Audit Committee programme.

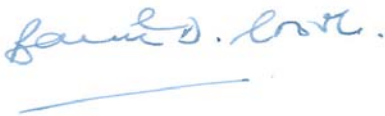
The Chair and other members of the Board were all appointed by the Secretary of State in line with the Commissioner for Public Appointments “Guidance on Appointments to Public Bodies”. The emoluments of these persons are paid for through Ministry of Justice funds.

Details of the remuneration of the Management Board are set out in the Remuneration Report on pages 18 to 20.

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

Position	Name	Date appointment commenced / ended (during 2013–14) where appropriate
Chief Executive	Barrie Crook	
Chair	Mike Fisher	
Board members	Lucy Docherty	
	Christina Harris	
	Liz Try	
	Alan Wainwright	
	Noel Cato	
	Mark McJennett (co-opted)	

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



Barrie Crook
Accountable Officer
16th June 2014

3. Remuneration Report

Appointments

The Chair, the Chief Executive, and other members of the Trust Board are all appointed by the Secretary of State in line with the Commissioner for Public Appointments “Guidance on Appointments to Public Bodies”.

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

A) REMUNERATION – AUDITED

The Director’s salaries are required to be disclosed showing all payments.

This includes:

- salary;
- non-consolidated performance related pay including honorarium payments;
- benefits in kind allowances which includes tax on fuel per mile over the HMRC allowance; and
- severance payments.

This excludes employer pension contributions.

The median is the total remuneration of the staff members lying in the middle of the linear distribution of the total staff group, excluding the highest paid director.

The ratio is the mid-point of the band for the highest paid director divided by the median.

This is subject to audit.

	Salary (£000)		Bonus payments (£000)		Benefits in kind (to nearest £100)		Pension benefits (£000)		Total (£000)	
	2013–14	2012–13	2013–14	2012–13	2013–14	2012–13	2013–14	2012–13	2013–14	2012–13
Officials										
Board Members & Chair										
Mike Fisher (Chair)	15–20	15–20	-	-	-	-	-	-	19	19
Lucy Docherty	0–5	5–10	-	-	-	-	-	-	4	5
Alan Wainwright	5–10	5–10	-	-	-	-	-	-	6	7
Christina Harris	0–5	0–5	-	-	-	-	-	-	3	5
Liz Try	0–5	0–5	-	-	-	-	-	-	5	4
Noel Cato	0–5	0–5	-	-	-	-	-	-	3	5
Mark McJennett	0–5	0–5	-	-	-	-	-	-	5	1
CEO										
Barrie Crook	90–95	95–100	0–5	0–5	-	100	33	23	138	128

All appointed Trust Board members receive non-pensionable remuneration of £15.95 per hour from 1 April 2013, with the exception of the Chief Executive and the Chair. The Trust at its discretion may pay a travelling allowance and any other relevant expenses incurred.

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

	Total Full-time Equivalent Remuneration	
	2013–14	2012–13
Highest paid Director (pay band)	£90,000–£95,000	£95,000–£100,000
Median for other staff	£27,373	£25,843
Pay multiple ratio	3:3:1	3:5:1

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

The staff numbers have stayed consistent for 2012–13 and 2013–14. The overall movement was an increase of 4 FTE to 494 FTEs.

Salary

'Salary' includes the gross salary, overtime and allowances.

Benefits in kind

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

B) PENSION BENEFITS – AUDITED

	Total accrued pension at pension age as at 31 March 2014 & related lump sum	Real increase/ (decrease) in pension and related lump sum at pension age	CETV at 31 March 2014	CETV at 31 March 2013	Real increase/ (decrease) in CETV after adjustment for inflation and changes in market investment factors
	£000s	£000s	£000s	£000s	£000s
Barrie Crook	55–60 plus lump sum of 130–135	10–15 plus lump sum of 10–15	1,075	1,015	60

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

Cash Equivalent Transfer Value (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure

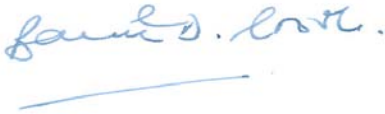
applies. The CETV figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service Pension arrangements and for which the Civil Service Vote has received a transfer payment commensurate to the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries, and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn.

Real increase in CETV

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

Compensation Package

The Probation Trust ceased trading on 31 May 2014. The Chief Executive Officer will retire and receive a compensation package on 31 July 2014 of £119k based on the nationally agreed exit scheme.



Barrie Crook
Accountable Officer

16th June 2014

4. Statement of Accountable Officer's Responsibilities

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

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

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

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

5. Governance Statement

Scope and Responsibility

As Accountable Officer, I have responsibility for maintaining sound Governance that supports the achievement of Hampshire Probation Trust'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.

The Purpose of the Governance Statement

The Accountable Officer is personally responsible for the Governance Statement, which outlines how he has discharged his responsibility to manage and control the organisation's resources during the course of the year. As set out in *Managing Public Money July 2013*, the Governance Statement should give the reader a clear understanding of the dynamics of the organisation and its control structure, recording the stewardship of the organisation, providing a sense of how vulnerable the organisation's performance is or might be; and of how successfully the organisation has coped with the challenges it faces.

An Account of Corporate Governance

The Trust's Corporate Governance arrangements have been reviewed against The UK Corporate Governance Code. The Trust complies with the principles of the code in respect of leadership, effectiveness, accountability and remuneration. The Trust does not have shareholders so this part of the code is not relevant.

The Governance Framework

In 2013–14 the Trust operated in compliance with the Ministry of Justice Governance Handbook Version 3 and Version July 2012 along with the Ministry of Justice Finance Manual. This document sets out the roles, responsibilities and delegations of the Board, Board Chair and Chief Executive. The Trust has the following formal Board meeting and Committee structure:

- Board Meetings – held bi-monthly
- Audit Committee – held at least four times a year
- Case Review Committee – held at least four times a year
- Joint Negotiation and Consultative Committee – held at least four times a year
- Remuneration Committee – held at least annually

The formal committees are supported by informal working groups in relation to Human Resources, Performance, Strategic Business Development and in this year, a sub-group to oversee the "Transforming Rehabilitation" programme.

The following table sets out attendance by Board members for 2013–14. The total number of meetings held is shown in brackets:

Board members by responsibility	Board Meetings (7)		Audit Committee (5)		Case Review Committee (4)		Joint Negotiation & Consultative Committee (6)		Remuneration Committee (2)	
	Attended	Apologised	Attended	Apologised	Attended	Apologised	Attended	Apologised	Attended	Apologised
	Mike Fisher	6	1	0	5	2	2	6	0	2
Noel Cato	7	0	4	1	4	0	-	-	-	-
Lucy Docherty	7	0	5	0	-	-	-	-	1	1
Christina Harris	6	1	5	0	3	1	6	0	2	-
Liz Try	6	1	-	-	2	2	-	-	-	-
Alan Wainwright	6	1	5	0	4	0	-	-	-	-
Bryan Nanson – co-opted member	-	-	4	1	-	-	-	-	-	-
Mark McJennett – co-opted member	6	1	-	-	-	-	-	-	-	-

The Board's Performance

During the year the Board has undertaken a number of different approaches to assess its own effectiveness:

- The Board Chair undertakes performance reviews for individual Board members through supervision and appraisal.
- The Audit Committee undertook a review of its self assessment process in June 2013.
- The Board is satisfied that it operates effectively.

Highlights of Board Committee Reports

The Board and Audit Committee operate with a planned agenda cycle which includes a number of standing items and items with planned review dates as well as capacity to review reports as and when required. The key Governance items covered in 2013–14 included:

- Strategic Planning, Business Planning and Budget setting.
- Review of detailed Business plans for Local Delivery Units and Offender Services
- Financial Performance against Budget.
- Year End Annual and Financial Reports including Internal and External Audit feedback.
- Review of Performance.
- Review of Risk Management Strategy and Risk Register.
- Quarterly progress report for Integrated Offender Management.
- Review of all Internal and External Audit Plans, Reports and progress against plans.
- Review of all Financial policies and procedures including reports of any fraud or financial irregularity.
- The Serious Further Offence (SFO) Annual Review
- Review of "Transforming Rehabilitation"
- Review of Complaints Policy
- Review of Inspection of Adult Offending Work (IAOW)
- Review of Equality Objective
- Review of Prevent and Tact policy
- LEAN – Bi Annual Report

Capacity to Handle Risk

The Accountable Officer attends the Audit Committee and provides leadership to the risk management process through discussion of key risks at the Strategic Management Team meetings, Hampshire managers meetings and at the Chief Executive – staff face to face briefings, as well as through participation in regional and national meetings and conferences. Local managers additionally have opportunities to raise risks through their Director at quarterly performance review meetings. The Trust has risk management processes in place and operates a "formal approach" to managing risk which is widely implemented. Audit Committee review the key risks on a quarterly basis and consider whether any new risks are emerging. The review involves an assessment of the effectiveness with which the systems in place to manage risk are operating. The Board also assess the effectiveness of the risk management process, including setting out the Trust's appetite to risk.

The Risk and Control Framework

Hampshire Probation Trust's Risk Management Strategy and Policy was revised and approved by the Board in December 2012 following consideration of the appropriateness of the risks and the Board's appetite for risk. It has been developed in conjunction with the following; NOMS Risk Management Standards PC02/2007, The Orange Book HM Treasury Guidelines and the MoJ Risk Management Handbook.

The strategic planning process has been continuously improved and involves the identification of risks to performance, staff and reputation. Risks are identified, owned and managed by Directors, drawing on operational, financial and other data, during the development of the Trust Business Plan and regularly throughout the year. The overall process of risk management is co-ordinated by means of an Organisation Risk Register, maintained by the Director responsible for Risk Management, and in relevant project and other plans, maintained by their 'owners'. The risk register is aligned to the business

plan. It is reviewed by the Board and Strategic Management Team. The Audit Committee also has oversight of changes to the Register at each of its meetings. It has called Directors to give personal account of their ownership of risk and countermeasures during 2013–14.

Each Director has a business plan for their area of responsibility, which itself includes a risk register.

A business planning process operates whereby significant external requirements on the Trust are identified and allocated for action and progress is monitored through project reports, Directors' accountability and tracking registers. Projects are assessed for risks and for key objectives. Specific Project Boards involving managers and Probation Board members are established. In 2013–14, the Trust established a "Transforming Rehabilitation" Transition Board to provide oversight of the Trust's preparation and implementation of the Ministry of Justice "Transforming Rehabilitation" Programme. The Transition Board reported to the Transforming Rehabilitation Sub-Group of Hampshire Probation Trust's Board on a monthly basis to monitor progress and risk. The project risk register and workstream risk registers were monitored monthly. Additionally, Internal Audit reviewed with the Trust an Internal Audit "Transforming Rehabilitation" Checklist which was then reported to the Audit Committee.

Additionally, I receive regular reports from Internal Audit on the operation of controls in financial and other systems, including the Risk Management arrangements, together with the Annual Report of the Internal Audit service which incorporates assurances on risk management, corporate governance and internal control. Other sources of assurance have included monthly reports on operational performance and budget expenditure, and quarterly reports on the Trust's performance in comparison with other Probation Trusts. An approach to business continuity planning has been implemented in the Trust and received its annual review by the Audit Committee in September 2013. The Trust has a standing working group which meets regularly to oversee matters of data quality and information security.

Review of Effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of Governance. My view is informed by the work of the Internal Auditors and the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework, as well as comments made by the External Auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of Governance arrangements by the Board, and the Audit Committee. A plan to address weaknesses and ensure continuous improvement of the system is in place.

The Internal Auditor's opinion for the year ended 2013–14 was as follows:

"Our work identified a number of moderate and significant rated findings that are isolated to specific systems and processes and when taken in aggregate we believe they are not pervasive to the system of internal control as a whole. Consequently we can give a reasonable assurance on the adequacy and effectiveness of the system of governance, risk management and internal control. "

Internal Audit reports for 2013–14 are as follows:

- GREEN – Key Financial Controls, Transition Programme project implementation
- AMBER/GREEN – Transition Programme project initiation
- AMBER/RED – Data Protection & Freedom of Information
- RED – None

Information Assurance (IA) Arrangements

In 2013–14 the Trust completed a number of assessments. The annual self-assessment of Policy Implementation Status Review (PISR) for reporting to NOMS was completed during Quarter 4 2013–14. Where the Trust arrangements are not completely satisfactory, five instances, thorough reviews identified that any risk is low and well within the Trust's risk appetite.

The Trust completed the Security Risk Management Overview (SRMO) for reporting to the Ministry of Justice Information Assurance Team during Quarter 3 2013/14. This overview, with a commentary from the Board Chair, highlighted only two instances where arrangements are not completely satisfactory. However, steps have subsequently been taken to resolve these issues.

During the year the Trust requested a Data Protection and Freedom of Information Audit which was rated Amber/Red. Actions were taken to address all recommendations including providing additional training to all staff, introduction of a central recording database and updating Policies and the Trust's Publication Scheme.

Appropriate Information Assurance policies and procedures are in place to ensure staff understand their IA responsibilities. Internal governance arrangements set out clear roles and responsibilities. The Chief Executive is the Senior Information Risk Owner, the Director of Offender Services is designated Information Asset Owner, reporting to the Chief Executive and the Trust's Information Security Manager reports to the Information Asset Owner.

Induction of new staff during the year included Information Assurance training and provided them with the location of policies and procedures covering remote working, IT asset and IT media disposal, protection from malicious software, protective marking, clear desk, physical and logical access control, email and internet communications, data protection, freedom of information and business continuity. To safeguard protectively marked data, logical and physical access controls exist at all Trust occupied buildings and in all Trust systems. Trust data access from the buildings of other Community Safety Partnership organisations are subject to similar physical and logical access controls.

The Trust is required to annually provide refresher Information Assurance training to all staff, including temporary and third party staff. Due to the cessation of the e-learning service by the National School of Government and the unsuitability of the replacement training by The Justice Academy, the Trust sought alternative means of training. All managers were required to attend a training session provided by Act Now Training during Quarter 4 2013–14, the content of which was cascaded to staff. In addition, as part of the "Transforming Rehabilitation" Training sessions for all staff during Quarter 4 2013–14, a section on IA was delivered.

During the "Transforming Rehabilitation" competition process ethical walls were put in place to safeguard the integrity of the Rehabilitation Programme competitions.

The Trust has a standing group to oversee Information Security. This group investigates breaches, captures learning and improves processes.

The Trust's business continuity arrangements were assessed as satisfactory during the annual review.

Examples of Assurance

During the year I have received the following examples of assurance:

- A sub-group of the Trust Board was established along with a Project Board to monitor the planning and implementation of the Government's "Transforming Rehabilitation" programme. Steps were also put in place to ensure that competition rules and ethical walls were adhered to. This included separation of agendas for meetings of the Board and SMT and ensuring that items which were 'competition restricted' were discussed only by managers and Board members who had signed Declaration A.
- The Trust implemented its Quality Assurance Plan, the plan was rated as excellent by NOMS. Two Boards were established to ensure effective implementation of the quality framework and plan, one focusing on Offender Management the other on Public Protection.
- SEEDS – During 2013–14, the Trust implemented the final phase of revised National Standards and the Reflective Supervision Model (RSM) across the Trust.
- LEAN – Tested methodology to support efficiency and continuous improvement has been rolled out across the Trust. LEAN reviews on community orders, breach, complaints, expenses, programmes

timeliness, electronic offender files and a MAPPA project. All LEAN reviews when implemented have been evaluated.

- During the year the Trust was assessed for the Investors in People and received a Gold level of recognition.
- The Trust has introduced Intensive Community Payback ahead of schedule and monthly cohorts have been monitored which demonstrate successful implementation with attendance rates of 67–69%.

During the year attention has been given to the following significant internal control issue:

- Preparation for the major changes required to implement the Governments Transformation Rehabilitation Programme has been a major focus in 2013/14. Preparation for the creation of the National Probation Service and The Hampshire and Isle of Wight Community Rehabilitation Company have been planned for effectively and monitored through a clear governance process. This was reviewed regularly by the Board and also Internal Audits have been completed on project setup and project implementation.

Additionally, the Director of Finance and I have met with our External Auditors periodically during 2013–14 to review progress and to discuss matters of common interest.

Organisation Performance

In October 2013 HMIP published its independent inspection of adult offending work in Hampshire. The Chief Inspector concluded that *“the overall standard of work in the Trust was high”*. Some areas for improvement were identified, particularly in relation to reviews of risk management plans and addressing the risks to specific victims. Steps have been taken to remedy these areas of practice. The Trust was seen to have *“strong strategic leadership and the quality of its relationship with partner agencies encouraged innovation both within the Trust and across the local criminal justice sector”*.

Additionally, the Trust has met most operational targets (16 out of 20) and its financial target as set out in its contract with NOMS, apart from Oasys Reviews (target 90% achieved 86%), Enforcement (target 90% achieved 84%) and Domestic Violence completions (target 135 achieved 133). Sickness absence has exceeded 9 working days target at 9.7 days. The Trust has implemented a revised Employee Health and Wellbeing Policy in June 2013.

A Senior Performance Group identifies emerging performance concerns and reports plans to address these to the SMT. A Performance Working Group of the Probation Board meets bi-monthly to provide assurance to the Board. The effectiveness of these measures is demonstrated by the fact that the Trust has been rated Level 3 overall on the Performance Framework throughout the year whilst achieving level 4, ‘exceptional performance’, in the public protection domain.

Related Party Transactions

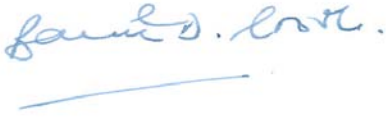
On 12th August 2013 the Probation Board agreed to support the development of a joint venture and creation of a new entity that could bid for a contract within the Transforming Rehabilitation competition.

2 managers were released from their normal duties to work on this. 2 Board members also expressed the wish to support the venture.

Ethical walls were established in accordance with guidance from MoJ procurement. Those working on or supporting the joint venture signed Declaration B and management responsibilities were reallocated. All other members of the Board and Strategic Management Team and relevant HQ managers signed Declaration A.

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A joint venture was formed with a potential partner and the PQQ stage successfully passed. However the joint venture was terminated in January 2014 when the partner decided not to continue its interest in the bid.

A handwritten signature in blue ink, appearing to read "Barrie Crook", with a horizontal line underneath it.

Barrie Crook
Accountable Officer

16th June 2014

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

I certify that I have audited the financial statements of Hampshire Probation Trust for the year ended 31 March 2014 under the Offender Management Act 2007. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Chief Executive and auditor

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

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trust; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate. I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on regularity

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

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of Hampshire Probation Trust's affairs as at 31 March 2014 and of the net operating cost after taxation for the year then ended; and
- the financial statements have been properly prepared in accordance with the Offender Management Act 2007 and Secretary of State directions issued thereunder.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions made under the Offender Management Act 2007; and
- the information given in the Operational and Performance Review and 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 returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury’s guidance.

Report

Without qualifying my opinion, I draw attention to the disclosures in **Note 1.4** to the financial statements regarding going concern. The Trust closed on 31 May 2014 with its functions, assets and liabilities being transferred to the new public sector entities. In accordance with the Government Financial Reporting Manual the financial statements have been prepared on a going concern basis.

Sir Amyas C E Morse
Comptroller and Auditor General

1 July 2014

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

7. Accounts

Statement of Comprehensive Net Expenditure

For the year ended 31 March 2014

		2013–14	2012–13
	Notes	£000	Restated £000
Expenditure			
Staff costs	3(a)	18,325	17,208
Other expenditure	6	5,707	6,393
Total Expenditure		24,032	23,601
Income	7	(23,419)	(23,589)
Net operating costs		613	12
Net interest cost on pension scheme	4(c)	1,930	1,860
Net operating costs before taxation		2,543	1,872
Taxation	5	0	16
Net operating costs after taxation		2,543	1,888

Other Comprehensive Expenditure

		2013–14	2012–13
	Notes	£000	Restated £000
Items that will not be reclassified to net operating costs:			
Net gain on revaluation of property, plant and equipment	8	0	(16)
Net gain on revaluation of intangibles	9	(1)	0
Net gain on revaluation of available for sale financial assets		0	0
Remeasurement of post employment benefits	23	(10,226)	3,099
Total comprehensive expenditure for 31 March 2014		(7,684)	4,971

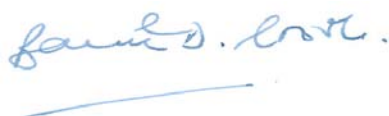
The notes on pages 34 to 64 form part of these accounts.

Statement of Financial Position

As at 31 March 2014

	Notes	2013–14 £000	2012–13 £000
Non-current assets			
Property, plant and equipment	8	177	238
Intangible assets	9	3	5
Deferred tax asset	19	0	0
Trade and other receivables	12(a)	0	0
Total non-current assets		180	243
Current assets			
Assets classified as held for sale	11	0	0
Deferred tax asset	19	0	0
Trade and other receivables	12(a)	947	2,771
Cash and cash equivalents	13	806	265
Total current assets		1,753	3,036
Total assets		1,933	3,279
Current liabilities			
Trade and other payables	14(a)	(735)	(1,362)
Provisions	15	(303)	(471)
Taxation payables	14(a)	(1,046)	(1,505)
Total current liabilities		(2,084)	(3,338)
Non-current assets plus/less net current assets/(liabilities)		(151)	(59)
Non-current liabilities			
Trade and other payables	14(a)	0	0
Provisions	15	0	(76)
Pension liability	4(c)	(37,580)	(45,280)
Total non-current liabilities		(37,580)	(45,356)
Assets less liabilities		(37,731)	(45,415)
Taxpayers' equity			
General fund	23	(37,766)	(45,449)
Revaluation reserve – property, plant and equipment	24(a)	34	34
Revaluation reserve – intangible assets	24(b)	1	0
		(37,731)	(45,415)

The financial statements on pages 30 to 33 were approved by the Board on 16th June 2014 and were signed on its behalf by



Barrie Crook
Accountable Officer

16th June 2014

The notes on pages 34 to 64 form part of these accounts.

Statement of Cash Flows

For the year ended 31 March 2014

		2013–14	2012–13
	Notes	£000	Restated £000
Cash flows from operating activities			
Net operating costs	23	(2,543)	(1,888)
Adjustments for non-cash transactions	6	155	494
Adjustments for pension cost	4(c)	2,526	1,821
Decrease/(increase) in receivables	12(a)	1,824	(130)
Decrease in payables	14(a)	(1,086)	(326)
Utilisation of provisions	15	(340)	(207)
Less movements in property, plant and equipment payable	14(a)	0	0
Net cash inflow / (outflow) from operating activities		536	(236)
Cash flows from investing activities			
Purchase of property, plant and equipment	8	0	(78)
Purchase of intangibles	9	0	0
Proceeds on disposal of property, plant and equipment	8	5	5
Proceeds on disposal of intangibles	9	0	0
Net cash inflow / (outflow) from investing activities		5	(73)
Cash flows from financing activities			
Net financing received in year	23	0	0
Net financing		0	0
Net increase/(decrease) in cash and cash equivalents in the period			
		541	(309)
Cash and cash equivalents at the beginning of the period	13	265	574
Cash and cash equivalents at the end of the period	13	806	265
Increase/(decrease) in cash		541	(309)

The notes on pages 34 to 64 form part of these accounts.

Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2014

	Notes	General Fund £000	Revaluation Reserve £000	Total £000
Balance as at 1 April 2012		(40,462)	18	(40,444)
Prior period adjustment	23/24	0	0	0
As restated at 1 April 2012		(40,462)	18	(40,444)
Changes in taxpayers' equity for 2012–13 (restated)				
Net operating cost after taxation	SocNE	(1,888)	-	(1,888)
Net gain on revaluation of property, plant and equipment	24(a)	-	16	16
Transferred to General Fund from property, plant and equipment revaluation reserve	24(a)	-	0	0
Net gain on revaluation of intangibles	24(b)	-	0	0
Transferred to General Fund from tangibles revaluation reserve	24(b)	-	0	0
Movement in donated assets	23	0	0	0
Transferred from revaluation reserve	23	0	0	0
Remeasurement of post employment benefits	23	(3,099)	0	(3,099)
Net NOMS financing received in year	23	0	0	0
Balance as at 31 March 2013		(45,449)	34	(45,415)
Changes in taxpayers' equity for 2013–14				
Net operating cost after taxation	SocNE	(2,543)	-	(2,543)
Net gain on revaluation of property, plant and equipment	24(a)	-	0	0
Transferred to General Fund from property, plant and equipment revaluation reserve	24(a)	-	0	0
Net gain on revaluation of intangibles	24(b)	-	1	1
Transferred to General Fund from tangibles revaluation reserve	24(b)	-	0	0
Movement in donated assets	23	0	0	0
Transferred from revaluation reserve	23	0	0	0
Remeasurement of post employment benefits	23	10,226	0	10,226
Net NOMS financing received in year	23	0	0	0
Balance as at 31 March 2014		(37,766)	35	(37,731)

The notes on pages 34 to 64 form part of these accounts.

Notes to the accounts

1. Statement of accounting policies

1.1 Basis of preparation

The financial statements have been prepared in accordance with the 2013–14 Government Financial Reporting Manual (FRoM) issued by HM Treasury. The accounting policies contained in the FRoM follow International Financial Reporting Standards (IFRS) as at the reporting date to the extent that it is meaningful and appropriate to the public sector.

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

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

The functional and presentation currency of the Trust is the British pound sterling (£).

1.2 Accounting convention

These accounts have been prepared on an accruals basis under the historical cost convention and modified to account for the revaluation of non-current assets.

1.3 Changes in accounting policies and restatement of comparatives

New and amended standards adopted
IAS 1 'Presentation of Financial Statements – Other Comprehensive Income' (effective for accounting periods beginning on or after 1 July 2012).

The impact on the Trust is that items presented in Other Comprehensive Expenditure will be grouped on the basis of whether they may subsequently be reclassified to net operating costs.

IAS 19 'Employee Benefits' was revised in June 2011 (effective for accounting periods beginning on or after 1 January 2013).

The changes have been made retrospectively in line with the transitional provisions of IAS 19 (revised 2011) and in accordance with IAS 8 'Accounting policies, changes in accounting estimates and errors'.

Those that impact on the Trust are:

- interest cost and expected return on plan assets are replaced with 'net interest', which is calculated by applying the same discount rate to the net defined benefit liability/(asset); and
- amended disclosures including the presentation of defined benefit costs, plan assets and reconciliation of net pension liability/(asset) as presented in **Note 4**.

The changes to IAS 19 apply retrospectively, giving rise to a prior period adjustment to net operating costs and other comprehensive expenditure. Net pension assets and liabilities are unchanged. The effect of the prior period adjustment on each line in the primary statements is set out in **Note 28**.

1.4 Going concern

The Statement of Financial Position at 31 March 2014 shows negative Taxpayers' Equity, which largely reflects the accumulated movement of the pension liability falling due in future years. MoJ/NOMS has committed to funding the pension liabilities transferred to the CRCs, relating to past service, and the future financing of all other liabilities in the NPS and CRCs falling due past 31 March 2014.

On 1 June 2014, the Trust ceased trading.

On this date the operations of the Trust transferred to the Secretary of State for Justice on behalf of the Ministry of Justice. They are administered by a new National Probation Service (NPS) and 21 Community Rehabilitation Companies (CRCs).

The existing assets, liabilities and staff of the Trust were split between these entities in a practical way that reflects the services that each body provides. Some assets and liabilities remained in the Trust to be settled as soon as practically possible.

A Statutory Instrument to dissolve the Probation Trust, under section 5(1)(c) of the Offender

Management Act 2007, will be made by the Secretary of State for Justice subject to the negative resolution procedure.

A tender process is currently under way with a successful bidder(s) to take ownership of the CRCs starting from winter 2014–15. As part of the sale, the contracts will influence the operations of the CRCs ensuring continuity of services beyond this date. Services will continue to be commissioned by MoJ/NOMS under this arrangement.

As the functions previously provided by the Trust will continue to be provided by public sector entities and commissioned by the public sector when the CRC is in private ownership, the Accountable Officer with the support of senior management has concluded therefore that within the context of the Financial Reporting Manual (FRM), it is appropriate for the Trust to prepare the 2013–14 Annual Report and Accounts on a going concern basis.

1.5 Property, plant and equipment

Property, plant and equipment, including subsequent expenditure on existing assets, is initially recognised at cost and is restated at each Statement of Financial Position date using the Price Index Numbers for Current Cost Accounting (Office for National Statistics). The minimum level for capitalisation of a tangible non-current asset is £5,000, inclusive of any irrecoverable VAT element, where appropriate.

Where significant purchases of individual assets which are separately beneath the capitalisation threshold arise in connection with a single project they are treated as a grouped asset.

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

Revaluation

The revaluation reserve reflects the unrealised element of the cumulative balance of revaluation and indexation adjustments in non-current assets (excluding donated assets). Gains on revaluation are credited to the revaluation reserve and shown

in other comprehensive expenditure, unless they reverse a revaluation decrease on the same asset. Reversals are credited to net operating costs in the SoCNE to the extent of the amount previously expensed, and any excess is credited to the revaluation reverse.

1.6 Depreciation

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

Asset lives are currently in the following ranges:

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

1.7 Impairment

All non-current assets are assessed annually for indications of impairment as at 31 March. Where indications of impairment exist, the asset value is tested for impairment by comparing the book value to the recoverable amount. In accordance with IAS 36 the recoverable amount is determined as the higher of the “fair value less costs to sell” and the “value in use”. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and written down to the recoverable amount and an impairment loss is recognised in the SoCNE. Any reversal of an impairment charge is recognised in the SoCNE to the extent that the original charge, adjusted for subsequent depreciation, was previously recognised in the SoCNE. The remaining amount is recognised in the Revaluation Reserve. Under IAS 36, Intangible Assets under construction should be tested for impairment annually. There are no impairments in 2013–14 or 2012–13.

1.8 Intangible non-current assets

The Trust recognises intangible non-current assets only if it is probable that future service potential will flow to the Trust and the cost of the asset can be measured reliably. Intangibles comprise internally developed software for internal use, software

developed by third parties and licenses for purchased software.

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

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

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

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

Intangible assets are amortised using the straight-line method over their anticipated useful lives. The useful lives of the software range from 3 to 10 years. Licences are amortised over the length of the licence.

As there is no active market for these intangible assets, their fair value is assessed at the re-valued amount less any accumulated amortisation.

Intangible assets are restated at each Statement of Financial Position date using Services Producer Price Index published by the Office for National Statistics.

1.9 Non-current assets held for sale

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

re-classified as in-use. There are no assets held for sale.

1.10 Inventories

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

1.11 Operating income

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

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

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

1.12 Other Expenditure

In 2012–13 the SoCNE was analysed between administration and programme income and expenditure. The classification of expenditure and income for both Administration and Programme followed the definition set out in the FReM by HM Treasury. Administration costs reflect the costs of running the Probation Trust together with associated operating income. Programme costs are defined as projects which are fully or partially funded from outside the Ministry of Justice. Hampshire Probation Trust does not have Programme costs and income and the notes have not been restated.

On consolidation into NOMS Agency Accounts, all expenditure and income is classified as programme, except the audit fee which is administration expenditure.

1.13 Pensions

Past and present employees are covered by the provisions of the Local Government Pension Scheme (LGPS). This is a funded defined benefit scheme. Retirement benefits are determined

independently of the investments of the scheme and employers are obliged to make additional contributions where assets are insufficient to meet retirement benefits.

The pension fund is subject to an independent triennial actuarial valuation to determine each employer's contribution rate (Disclosure of Stakeholder Pensions Schemes is not included in these accounts). The last formal actuarial valuation was as at 31 March 2013.

The liability recognised in the SoFP in respect of defined benefit pension plans at the reporting date is the present value of the defined benefit obligation less the fair value of plan assets. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using discount rates as advised by the scheme actuary.

Remeasurement gains and losses are recognised within Other Comprehensive Expenditure in the period in which they arise.

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

1.14 Leases

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

A distinction is made between finance leases and operating leases. Finance leases are leases where substantially all of the risks and rewards incidental to ownership of leased non-current assets are

transferred from the lessor to the lessee when assessed against the qualitative and quantitative criteria in IAS 17. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Finance leases

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

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

Operating leases

Leases other than finance leases are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the SoCNE on a straight-line basis.

1.15 Provisions

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

1.16 Value Added Tax

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

1.17 Deferred Tax

The Trust has no deferred tax assets held.

1.18 Corporation Tax

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

1.19 Cash and Cash Equivalents

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

1.20 Financial instruments

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

1.21 Segmental analysis of spend as reported to the Management Board

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

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

	2013–14	2013–14	2012–13 Restated	2012–13
	Statement of Comprehensive Net Expenditure £000	Total Assets £000	Statement of Comprehensive Net Expenditure £000	Total Assets £000
Income Receivable from Sponsoring Department	22,442	609	22,698	2,298
Offender Management	11,230	490	11,054	257
Operational Services: Intervention				
Community Payback Programmes	1,297	195	1,286	208
Employment, Training and Education Interventions	1,392	57	1,361	20
Approved Premises	121	47	126	30
	288	10	275	3
	1,619	59	1,610	20
Corporate Services	5,660	263	5,779	169
Other				
Youth Offending Team Contracts with Partners	542	140	622	189
Prisons (Net)	106	4	95	1
	(20)	55	(16)	78
Net Expenditure – Non Cash				
Depreciation	58	2	48	1
Provisions	96	3	445	5
Total Net Expenditure (published management accounts @ 31.3.13)	22,389	1,934	22,685	3,279
Income Receivable from Sponsoring Department	(22,442)	-	(22,698)	-
Pension Past Service Cost	180	-	40	-
Actuary Current Service Cost	2,930	-	2,370	-
Actual Employer Pension contributions Paid	(2,444)	-	(2,384)	-
Pension Actuarial (Loss)/ Gain	(10,226)	-	3,099	-
Taxation	0	-	15	-
Movement in Revaluation Reserve	(1)	-	(16)	-
Net Return of Pension Position	1,930	-	1,860	-
Reconciliation to Statement of Comprehensive Net Exp / Total Assets	(7,684)	1,934	4,971	3,279

Fixed Asset allocation to segment is based on actual for Fixed Assets and Receivables and an allocation for Cash and Bank balances based on the proportion of operating cost spend per segment.

Statement of Comprehensive Net Expenditure shows depreciation as a non cash item compared to the Fixed Asset allocation which is based on actual assets per segment. If depreciation were allocated to segments it would be as follows:

	2013–14	2012–13
	£000	£000
Offender Management	12	10
Community Payback	43	36
Corporate Services	3	2
	58	48

The assets shown against income reflects the balance of income due from NOMS in respect of the main contract as at 31 March 2014.

3. Staff numbers and related costs

3a. Staff costs consist of:

	2013-14			2012-13
	Total £000	Permanently- employed staff £000	Others £000	Total (Restated) £000
Wages and salaries	15,487	15,341	146	15,372
Social security costs	1,054	1,054	0	1,067
Other pension costs	3,110	3,110	0	2,410
Sub-total	19,651	19,505	146	18,849
Less recoveries in respect of outward secondments	(1,326)	(1,326)	0	(1,641)
Total staff costs	18,325	18,179	146	17,208

The Local Government Pension Scheme is a funded multi-employer defined benefit scheme. The Probation Trust's share of the underlying assets and liabilities are shown below in **Note 4**. The change in other pension costs relates primarily to an increase in the Current Service Costs which is driven by an increase in the 'real' discount rate.

1 person (2012-13: 1 person) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £7,629 (2012-13: £9,428).

Restatement of comparatives

In the current year, the Trust has applied the 2011 amendments to IAS19 *Employee Benefits* (revised 2011), which are mandatory for accounting periods beginning on or after 1 January 2013. The standard requires retrospective application which has resulted in a prior period adjustment to other pension costs. The prior period comparatives have been restated accordingly.

3b. Average number of persons employed

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

	2013-14			2012-13
	Total	Permanently- employed staff	Others	Total
	494	489	5	490
	494	489	5	490

42 **3c. Reporting of compensation schemes – exit packages**

Exit packages cost band	2013-14			2012-13		
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	0	0	0	0	8	8
£10,000-£25,000	0	0	0	0	10	10
£25,000-£50,000	0	0	0	0	3	3
£50,000-£100,000	0	0	0	0	2	2
£100,000-£150,000	0	1	1	0	0	0
£150,000-£200,000	0	0	0	0	0	0
£200,000+	0	0	0	0	0	0
Total number of exit packages by type	0	1	1	0	23	23
Total resource cost £000	0	119	119	0	448	448

Redundancy and other departure costs have been paid in accordance with the Trust compensation scheme. Exit costs are accounted for in full in the year of departure. The additional costs of any early retirements are met from the Trust and not the pension

The Trust has executed a three year Business Plan to make savings in order to achieve funding efficiencies.

4. Pensions costs

Benefits are paid through the Local Government Pension Scheme (LGPS). This is a funded defined benefit scheme. Retirement benefits are determined independently of the investments of the scheme and employers are obliged to make additional contributions where assets are insufficient to meet retirement benefits. Prior to 1 April 2008 benefits accrued at a rate of 1/80th of final salary, with a lump sum of 3/80th of final salary for each year of service. Between 1 April 2008, and 1 April 2014 benefits accrued at a rate of 1/60th of final salary. From 1 April 2014, benefits will be based on a career average. Members pay a contribution of between 5.5% and 10.5% depending on pensionable earnings. Pension payments are increased in line with CPI. On death or death in service there are benefits for spouses. Medical retirement is possible in the event of serious ill-health. The closing liability for 31 March 2014 was calculated using the most recent actuarial valuation as at 31 March 2013 including updated demographics, financial assumptions and post 1 April 2014 LGPS changes.

4a. Pension costs

A full actuarial valuation was carried out at 31 March 2013 by Aon Hewitt. For 2013–14, employers' contributions of £2,514,000 were payable to the LGPS (2012–13: £2,449,000) in a range from 19.1% to 19.8%. The schemes' Actuary reviews employer contributions every three years following a full scheme valuation. The contribution rates reflect benefits as they are accrued, not when they are actually incurred, and reflect past experience of the scheme. Hampshire Probation Trust employs a building block approach in determining the rate of return on Fund assets. Historical markets are studied and assets with higher volatility are assumed to generate higher returns consistent with widely accepted capital market principles. The assumed rate of return on each asset class is set out within this note. The overall expected rate of return on assets is derived by aggregating the expected return for each asset class over the actual asset allocation for the Fund at 31 March 2014.

Employer contributions from 1 June 2014 will not be required to be paid by the Probation Trust as they have ceased trading. Future contributions are referred to in **Note 28** Events occurring after the reporting period.

Partnership accounts are excluded under IAS19.

The approximate employer's pension contributions for the three years are:

- Employer's contributions for 2013–14 were 13.1% of salaries plus a fixed amount of £792,500; and
- Employer's contributions for 2014–15 will be 13.1% of salaries plus a fixed amount of £862,600 and
- Employer's contributions for 2015–16 will be 13.1% of salaries plus fixed amount of £862,600.

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

	2013–14	2012–13
	%	%
Inflation assumption	2.4%	2.8%
Rate of increase in salaries	3.9%	4.7%
Rate of increase for pensions in payment and deferred pensions	2.4%	2.8%
Discount rate	4.3%	4.4%

Mortality Assumptions

Standard SAPS Normal Health Light Amounts. Future lifetime from age 65 (aged 65 at accounting date) Males = 24.4 (March 2013 = 24.0), Females = 26.2 (March 2013 = 25.0). Future lifetime from age 65 (aged 45 at accounting date) Males = 26.5 (March 2013 = 25.7), Females = 28.5 (March 2013 = 26.9).

4c. Movements in the defined benefit obligation during the year

	2013–14		Total £000
	Present value of obligation £000	Fair value of plan assets £000	
Plan assets	0	64,680	64,680
Funded liabilities	(108,940)	0	(108,940)
Unfunded liabilities	(1,020)	0	(1,020)
Opening balance at 1 April (restated)	(109,960)	64,680	(45,280)
Current service costs	(2,930)	0	(2,930)
Past service costs (including curtailments)	(180)	0	(180)
Gains and losses on settlements	0	0	0
	(3,110)	0	(3,110)
Net Interest (cost)/income	(4,790)	2,860	(1,930)
Remeasurements			
Returns on plan assets, excluding amounts included in interest income	0	(3,164)	(3,164)
Gain from change in demographic assumptions	1,440	0	1,440
Gain from change in financial assumptions	7,790	0	7,790
Experience gains	4,160	0	4,160
Change in asset ceiling, excluding amounts included in interest cost	0	0	0
	13,390	(3,164)	10,226
Foreign exchange differences	0	0	0
Effect of business combinations on disposals	0	0	0
Contributions			
Employers	0	2,514	2,514
Plan participants	(840)	840	0
Unfunded benefits	0	0	0
Payments from plans			
Benefit payments	2,880	(2,880)	0
Unfunded benefit payments	70	(70)	0
Closing balance at 31 March	(102,360)	64,780	(37,580)
Plan assets	0	64,780	64,780
Funded liabilities	(101,390)	0	(101,390)
Unfunded liabilities	(970)	0	(970)
Closing balance at 31 March	(102,360)	64,780	(37,580)

	2012–13 (restated)		Total £000
	Present value of obligation £000	Fair value of plan assets £000	
Plan assets	0	55,430	55,430
Funded liabilities	(94,890)	0	(94,890)
Unfunded liabilities	(900)	0	(900)
Opening balance at 1 April	(95,790)	55,430	(40,360)
Current service costs	(2,370)	0	(2,370)
Past service costs (including curtailments)	(40)	0	(40)
Gains and losses on settlements	0	0	0
	(2,410)	0	(2,410)
Net interest (cost)/income	(4,540)	2,680	(1,860)
Remeasurements			
Returns on plan assets, excluding amounts included in interest cost	0	5,771	5,771
Gain/(loss) from change in demographic assumptions	0	0	0
Gain/(loss) from change in financial assumptions	(8,970)	0	(8,970)
Experience gains/(losses)	100	0	100
Change in asset ceiling, excluding amounts included in interest cost	0	0	0
	(8,870)	5,771	(3,099)
Foreign exchange differences	0	0	0
Effect of business combinations on disposals	0	0	0
Contributions			
Employers	0	2,449	2,449
Plan participants	(830)	830	0
Unfunded benefits	0	0	0
Payments from plans			
Benefit payments	2,410	(2,410)	0
Unfunded benefit payments	70	(70)	0
Closing balance at 31 March	(109,960)	64,680	(45,280)
Plan assets	0	64,680	64,680
Funded liabilities	(108,940)	0	(108,940)
Unfunded liabilities	(1,020)	0	(1,020)
Closing balance at 31 March	(109,960)	64,680	(45,280)

4d. Plan assets are comprised as follows

	2013-14			2012-13 Restated		
	Quoted Value	Unquoted Value	Value as a percentage of total scheme assets	Quoted Value	Unquoted Value	Value as a percentage of total scheme assets
	£000	£000	%	£000	£000	%
Equities	37,313	2,073	61%	37,256	0	58%
Government bonds	15,223	65	24%	16,105	0	25%
Other bonds	907	129	2%	841	0	1%
Property	4,859	0	7%	1,035	4,010	8%
Cash	2,462	0	4%	1,488	0	2%
Other	130	1,619	2%	0	3,945	6%
Total	60,894	3,886	100%	56,725	7,955	100%

4e. Sensitivity analysis

	+0.1%	-0.1%
Adjustment to discount rate		
Present value of total obligation £000	99,590	103,220
% Change in present value of total obligation	-1.8%	1.8%
Projected service cost £000	3,620	3,850
Approximate % change in projected service cost	-2.9%	3.2%
Adjustment to general increase in salaries	+1yr	-1yr
Present value of total obligation £000	101,750	101,020
% Change in present value of total obligation	0.4%	-0.4%
Projected service cost £000	3,730	3,730
Approximate % change in projected service cost	0.0%	0.0%
Adjustment to deferred pension assumption	+1yr	-1yr
Present value of total obligation £000	102,840	99,970
% Change in present value of total obligation	1.4%	-1.4%
Projected service cost £000	3,850	3,620
Approximate % change in projected service cost	3.2%	-2.9%
Adjustment to mortality age rate assumption	-1yr	+1yr
Present value of total obligation £000	103,850	98,910
% Change in present value of total obligation	2.4%	-2.4%
Projected service cost £000	3,850	3,610
Approximate % change in projected service cost	3.2%	-3.2%

The sensitivity analysis above has been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of changes in key assumptions occurring at the end of the reporting period. Sensitivity of unfunded benefits have not been included.

In each case, only the assumption mentioned is altered while holding all other assumptions constant. In practice this is unlikely to occur and change in some assumptions may be correlated.

5. Taxation

	2013–14	2012–13
	£000	£000
UK corporation tax	0	16
Total	0	16

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

6. Other Expenditure

	2013-14		2012-13	
	£000	£000	£000	£000
Rentals under operating leases	47		54	
Interest charges	0		0	
Accommodation, maintenance and utilities	1,938		2,137	
Travel, subsistence and hospitality	470		487	
Professional services	233		217	
IT services	775		871	
Communications, office supplies and services	247		270	
Other staff related	277		306	
Offender costs	1,262		1,303	
Other expenditure	257		198	
External Auditor's remuneration – statutory accounts	28		29	
External Auditor's remuneration – other	0		0	
Internal Auditor's remuneration	18		27	
		5,552		5,899
Non-cash items				
Depreciation of tangible non-cash assets	49		38	
Amortisation of intangible non-cash assets	3		3	
Impairment of non-current assets	0		0	
Profit/(loss) on disposal of tangible non-cash assets	7		8	
Profit/(loss) on disposal of intangible non-cash assets	0		0	
Other provisions provided for in year	96		445	
Early retirement provisions not required	0		0	
		155		494
Total		5,707		6,393

7. Income

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

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

Interest received:

 From bank
 From car loans
 From other sources

Total interest received

Total income

	2013-14		2012-13	
	£000	£000	£000	£000
	22,442		22,698	
	0		0	
	0		0	
	0		0	
		22,442		22,698
		0		0
		0		0
		174		158
		54		47
		128		73
		0		0
		334		340
		279		261
		23,411		23,577
	8		12	
	0		0	
	0		0	
		8		12
		23,419		23,589

8. Property, plant and equipment

	2013-14					
	Information technology	Plant and machinery	Transport equipment	Furniture, fixtures and fittings	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
As at 1 April 2013	42	25	285	0	0	352
Additions	0	0	0	0	0	0
Disposals	0	0	(42)	0	0	(42)
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	(1)	1	2	0	0	2
As at 31 March 2014	41	26	245	0	0	312
Depreciation						
As at 1 April 2013	2	10	102	0	0	114
Charge in year	7	5	37	0	0	49
Disposals	0	0	(30)	0	0	(30)
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	1	0	1	0	0	2
As at 31 March 2014	10	15	110	0	0	135
Carrying value as at 31 March 2014	31	11	135	0	0	177
Carrying value as at 31 March 2013	40	15	183	0	0	238
Asset financing						
Owned	31	11	135	0	0	177
Finance leased	0	0	0	0	0	0
Carrying value as at 31 March 2014	31	11	135	0	0	177

8. (Continued)

	2012-13					
	Information technology	Plant and machinery	Transport equipment	Furniture, fixtures and fittings	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
As at 1 April 2012	7	24	260	0	0	291
Additions	30	0	48	0	0	78
Disposals	0	0	(39)	0	0	(39)
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	5	1	16	0	0	22
As at 31 March 2013	42	25	285	0	0	352
Depreciation						
As at 1 April 2012	1	7	88	0	0	96
Charge in year	1	3	34	0	0	38
Disposals	0	0	(26)	0	0	(26)
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	0	0	6	0	0	6
As at 31 March 2013	2	10	102	0	0	114
Carrying value as at 31 March 2013	40	15	183	0	0	238
Carrying value as at 31 March 2012	6	17	172	0	0	195
Asset financing						
Owned	40	15	183	0	0	238
Finance leased	0	0	0	0	0	0
Carrying value as at 31 March 2013	40	15	183	0	0	238

9. Intangible assets

	2013-14				
	Development	Software	Licences	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000
Cost or valuation					
As at 1 April 2013	0	12	0	0	12
Additions	0	0	0	0	0
Disposals	0	0	0	0	0
Reclassifications	0	0	0	0	0
Indexation/revaluation	0	1	0	0	1
Transfers	0	0	0	0	0
Impairments	0	0	0	0	0
As at 31 March 2014	0	13	0	0	13
Amortisation					
As at 1 April 2013	0	7	0	0	7
Charge in year	0	3	0	0	3
Disposals	0	0	0	0	0
Reclassifications	0	0	0	0	0
Indexation/revaluation	0	0	0	0	0
Transfers	0	0	0	0	0
Impairments	0	0	0	0	0
As at 31 March 2014	0	10	0	0	10
Carrying value as at 31 March 2014	0	3	0	0	3
Carrying value as at 31 March 2013	0	5	0	0	5
Asset financing					
Owned	0	3	0	0	3
Finance leased	0	0	0	0	0
Carrying value as at 31 March 2014	0	3	0	0	3

9. (Continued)

	2012-13				
	Development	Software	Licences	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000
Cost or valuation					
As at 1 April 2012	0	12	0	0	12
Additions	0	0	0	0	0
Disposals	0	0	0	0	0
Reclassifications	0	0	0	0	0
Indexation/revaluation	0	0	0	0	0
Transfers	0	0	0	0	0
Impairments	0	0	0	0	0
As at 31 March 2013	0	12	0	0	12
Amortisation					
As at 1 April 2012	0	4	0	0	4
Charge in year	0	3	0	0	3
Disposals	0	0	0	0	0
Reclassifications	0	0	0	0	0
Indexation/revaluation	0	0	0	0	0
Transfers	0	0	0	0	0
Impairments	0	0	0	0	0
As at 31 March 2013	0	7	0	0	7
Carrying value as at 31 March 2013	0	5	0	0	5
Carrying value as at 31 March 2012	0	8	0	0	8
Asset financing					
Owned	0	5	0	0	5
Finance leased	0	0	0	0	0
Carrying value as at 31 March 2013	0	5	0	0	5

10. Impairments

There were no impairments in 2013–14 or 2012–13.

11. Assets held for sale

There were no assets held for sale at the reporting dates for 2013–14 or 2012–13.

12. Trade receivables and other current assets

12a. Analysis by type

	2013–14	2012–13
	£000	£000
Amounts falling due within one year		
Trade receivables	25	27
VAT	0	0
Deposits and advances	0	0
Receivables due from Trusts	0	5
Receivables, Accrued Income and Prepayments due from NOMS Agency	700	2,415
Receivables, Accrued Income and Prepayments due from MoJ Group	0	0
Receivables, Accrued Income and Prepayments due from other Government departments	153	280
Other receivables	14	12
Prepayments	32	21
Accrued income	23	11
	947	2,771
Amounts falling due after more than one year		
Trade receivables		
Deposits and advances	0	0
Other receivables	0	0
Prepayments and accrued income	0	0
	0	0
Total	947	2,771

12b. Intra-Government receivables

	Amounts falling due within one year		Amounts falling due after more than one year	
	2013–14	2012–13	2013–14	2012–13
	£000	£000	£000	£000
Balances with other central Government bodies (inc. parent department)	721	2,491	0	0
Balances with local authorities	132	200	0	0
Balances with NHS bodies	0	10	0	0
Balances with public corporations and trading funds	0	0	0	0
	853	2,701	0	0
Balances with bodies external to Government	94	70	0	0
Total	947	2,771	0	0

13. Cash and cash equivalents

	2013–14	2012–13
	£000	£000
Balance at 1 April	265	574
Net change in cash and cash equivalents	541	(309)
Balance at 31 March	806	265
The following balances at 31 March are held at:		
Government Banking Service	157	52
Commercial banks and cash in hand	649	213
Balance at 31 March	806	265

14. Trade payables and other current liabilities

14a. Analysis by type

	2013–14	2012–13
	£000	£000
Amounts falling due within one year (excluding taxation)		
Trade payables	103	85
Other payables	3	4
Accruals	146	552
Deferred income	0	13
Staff payables	75	71
Bank overdraft	0	0
Payables due to Probation Trusts	10	20
Payables, Accruals and Deferred Income due to NOMS Agency	18	272
Payables, Accruals and Deferred Income due to MoJ Group	0	0
Payables, Accruals and Deferred Income due to other Government departments	104	75
Unpaid pensions contributions due to the pensions scheme	276	270
Long-term liabilities due within one year	0	0
Non-current asset accruals	0	0
	735	1,362
Tax falling due within one year		
VAT	686	1,133
Corporation tax	0	16
Other taxation and social security	360	356
	1,046	1,505
Total amounts falling due within one year	1,781	2,867
Amounts falling due after more than one year		
Staff payables	0	0
Other payables	0	0
	0	0
Total	1,781	2,867

14b. Intra-Government payables

	Amounts falling due within one year		Amounts falling due after more than one year	
	2013–14	2012–13	2013–14	2012–13
	£000	£000	£000	£000
Balances with other central Government bodies (inc. parent department)	1,083	1,797	0	0
Balances with local authorities	92	201	0	0
Balances with NHS bodies	3	0	0	0
Balances with public corporations and trading funds	0	0	0	0
	1,178	1,998	0	0
Balances with bodies external to Government	603	869	0	0
Total	1,781	2,867	0	0

15. Provisions for liabilities and charges

	2013–14				
	Early retirements costs £000	Leasehold Property Dilapidations £000	Other Provisions £000	Voluntary Early Departure £000	Total £000
Balance at 1 April	0	0	0	547	547
Provided in year	0	0	0	119	119
Provisions not required written back	0	0	0	(23)	(23)
Provision utilised in the year	0	0	0	(340)	(340)
Unwinding of discount	0	0	0	0	0
Balance as at 31 March	0	0	0	303	303

	2013–14				
	Early retirements costs £000	Leasehold Property Dilapidations £000	Other Provisions £000	Voluntary Early Departure £000	Total £000
Analysis of expected timing of discount flows					
Not later than one year	0	0	0	303	303
Current liability	0	0	0	303	303
Later than one year and not later than five years	0	0	0	0	0
Later than five years	0	0	0	0	0
Non-current liability	0	0	0	0	0
Balance as at 31 March	0	0	0	303	303

	2012–13				
	Early retirements costs £000	Leasehold Property Dilapidations £000	Other Provisions £000	Voluntary Early Departure £000	Total £000
Balance at 1 April	0	0	0	309	309
Provided in year	0	0	0	448	448
Provisions not required written back	0	0	0	(3)	(3)
Provision utilised in the year	0	0	0	(207)	(207)
Unwinding of discount	0	0	0	0	0
Balance as at 31 March	0	0	0	547	547

	2012–13				
	Early retirements costs £000	Leasehold Property Dilapidations £000	Other Provisions £000	Voluntary Early Departure £000	Total £000
Analysis of expected timing of discount flows					
Not later than one year	0	0	0	471	471
Current liability	0	0	0	471	471
Later than one year and not later than five years	0	0	0	76	76
Later than five years	0	0	0	0	0
Non-current liability	0	0	0	76	76
Balance as at 31 March	0	0	0	547	547

The Voluntary Redundancy provision at 31 March 2014 covers a period between 31 March 2014 to 30 September 2014. The provision covers redundancy costs and pension strain costs for 8.3 FTEs (10 individuals).

16. Capital commitments

There were no capital commitments for 2013–14 or 2012–13.

17. Commitments under leases

17a. Operating leases

Total future minimum lease payments under operating leases are given in the table below for each of the following periods:

Obligations under operating leases for the following periods comprise:

	2013–14	2012–13
	£000	£000
Other		
Not later than one year	52	45
Later than one year and not later than five years	48	47
Later than five years	0	0
Total	100	92

Operating leases include pool cars and photocopier rentals.

17b. Finance leases

Total future minimum lease payments under finance leases are given in the table below for each of the following periods:

Obligations under finance leases for the following periods comprise:

	2013–14	2012–13
	£000	£000
Other		
Not later than one year	0	0
Later than one year and not later than five years	0	0
Later than five years	0	0
Less interest element	0	0
Present value of obligations	0	0

Present value of obligations under finance leases for the following periods comprise:

	2013–14	2012–13
	£000	£000
Other		
Not later than one year	0	0
Later than one year and not later than five years	0	0
Later than five years	0	0
Total present value of obligations	0	0

There are no finance leases for 2013–14 or 2012–13

18. Other financial commitments

The Trust has no financial commitments for 2013–14 or 2012–13.

19. Deferred tax asset

The trust has no deferred tax assets for 2013–14 or 2012–13.

20. Financial instruments

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

21. Contingent liabilities

The Trust has no contingent liabilities for 2013–14 or 2012–13.

22. Losses and special payments

22a. Losses statement

	2013–14		2012–13	
	Number of cases	Total value £000	Number of cases	Total value £000
Cash losses	0	0	0	0
Claims abandoned	0	0	0	0
Administrative write-offs	8	1	0	0
Fruitless payments	0	0	0	0
Store losses	0	0	0	0
Total	8	1	0	0
Details of cases over £300,000				
Cash losses	0	0	0	0
Claims abandoned	0	0	0	0
Administrative write-offs	0	0	0	0
Fruitless payments	0	0	0	0
Store losses	0	0	0	0
Total	0	0	0	0

There are no losses over £300,000.

22b. Special payments schedule

	2013–14		2012–13	
	Number of cases	Total value £000	Number of cases	Total value £000
Special payments	0	0	0	0
Total	0	0	0	0
Details of cases over £300,000				
Special payments	0	0	0	0
Total	0	0	0	0

23. General fund

	2013–14 £000	2012–13 (Restated) £000
Balance at 1 April	(45,449)	(40,462)
Prior period adjustment (Note 28)	0	0
Balance restated at 1 April	(45,449)	(40,462)
Financing	0	0
Net transfers from Operating Activities:		
Statement of Comprehensive Net Expenditure	(2,543)	(1,888)
Movement in donated assets	0	0
Transferred from revaluation reserve	0	0
Remeasurement of post employment benefits	10,226	(3,099)
Balance at 31 March	(37,766)	(45,449)

24. Revaluation reserve

24a. Property, plant and equipment

	2013–14 £000	2012–13 £000
Balance at 1 April	34	18
Prior period adjustment (Note 28)	0	0
Balance restated at 1 April	34	18
Arising on revaluations of PPE during the year (net)	0	16
Transferred to General Fund	0	0
Balance at 31 March	34	34

24b. Intangibles

	2013–14 £000	2012–13 £000
Balance at 1 April	0	0
Prior period adjustment (Note 28)	0	0
Balance restated at 1 April	0	0
Arising on revaluations of intangibles during the year (net)	1	0
Transferred to General Fund	0	0
Balance at 31 March	1	0

25. Related party transactions

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

On 12th August 2013, the Probation Board agreed to support the development of a joint venture and creation of a new entity that could bid for a contract within the “Transforming Rehabilitation” competition.

2 managers were released from their normal duties to work on this. 2 Board members also expressed the wish to support the venture.

Ethical walls were established in accordance with guidance from MoJ procurement. Those working on or supporting the joint venture signed Declaration B and management responsibilities were reallocated. All other members of the Board and Strategic Management Team and relevant HQ managers signed Declaration A.

Agendas for meetings of the Probation Board and the SMT were then sub-divided into restricted and non-restricted sections, with the former only attended by staff and Board members who had signed Declaration A. The Chair of the Board and the Chief Executive maintained oversight of progress and use of Trust resources via the transition governance meeting.

A joint venture was formed with a potential partner and the PQQ stage successfully passed. However the joint venture was terminated in January 2014 when the partner decided not to continue its interest in the bid.

26. Third-party assets

The Trust has no third-party assets for 2013–14 or 2012–13.

27. Events occurring after the reporting period

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

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

Dissolution of the Trust

The Trust ceased trading on 1 June 2014. A Statutory Instrument to dissolve the Trust, under section 5(1)(c) of the Offender Management Act 2007, will be made by the Secretary of State for Justice subject to the negative resolution procedure.

The operations of the Trust have been divided between the National Probation Service and a Community Rehabilitation Company, both public sector entities. MoJ/NOMS has committed to ensuring all services will continue under the new structure, using the same assets and resources, for the foreseeable future.

On 1 June 2014 a Transfer Order effected the transfer of existing assets, liabilities and staff of the Trust to the NPS and CRC public sector bodies in a practical way that reflects the services that each provides. Some assets and liabilities remained in the Trust to be settled as soon as practically possible.

A tender process is currently under way with a successful bidder to take ownership of the CRC in winter 2014–15.

The Accountable Officer with the support of senior management has concluded that there is no further impact on the financial statements other than those referred to in **Note 1.4**.

Basis of allocation of balances after the Trust ceased trading on 1 June 2014

On 1 June 2014, the assets and liabilities of the Probation Trust were allocated between the NPS and CRC as follows:

Pensions

On 1 June 2014, the Trust's existing pension liabilities and corresponding assets were transferred to the Greater Manchester Pension Fund (GMPF).

The Trust is no longer required to pay employer contributions to the fund.

The responsibility for funding the past service liabilities and all future contributions associated with those original employees who are active members of the LGPS have transferred with the employee to the new employer (the CRC or the NPS) as referred to in **Note 1.4**. The MoJ ensures that the past service liabilities are 100% funded on an ongoing basis from the date the employees transferred to the CRC.

The Secretary of State for Justice has provided a guarantee to the GMPF in respect of the CRCs' participation in the GMPF for pension liabilities that transfer to the CRCs.

The responsibility for funding the past service liabilities associated with the original employees who are deferred or pensioner members of the LGPS have transferred to the NPS under the Secretary of State for Justice.

Leases and service contracts

Property and IT leases remain within the Ministry of Justice.

All other service contracts have been novated to the relevant entity based on where the services of that contract will be provided. Where the services are shared by both entities, the contract will in most cases be novated to the majority user.

Staff related balances

All staff related balances, not settled by the Trust shortly after 1 June 2014, have been allocated to the relevant entity to which each member is transferred.

All other balances

Existing debtors and creditors that remain within the Trust are to be settled from existing funds.

All other balances have been allocated on a practical basis taking in to account future use, staff member allocation and services provided by that entity.

Where an asset, liability or service is utilised by both entities it will likely remain within the NPS/NOMS.

The finalisation of the split of assets and liabilities has not been completed as at the date of this report. Therefore financial information is not available.

28. Prior period adjustments

IAS 19 *Employee Benefits* (Revised 2011)

In the current year, the Trust has applied the 2011 amendments to IAS 19 *Employee Benefits* (revised 2011), which are mandatory for accounting periods beginning on or after 1 January 2013. The standard requires retrospective application, which has resulted in a prior period adjustment. The prior period comparatives have been restated accordingly.

The amendments relevant to the Trust are:

The interest cost and expected return on plan assets are replaced with 'net interest', which is calculated by applying the same discount rate to the net defined benefit liability/(asset). Retrospective application has had an impact on the amounts recognised in profit or loss and other comprehensive income in 2012–13. The net assets and liabilities are unchanged.

Specific transitional provisions are applied to first time application of IAS 19 (revised 2011). The Trust has applied the relevant transitional provisions and restated the comparative figures.

Impact on total comprehensive expenditure for the year of application of IAS 19 Extract from the statement of comprehensive net expenditure

	2012–13
Extract from the 2012–13 accounts before restatement:	£000
Net operating expenditure after taxation	998
Other comprehensive expenditure	3,973
Total comprehensive expenditure	4,971
Restatement:	
Increase in programme expenditure (interest costs)	890
Decrease in remeasurement of defined benefit obligation (previously actuarial loss)	(890)
	0
Extract from the 2012–13 accounts after restatement:	
Net operating expenditure after taxation	1,888
Other comprehensive expenditure	3,083
Total comprehensive expenditure	4,971

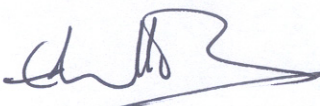
Extract from the statement of changes in taxpayers' equity

	2012–13
Extract from the 2012–13 accounts before restatement:	£000
General fund balance as at 31 March 2013	(45,449)
Restatement:	
Increase in net operating expenditure	890
Decrease in remeasurement of defined benefit obligation (previously actuarial loss)	(890)
General fund balance as at 31 March 2013 after restatement	(45,449)

Accounts Direction

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

1. This direction applies to the Local Probation Trusts (the Trusts) listed in the attached Appendix 1.
2. Each Trust shall prepare a statement of accounts for the financial year ended 31 March 2014 and subsequent financial years, in compliance with the accounting principles and disclosure requirements of the Government Financial reporting Manual (“the FReM”) issued by HM Treasury and which is in force for the relevant financial year.
3. The accounts shall be prepared so as to:
 - give a true and fair view of the state of affairs of the Trust as at the financial year-end and of the comprehensive net expenditure, changes in taxpayers’ equity and cash flows for the financial year and have been properly prepared in accordance with the Offender Management Act 2007;
 - provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.
4. Compliance with the requirements of the FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. If, in these exceptional circumstances, compliance with the requirements of the FReM is inconsistent with the requirement to give a true and fair view, the requirements of the FReM should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgement should be used to devise an appropriate alternative treatment which should be consistent with both the economic characteristics of the circumstances concerned and the spirit of the FReM. Any material departure from the FReM should be discussed in the first instance with NOMS Agency finance team and HM Treasury.
5. Additionally the Trusts shall be required to comply with all Probation Communication Notices to the extent that they build on the requirement of the FReM subject to the directions in paragraph 4.
6. This direction supersedes that provided by the Secretary of State to Probation Trusts dated 6 March 2013.



Edward Kirby

On behalf of the Secretary of State for the Ministry of Justice
 18 February 2014

Appendix 1

35 Probation Trusts:

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

8. Sustainability Report

(Not subject to audit)

Introduction

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

This report covers 14 buildings.

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

Governance, responsibilities and internal assurance

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

Greening Government Commitments

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

Climate change adaption and mitigation

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

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

Carbon Reduction Commitment (CRC)

CRC is managed by MoJ and associated carbon allowances are accrued by MoJ Corporate Estates.

Carbon Management Plan (CMP)

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

Our vision is to:

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

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

Environmental Management System (EMS)

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

Sustainable procurement

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

Social and environmental awareness

HPT takes into account sustainability within its procurement processes one example of which is buying via a National Framework for Toner cartridges which only delivers one day a week, ensuring that emissions are kept to a minimum by delivering to adjoining counties on the same day; additionally arrangements are in place Trust-wide with regards recycling of Toner cartridges. All confidential waste is shredded and to date HPT has saved 127 trees. Recycling processes have been placed in most buildings in conjunction with the Facilities Management Company, the only exception being 2 shared buildings where approval has not been given by the Landlords.

Any other headings (e.g. Local initiatives)

Part of the Trust's Corporate Social Responsibility policy includes a number of initiatives to raise money for local homelessness charities. The policy also support staff in supporting local organisations through volunteering. For example:

- Easter Hamper raffle
- Christmas raffles
- Monthly 'dress-down' days
- Donations of grocery items to local Food Banks
- 4,000 hours of volunteering

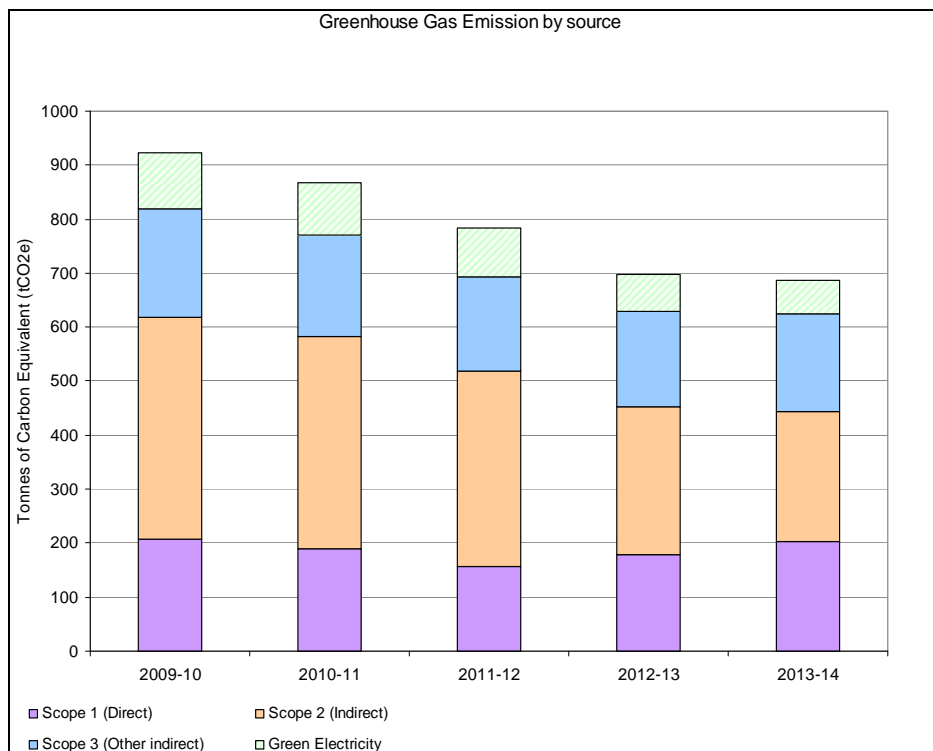
Greenhouse Gas Emissions (GHG)

The method of calculating greenhouse gas emissions has changed with respect to the conversion factors and also how electricity and associated Transmission and Distribution losses are accounted for. All past years data has been adjusted.

Performance summary

Greenhouse gas (GHG) emissions

		2009–10	2010–11	2011–12	2012–13	2013–14
Non-financial indicators (tCO ₂ e)	Scope 1 (direct): Site-based emissions & owned transport	208.3	189.0	157.1	177.9	202.5
	Scope 2 (indirect): Supplied energy (electricity and heat)	410.5	394.8	362.0	273.6	241.5
	Scope 3 (other indirect): Business travel & transmission losses from supplied energy	200.5	185.7	174.8	177.8	181.4
	Total gross GHG emissions	819.3	769.5	693.9	629.4	625.3
	Electricity: green/renewable	102.6	98.7	90.5	68.4	60.4
	Total net GHG emissions	716.7	670.8	603.4	561.0	565.0
Non-financial (kWh)	Electricity: Grid, CHP & non-renewable	623,464	664,660	609,519	460,666	406,599
	Electricity: renewable	207,821	221,553	203,173	153,555	135,533
	Gas	919,056	829,787	655,326	738,318	791,783
	Other energy sources	0	0	0	0	0
	Total energy	1,750,341	1,716,000	1,468,018	1,352,539	1,333,915
Financial indicators	Expenditure on energy (£)	126,669	135,975	116,010	95,702	96,407
	Expenditure on official business travel (£)	356,811	359,928	338,543	373,441	360,034



Performance commentary (including targets)

From 01 April 2011 new Greening Government Commitments require us to reduce greenhouse gas emissions from a 2009/2010 baseline from the whole estate and business-related transport and cut domestic business travel flights by 20% by 2015 from a 2009/10 baseline.

Total emissions for Gas, Electricity and Travel have fallen against the 2009/10 baseline by 21%. Energy consumption within buildings occupied by Hampshire Probation Trust is reducing, with 50% of buildings showing reduced electricity and water consumption. The cold April in 2013 had an impact of higher gas consumption in 2013/14, other efficiency measures for electricity and travel have kept overall emissions constant.

Controllable impacts commentary

Implementation of the Trust's Property Strategy has reduced energy through building closure and consolidation.

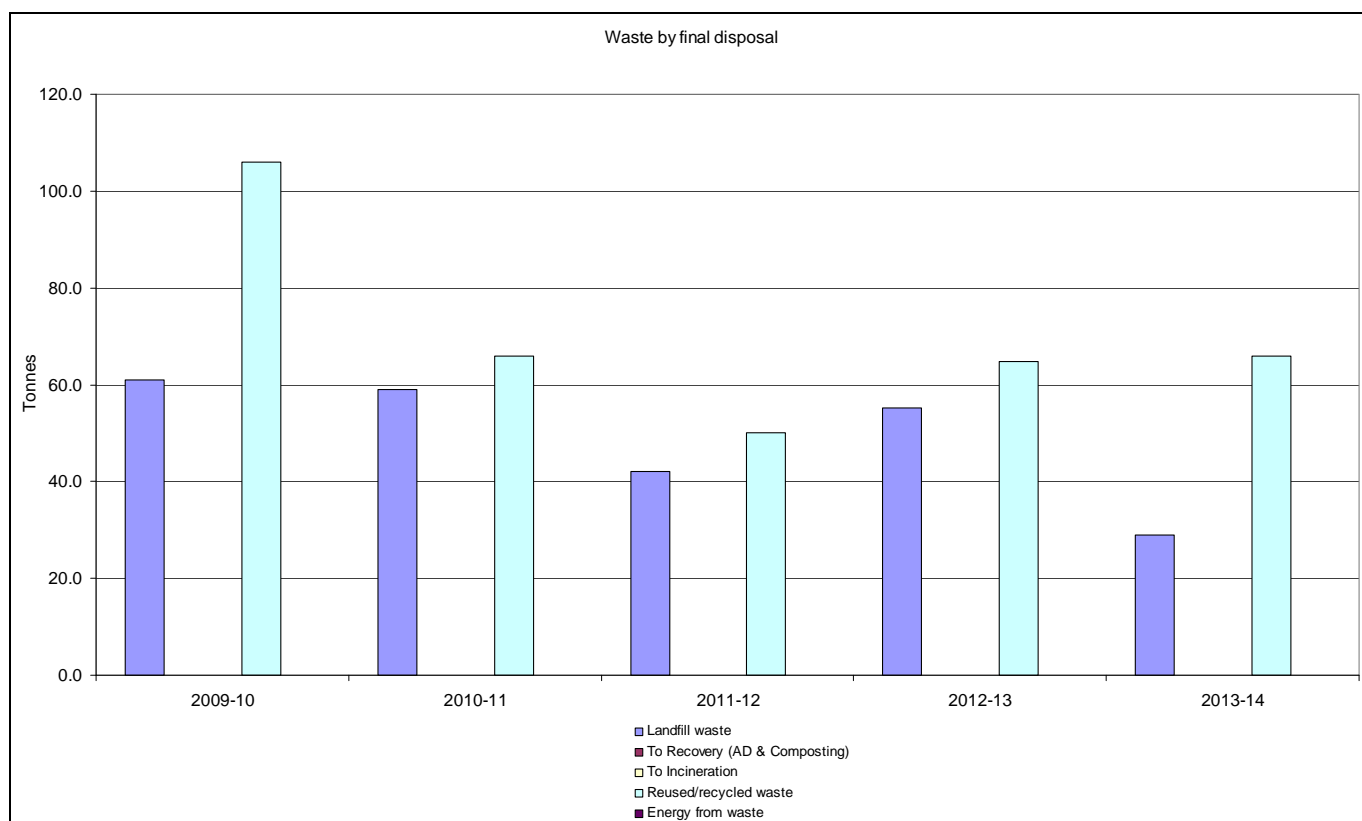
Overview of influenced impacts

The Trust's estates and facility management services are provided through a mandatory contract with NOMS and the Trust has limited ability to impact carbon dioxide emissions in these areas, however the closure of two buildings and the subsequent consolidation has supported reductions. The MoJ has a Carbon Management Plan which covers all 35 Trusts.

HPT uses a National Framework to hire cars, which only uses low emission vehicles and the Trust only hires economical cars. When replacing lease cars particular attention is paid to the potential usage/engine size. Greater awareness from staff has resulted in increased usage of both lease cars and hire cars.

Waste

			2009–10	2010–11	2011–12	2012–13	2013–14
Non-financial indicators (tonnes)	Non-hazardous waste	Landfill waste	61	59	42	55	29
		To recovery (AD & composting)	0	0	0	0	0
		To incineration	0	0	0	0	0
		Reused/recycled waste	106	66	50	65	66
		Energy from waste					
Total waste arising			167	125	92	120	95
Financial indicators	Non-hazardous waste	Landfill waste	4,912	4,736	3,449	4,517	2,382
		To recovery (AD & composting)	0	0	0	0	0
		To incineration	0	0	0	0	0
		Reused/recycled waste	16,703	10,077	7,327	9,525	9,671
		Energy from waste	0	0	0	0	0
Total waste costs (£)			21,615	14,813	10,776	14,042	12,053



Performance commentary (including targets)

From 01 April 2011 new targets (GGC) required the reduction in generated waste by 25% from a 2009/10 baseline. Waste has reduced from the 2009/10 baseline by 43% in 2013/2014, exceeding the 25% target. The greater portion of HPT's redundant/broken ICT equipment, once security cleaned, is donated to Charities.

Controllable impacts commentary

The Trust supports the management of office waste through a recycle approach and the introduction of LEAN 5 S principals. Arrangements are in place Trust-wide for the recycling of Toner cartridges, paper, plastic metal and waste. Recently all printers were set, throughout the trust, to default to double-sided printing.

Overview of influenced impacts

Recycling processes have been placed in most buildings in conjunction with the Facilities Management Company. All confidential waste is shredded and to date HPT has saved 127 trees.

Water

		2009–10	2010–11	2011–12	2012–13	2013–14
Non-financial indicators	Total water consumption (cubic metres: m³)	14,042	13,642	10,440	9,610	6,847
Financial indicators	Total water supply costs (£)	28,633	31,807	27,050	30,112	22,047

Performance commentary (including targets)

From 1 April 2011 new targets (GGC) required us to reduce water consumption from a 2009/10 baseline and report on office water use against best practice benchmarks.

- >6m³ water consumption per FTE poor practice
- 4m³–6m³ per FTE good practice
- <4m³ per FTE best practice
- % offices meeting best/good/poor practice benchmark

Water consumption has reduced from the 2009/10 baseline m³ by 51%, however costs have increased from £3 per cubic metre to an average cost of £3.20 per m³.

The Trust's water usage is 6847/488 = 14m³ per FTE, however 30% of the water consumption relates to 3 residential Approved Premises

Controllable impacts commentary

Water use in the Trust's offices is almost exclusively from washrooms and drinking plus some locations also have dishwasher facilities. The Trust manages 3 Approved Premises which are residential and have full residential facilities.

Overview of influenced impacts

The Trust's water is provided through a mandatory contract with NOMS, Trusts have limited ability to impact usage in this area, although building closures through our Property Strategy has supported a reduction in consumption.

Paper

	2009–10	2010–11	2011–12	2012–13	2013–14
Cost (excluding VAT)	23,650	19,028	17,088	20,734	13,812

Performance commentary (including targets)

From 01 April 2011 new targets (GGC) require us to cut paper use by 10%.

Reams of paper used in 2013/2014 shows a reduction of 43% against the baseline of 2009/10 and 41% lower in cost. Comparison against 2012/2013 data shows a reduction of 22% in use and 33% lower cost. Reductions have been driven, and continue to be driven, by a combination of the following initiatives:

- Central ordering where feasible
- Use of ‘designated’ suppliers with regards stationery, ensuring delivery is both free and represents best value.
- Providing electronic PSRs for Courts
- Use of electronic Court Assessment Tool rather than paper based
- Court packs are now electronic
- Recall process is now electronic
- Offender files now stored electronically
- Electronic breach process
- Electronic referral process to Approved Premises in the South East Region.
- Printers default to double-sided printing
- Continuing raised awareness of staff on paper usage

Year	2009–10	2010–2011	2011–2012	2012–2013	2013–2014
No. Reams	11,396	9,542	8,663	8,109	6,295

Glossary

CAFCASS	Children And Family Court Advisory and Support Service
CMRS	Court Martial Report Service
CP	Community Payback
CPI	Consumer Price Index
CRC	Community Rehabilitation Company
DMAIC	Define Measure Access Implement Control
ETE	Education Training Employment
FReM	Government Financial Reporting Manual
HMIP	Her Majesty's Inspectorate of Probation
IDAM	Individual Domestic Abuse Module
IAS	International Accounting Standard
IASB	International Accounting Standard Board
ICP	Intensive Community Payback
IOM	Integrated Offender Management
IDAP	Integrated Domestic Abuse Programme
LDU	Local Delivery Unit
LEAN	Methodology to support efficiency
MAPPA	Multi Agency Public Protection Arrangements
MoJ	Ministry of Justice
NDPB	Non Departmental Public Body
NOMS	National Offender Management Service
OMI	Offender Management Inspection
OBP	Offending Behaviour Programme
PCC	Police and Crime Commissioners
PPO	Prolific & Other Priority Offender
PRS	Pre Sentence Report
PTRS	Probation Trust Rating System
ROI	Return On Investment
SEEDS	Skills for Effective Engagement, Development and Supervision
SFO	Serious Further Offence
SMT	Senior Management Team
QA	Quality Assurance
QIP	Quality Improvement Plan
YOT	Youth Offending Team

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