

Nottinghamshire
Probation Trust



Nottinghamshire Probation Trust

Annual Report and Accounts
2013–2014

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Vision, Mission & Values

Our Vision – where we aimed to be

Nottinghamshire Probation Trust would be recognised nationally as a Probation Trust that provided local delivery of excellent quality, leading edge services to protect the public of Nottinghamshire.

Our Mission – what we do

Your Probation Trust worked with partners to help victims, punish offenders, protect you, reduce reoffending and rehabilitate offenders.

Our Values

Everything we did was built on our desire to support victims, protect the public, and enforce sentences:

- We believed that by engaging with offenders we could change their thinking and behaviour;
- We were accountable to the public and were responsive to your needs to inspire confidence in our service;
- We used resources efficiently and offered value for money;
- We worked with partners to deliver the best service we could;
- We accepted and learnt from justifiable criticism and strived for continuous improvement;
- We were open, honest and transparent in our actions and decision-making; and
- We valued difference and diversity and strived for a culture of equality and respect for others.

Foreword

We are pleased to report on another successful year building on our record of achievement and reputation as a high performing Probation Trust.

2013–14 saw us continue to work efficiently and effectively to rehabilitate offenders and reduce reoffending, consequently decreasing the amount of people affected by crime.

Nottinghamshire continued to be one of the top performing Probation Trusts in England and Wales for reducing reoffending based upon the actual rates versus predicted rates. Our overall level of performance for 2013–14, using the Probation Trust Rating System, was assessed as “good”.

We were supported by the expertise and professionalism of our staff, strategic direction from our Trust Board, and extremely productive relationships with our partners. This helped us to manage the transfer of services, from 1 June 2014, to the National Probation Service and the Derbyshire, Leicestershire, Nottinghamshire and Rutland Community Rehabilitation Company so that they will continue to provide high quality services within Nottinghamshire.

We have been committed to achieving the highest standards, in protecting our communities, delivering our contract with the Secretary of State and supporting our staff and we want to ensure that this continues in the future through our successor organisations.

Chief Executive Officer
19 June 2014

1. Operational & Performance Review 2013–14

Nottinghamshire Probation Trust (NPT) consisted of five Directorates covering Offender Management (City and County), Interventions, Corporate Services and one for the Chair and Chief Executive.

Offender Management (County) – led by Mark Taylor Director

Area wide responsibilities included the Safer Nottinghamshire Board, Youth Offending Service and Multi Agency Public Protection Arrangements. Key achievements were:

- Providing high levels of performance, including achieving target for Community Payback completions and improvement in the successful completion rate;
- Completing substance misuse (county) contract with Public Health;
- Ensuring a balanced budget;
- Ensuring excellent partnership working, including a high level engagement with local Community Safety Partnerships;
- Implementing innovative projects that included Bassetlaw Market Garden and Kirkby Boxing Club;
- Contributing to the work of Multi Agency Safeguarding Hub that has been universally praised by partners; and
- Continuing commitment to the quality agenda reflected in supervision of staff.

Offender Management (City) – led by Nigel Hill Director

Area wide responsibilities were Crime and Drugs Partnership, Risk of Harm, Youth Offending Team, Safeguarding, Multi Agency Public Protection Arrangements (MAPPA) and Life Sentence Prisoners. Key achievements were:

- Expanding the Changes Programme for women offenders to offer provision across Nottinghamshire;
- Developing Personality Disorder Programme with community mental health;
- Reviewing services offered within Approved Premises and improving residents' engagement;
- Working with key partners in delivery of Restorative Justice Rebuild initiative;
- Delivering the I-CAN community programme within Ending Gang and Youth Violence partnership; and
- Working with Youth Offending Team partner in improving transition management of ex-offenders.

Interventions – led by Sheila Wright, Director and Alan Goode, Director (December 13 and January 14)

Area-wide responsibilities for this Directorate were Business planning, Programmes, Employment Training and Education, Accommodation, Benefits and Advice, Community Payback, Fit for Work, health and wellbeing, alcohol treatment requirements and commissioning groups. Key achievements were:

- Achieved Investors in Diversity Stage 1;
- Implemented Community Personality Disorder strategy including increased provision of services to offenders with mental health needs;
- Significant strengthening of operational processes confirmed by Internal Audit review;
- Improved quality of treatment management and delivery of accredited programmes confirmed by NOMS;
- Access Team achieved 100% of sustained employment target with 350 offenders supported;
- Successful delivery of REACH key performance indicators; and
- Increased training and support of volunteers.

Corporate Services – led by Rob Moore Director

This included Human Resources, Finance, Learning and Development, Business Development, Communications, Management Information Systems, and Health & Safety. The Director was also responsible for external awards, offender complaints, estates, Freedom of Information, Data Protection / information security, business continuity and organisational risk and he led on Transforming Rehabilitation Programme for the Trust. Key achievements were:

- Met all key milestones and deadlines in relation to the Transforming Rehabilitation Programme, including being the first Trust nationally to complete the assignment process;
- Delivered training to colleagues ready for Transforming Rehabilitation;
- Reviewed and updated the performance and appraisal scheme;
- Retained Royal Society for Prevention of Accidents (RoSPA) Gold status;
- All internal audits achieved the top two ratings;
- Corporate Services sickness absence reduced to 3.8 days per person per year;
- Implemented two national IT systems – nDelius and OASys-R;
- Supported colleagues in an overall underspend for the Trust; and
- Corporate Services underspent against its budget.

Chair and Chief Executive – led by Christine Goldstraw (Chair) and Jane Geraghty (Chief Executive)

This covered services associated with the Board, Directors, Board advisors and support staff.

Key achievements were:

- Achieving “good” rating for overall performance;
- Balancing costs with income (excluding pensions) including transferring resources back to NOMS to support the overall national financial position; and
- Overseeing and ensuring that all key milestones in implementing Transforming Rehabilitation were met.

Contract targets and performance

	Target 13/14	Actual 13/14	Actual 12/13
Reducing Reoffending Rate (quarterly)	10.4%	9.2%	10.9%
OASys termination assessments for all offenders	89%	89%	90%
Timeliness of Indeterminate Parole reports	85%	88%	96%
Licence recall requests reaching NOMS within 24hrs of the Offender Managers decision to recall	92%	98%	96%
OASys Quality audit rated at sufficient or above	90%	94%	90%
Percentage of court reports completed within the required timescale (excluding Remand in Custody [RIC] PSR)	93%	97%	96%
Number Community Payback completions	1,100	1,116	1,416
Initiation of breach proceedings within 10 working days	90%	89%	93%
Orders and licences successfully completed	72%	73%	74%
The number of General Offender Behaviour programmes completions	127	129	210
The number of Domestic Violence programmes completions	95	87	120
The number of Sex Offenders programmes completions	45	41	45

B2 Customer Results

Customer Results	Target 13/14	Actual 13/14	Actual 12/13
Victim feedback, to evaluate quality of service	70%	93%	95%
Offender Feedback	70%	71%	85%
Offenders under supervision sustaining employment for 4 weeks	350	350	391
Offenders in employment at the end of their order or licence	44%	52%	48%
Offenders living in settled and suitable accommodation at the end of their order or licence	80%	86%	86%

Workload and Activity Statistics

New Cases	2009–10	2010–11	2011–12	2012–13	2013–14
Generic Community Sentences	3,505	3,280	3,112	2,630	2,031
Suspended Sentences	1,062	1,175	1,185	1,296	1,067
Unpaid work hours ordered	261,320	285,868	266,368	218,594	168,983
Unpaid work hours worked	272,366	270,761	292,117	247,624	145,141
Pre-Release < 12 months	216	154	228	173	116
Pre-Release 12+ months	865	891	819	863	736
Post-Release	1,285	1,268	1,362	1,149	922

Reports	2009–10	2010–11	2011–12	2012–13	2013–14
Pre-Sentence / Standard Reports	3,269	2,730	2,308	1,213	586
Short Format / Fast Reports	1,825	2,074	2,209	1,954	1,842
Specific Sentence / Oral Reports	506	795	837	1,366	1,452

Caseload as at 31 st March	2010	2011	2012	2013	2014
Generic Community Sentences	2,903	2,103	2,027	1,621	1,427
Suspended Sentence Supervision Orders	860	881	916	812	857
Supervision Requirements	3,091	2,269	2,304	1,874	1,704
Unpaid Work Requirements	1,257	1,465	979	1,044	537
Programme Requirements	845	792	657	640	464
Alcohol Treatment Requirements	158	236	128	160	103
Specified Activity Requirements	477	406	349	324	271
Drug Treatment and Testing Orders / Drug Rehabilitation Requirements	299	229	160	176	125
Pre-Release	2,447	2,374	2,318	1,612	2,259
Post-Release	870	951	960	974	856
Life Sentences (pre and post-release)	258	173	290	249	307

Chief Executive
19 June 2014

2. Management Commentary

Statutory background

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 Nottinghamshire Probation Board which was established in 2001). The Trust ceased trading on 31 May 2014 after which its activities, staffing and resources have been split between the National Probation Service and the Derbyshire, Leicestershire, Nottinghamshire and Rutland Community Rehabilitation Company. The Trust's Accounting Officer is accountable to the NOMS Accounting Officer.

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

Principal activities

These cover:

- Public Protection and Services to Victims;
- Community Payback and Punishment;
- Rehabilitation and Reducing reoffending;
- Competition, business development and commissioning; and
- Value for money and achieving agreed contract performance targets.

There was a rigorous approach to the assessment and management of risk that was reviewed periodically by the Directors as well as by the Audit Committee. The Trust considered the risks related to its financial management objectives and policies, pricing changes, credit, liquidity and cash flow. These were all considered to be low as its main source of income was from another Government body.

Operational Performance during 2013–14

An analysis of performance outcomes is summarised in the Annual Report on pages 4 to 6.

Results for the year

The Statement of Comprehensive Net Expenditure (SoCNE) for the year is shown on page 27. The Statement of Changes in Taxpayers' Equity is shown on page 30.

Operating costs

The net operating cost before tax for 2013–14 was £2,982m compared to £2,640m for 2012–13, restated to reflect IAS19. The reasons for the increase were due to changes in pension costs as assessed by the Actuary.

Statement of Financial Position and Statement of Cash Flows

The Statement of Financial Position and Statement of Cash Flows are on pages 28 and 29.

The net liabilities position increased from £34,756m at 31 March 2013 to £37,230m at 31 March 2014. The largest single movement in net liabilities was due to the increase in pensions as assessed by the Actuary and this is met by an increase in Taxpayers' equity.

Payment of creditors

In the year to 31 March 2014, the Trust paid 4,788 trade invoices with a value of £5.28m. The percentage of undisputed invoices paid within 30 days was 97% compared to 97% 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). The Trust is no longer required to pay employer contributions to the fund as it ceased trading after the 31 May 2014.

The responsibility for funding the past service liabilities and all future contributions associated with those original employees who are active members of the LGPS has transferred with the employee to the new employer the Community Rehabilitation Company (CRC) or the National Probation Service (NPS). The MoJ will ensure 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 CRCs' participation in the GMPF for pension liabilities that transfer to them.

The responsibility for funding the past service liabilities associated with the original employees who are deferred or pensioner members of the LGPS will transfer 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 7.8 days across the Trust (2012–13 9.1 days).

Personal data related incidents

There were no significant personal data related incidents in 2013–14 that needed to be reported to the Information Commissioner's Office (ICO). A risk assessment would have been carried out, if any had occurred, to assess who, if anyone, would have been notified and to ensure measures were in place to mitigate risk to individuals and prevent recurrence of the incident. All staff undertook a compulsory Information Assurance training course when joining the Trust together with an annual refresher course.

Events after the reporting period

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

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

Nottinghamshire Probation Trust ceased trading on 1 June 2014. The operations of the Trust have been divided between the National Probation Service and a Community Rehabilitation Company, 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

Staff, with the exception of the Trust's Chief Executive, have been allocated to either the National Probation Service (NPS) or the Community Rehabilitation Company (CRC) in accordance with national guidance on the process that was followed. The proportion of staff transferring to the CRC and NPS is approximately 58% and 42% respectively.

Sustainable development

The Trust was 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 56 to 59.

Future developments

The main change for the Trust was the transfer of functions and staff to the National Probation Service (NPS) and a Community Rehabilitation Company (CRC) from 1 June 2014. The CRC will initially be publicly owned but is likely to be transferred to the private sector later on in 2014–15.

Staff Diversity

The Board was committed to ensuring that equality was embedded in all of its work and that staff felt respected and valued. The Trust's single equality scheme and action plan promoted these objectives through recruitment, employment, retention training and development practices. The achievement of externally validated awards such as Investors in People and Investors in Diversity were measures of success.

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 high risk 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 ensure all current services will continue under the new structure, 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 that within the context of the Financial Reporting Manual (FRM), it was appropriate for the Trust to prepare the 2013–14 Annual Report and Accounts on a going concern basis.

Communications and employee involvement

The Trust communicated with staff through a variety of ways that included one to one discussions, team meetings staff conferences and the use of an Intranet. It provided regular updates to employees about the planned changes taking place as part of Transforming Rehabilitation.

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 page 25.

Total audit fees reported in the Accounts are £52,180. The audit fees for 2013–14 are made up of:

- Internal Audit £21,600; and
- External Audit £27,580 for statutory accounts and £3,000 for the cost of work undertaken in 2012–13 that had not been included in the previous year's accounts.

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 Nottinghamshire Probation Trust Board

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

- Trust Board;
- Audit Committee;
- Practice Assurance Group incorporating Serious Further Offences Committee;
- Equality and Diversity Committee;
- Change Management Committee until January 2014;
- Health and Safety Committee;
- Remuneration Committee;
- Transforming Rehabilitation Board;
- Transforming Rehabilitation Sub Groups; and
- Offender Complaints Panel.

Further information about these is set out in the Section on the Annual Governance Statement.

The Chair and other members of the Board were all appointed by the Secretary of State. Details of the remuneration of the Management Board are set out in the Remuneration Report on pages 12 to 14. Membership of the Board is set out in the table below:

Position	Name
Chief Executive	Jane Geraghty
Chair	Christine Goldstraw
Non Executive	Kamaljit Sandhu
Non Executive	Jeffery Grant
Non Executive	Paul Grant
Non Executive	Bonnie Jones
Non Executive	Catherine McLaughlin
Non Executive	Keith Sudbury
Non Executive	David Ward

There were no changes in Board membership during the year.

Related Party Transactions

Details of these for the Board and for the Directors and Senior Officers are set out in **Note 25**.

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

Accountable Officer

19 June 2014

3. Remuneration Report

Appointments

The Chair, the Chief Executive, and other members of the Trust Board were all appointed by the Secretary of State.

The remuneration of the Chair and Non Executives was set by the Secretary of State and that of the Chief Executive and Directors was in accordance with national pay negotiations for all Probation staff.

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

A) REMUNERATION – AUDITED

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

	2013/14					2012/13				
	Salary £000	Bonus £000	Benefits in kind £000	Pension Benefits £000	Total £000	Salary £000	Bonus £000	Benefits in kind £000	Pension Benefits £000	Total £000
Jane Geraghty	90–95	0–5	0–5	30–35	125–130	85–90	0–5	0–5	*	*
Christine Goldstraw	25–30	0	0	0	25–30	15–20	0	0	0	15–20
Kamaljit Sandhu	0–5	0	0	0	0–5	0–5	0	0	0	0–5
Jeffery Grant	0–5	0	0	0	0–5	0–5	0	0	0	0–5
Paul Grant	0–5	0	0	0	0–5	0–5	0	0	0	0–5
Bonnie Jones	0–5	0	0	0	0–5	0–5	0	0	0	0–5
Catherine McLaughlin	0–5	0	0	0	0–5	0–5	0	0	0	0–5
Keith Sudbury	0–5	0	0	0	0–5	0–5	0	0	0	0–5
David Ward	0–5	0	0	0	0–5	0–5	0	0	0	0–5

* Information for 2012–13 not available.

Terry Needham was a co-opted member of the Audit Committee who received payment within the banding £0–£5K (2012/13 £0–£5K). He completed his term of office in March 2014.

All appointed Trust Board members received non-pensionable remuneration of £15.40 per hour with the exception of the Chief Executive and the Chair. The Trust also reimbursed Non Executives for travel costs incurred in carrying out their role.

The total remuneration of the highest paid Director, the Chief Executive and the median total remuneration for other staff are shown in the table below. The total remuneration of the Chief Executive includes their salary, bonus and benefits in kind.

	Total Full-time Equivalent Remuneration	
	2013–14	2012–13
Highest paid Director (pay band) (£000s)	£95–£100	£90–£95
Median for other staff	£24,080	£23,841
Pay multiple ratio	4.0	3.9

The median remuneration is the total remuneration of the staff member 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.

Salary

'Salary' includes the gross salary; overtime and other allowances to the extent that they are subject to UK taxation as applicable to Trusts.

Benefits in kind

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

B) PENSION BENEFITS – AUDITED

	Total accrued pension at pension age as at 31 March 2014 & related lump sum £000s	Real increase/ (decrease) in pension and related lump sum at pension age £000s	CETV at 31 March 2014 £000s	CETV at 31 March 2013 £000s	Real increase in CETV after adjustment for inflation and changes in market investment factors £000s
Chief Executive	Pension 45–50 Lump Sum 105–110	Pension 0–2.5 Lump Sum 0–2.5	985	944	15

This scheme provided 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 permitted employees to take an increase in their lump sum payment on retirement in exchange for a reduction in their future annual pension. Members paid 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. Changes to the LGPS came into effect from 1 April 2014 and any benefits accrued from this date are based on career average revalued salaries with protections in place for those members who are part of the Scheme before the changes were implemented. The Trust implemented, in November 2013, the enrolment of all those staff who had previously not been part the superannuation scheme.

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.

Accountable Officer

19 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 Nottinghamshire Probation Trust to prepare for each financial year, a statement of accounts detailing the resources acquired, held or disposed of during the year and the use of resources by the Trust during the year. The accounts are prepared on an accrual basis and must give a true and fair view of the state of affairs of the Trust and of its income and expenditure, changes in taxpayers' equity and cash flows for the financial year.

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

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

The Secretary of State 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

Introduction

“Corporate governance is the way in which organisations are directed, controlled and led. It defines relationships and the distribution of rights and responsibilities among those who work with and in the organisation, determines the rules and procedures through which the organisation’s objectives are set and provides the means of attaining those objectives and monitoring performance. Importantly it defines where accountability lies throughout the organisation.” (Corporate Governance in Central government departments; Code of good practice 2011 Page 13)

Nottinghamshire Probation Trust (NPT) had a responsibility for ensuring that its business was conducted in accordance with legal and other standards so that public money and assets were safeguarded and properly accounted for. It put in place arrangements for the sound governance of its affairs including the management of risk. The governance framework consisted of systems, processes, culture and values by which the Trust managed its activities. It enabled the Trust to monitor the achievement of strategic objectives and the provision of high quality, cost effective services.

The Trust’s annual Business Plan for 2013–14, approved by the Board, set out the key strategic priorities, objectives and performance targets for NPT. These are set out in more detail in the section below on Vision, Priorities and Objectives.

Regular monitoring of financial performance against budgets and operational performance against performance targets agreed with the National Offender Management Service (NOMS), as part of the Contract for 2013–14, took place both within the Trust and externally at regional and national levels. The objectives and priorities in the Business Plan formed the basis of setting objectives for Directors and other key staff within the Trust; there was a performance appraisal system that monitored the achievement of all staff against these objectives.

The purpose of the system of internal control

The Trust’s system of internal control was designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control was based on an ongoing process designed to identify and prioritise any risks to the achievement of departmental policies, aims and objectives, to evaluate the likelihood of these being realised and the impact should they have occurred, and to have managed them efficiently, effectively and economically. The system of internal control was in place in Nottinghamshire Probation Trust for the year ended 31 March 2014 and continued up to the 1 June 2014 after which date the Trust ceased to trade.

Internal Audit undertook reviews of all aspects of the internal control system in accordance with the overall plan approved by the Trust’s Audit Committee. Specific areas reviewed by Internal Audit during 2013–14 included the Financial Control Framework, Recall Reports, Accommodation, Benefits and Advice, Management of Multiple Orders, Domestic Violence and Violent cases, Recording of Data and Exit Management plans regarding Transforming Rehabilitation. These assessments of the Trust’s systems and procedures were all classified as either well controlled (green) or not requiring significant improvement to manage risks (amber/green).

The Chief Executive had responsibility for maintaining a sound system of internal control that supported the achievement of the Trust’s policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which they were personally responsible, in accordance with the responsibilities assigned in Managing Public Money.

The Chair was accountable, through the National Offender Management Service (NOMS) staff and the Director of Probation, to the Secretary of State by means of a contract. Monitoring meetings were held

with NOMS regional staff. The Trust worked within the framework of policies and financial regulations provided by NOMS.

Vision, Priorities and Objectives

The Trust's vision and priorities were set out in the Annual Plan for 2013–14. All Departments had objectives which linked to this Annual Plan and these were reviewed on a regular basis.

The Trust's vision of where it aimed to be was that it would be recognised nationally as providing local delivery of excellent quality, leading-edge services to protect the public of Nottinghamshire.

The Trust's values were that everything it did was based on a desire to support victims, protect the public and enforce sentences:

- We believed that by engaging with offenders we could change their thinking and behaviour;
- We were accountable to the public so were responsive to their needs to inspire confidence in our service;
- We used resources efficiently and offer value for money;
- We worked with partners to deliver the best service we could;
- We accepted and learnt from justifiable criticism and strived for continuous improvement;
- We were open, honest and transparent in our actions and decision-making; and
- We valued difference and diversity and strived for a culture of equality and respect for others.

There were six main priorities for 2013/14 as follows:

- Public Protection and Services to Victims;
- Community Payback and Punishment;
- Rehabilitation and reducing reoffending;
- Competition, Business Development and Commissioning;
- Value for Money and Contract Performance; and
- Organisational Development.

Quality of Services

The Trust focussed enhanced resources on both quality assurance and quality development activities promoting the role of Quality Development staff in supporting training and development. A continued drive to review the quality of interventions offered to the offender group, and improve that delivery, was the key to promoting desistance from crime and the development of positive social capital. The Trust reviewed the quality of provision of accredited programmes, both in targeting and delivery. The enhancement in the quality of work undertaken both by Offender Management staff and those delivering the Intervention has resulted in a significant improvement in outcomes.

A strategic assessment of offender needs across the County, analysing assessments undertaken on all offenders managed by the Trust, resulted in priority being given to the needs of young adult offenders, women and those who had a history as Domestic Violence perpetrators. In all these developments work in partnership with the voluntary and statutory sector was central to the adopted approach by seeking to extend models of Integrated Offender Management; this contributed significantly to previous success in reducing re-offending behaviour.

The Trust had Customer Service Excellence as part of the European Foundation for Quality Management Recognised for Excellence (5 star), Investors in People (Bronze status), Investors in Diversity and the Royal Society for Prevention of Accidents (Gold award).

Code of Conduct

The Trust had a Code of Conduct that was based on the seven Nolan principles of public service. These cover selflessness, integrity, objectivity, accountability, openness, honesty and leadership. In addition it had policies on whistle-blowing, fraud and corruption and gifts and hospitality that set out clearly what was acceptable and unacceptable behaviour. Any matters that arose from any of the policies were fully

investigated. Non Executive members of the Board, together with Directors and other senior management staff were asked to declare each year any information about related party transactions for their family or themselves. The Code, as well as other policies, was brought to the attention of all new staff. They were used by managers and staff, if appropriate, for dealing with particular instances as part of any disciplinary and grievance procedure.

Independent Advice

The Board had access to and received independent advice from the Secretary and the Treasurer. Specialist legal and other advice was commissioned by the Trust, if required, for matters such as employment issues.

Complaints Procedure

There were 29 complaints received from 29 complainants during the year and all of these were fully investigated. The Board's Appeals Panel met six times to consider appeals against the Trust's findings. One complainant took their complaint to the Prison and Probation Ombudsman.

Board and Committee Structure

The Board met eight times during 2013–14 to ensure, through the Chief Executive, that arrangements were in place to meet the Trust's accountabilities to the Director of Probation and Contracted Services, NOMS, the Secretary of State and Parliament. It considered its plans and strategic direction within the financial parameters made available through the National Directorate's funding formula for budget allocation. All Board meetings were quorate. The following table summarises attendance by Board members during 2013–14.

Board member	Attendance
Christine Goldstraw	6
Jane Geraghty	6
Kamaljit Sandhu	7
Jeff Grant	8
Paul Grant	8
Bonnie Jones	7
Kate McLaughlin	8
Keith Sudbury	4
Dave Ward	8
Total number of meetings	8

A number of these meetings were allocated for planning and review with the Chief Executive Team. The Board approved the Business Plan and monitored its performance throughout the year. It also received regular financial monitoring reports from the Treasurer that covered both actual as well as forecast performance for 2013–14; these financial reports were also provided to NOMS. The Board approved the Annual Report and Accounts for 2012–13 following a review by, together with recommendation from, the Audit Committee.

The Standing Committees of the Board that scrutinised performance and identified and sought assurance on the management of organisational risk were the Audit Committee, the Practice Assurance Group, the Equality and Diversity Forum together with the Change Management Committee until it was dissolved in January 2014. Minutes were taken for all meetings of the Trust's Board and main committees and parts of these are available for information and public scrutiny. Other Committees included Complaints Appeal Panels, Disciplinary Appeals Panels and Grievance Appeals Panels and also a Health and Safety Committee. These were not part of the formal governance structure but were panels constituted under the relevant policy.

A range of policies was adopted to promote sound governance and set the standards of operation and ethics against which the Trust operated. Key aspects of these included:

- Governance Handbook;
- Management Statement and Financial Memorandum;
- Standing Financial Instructions;
- Standing Orders;
- Scheme of Delegation;
- Counter-fraud and corruption policy;
- Whistle blowing policy;
- Gifts and Hospitality; and
- Register of Interests.

Members of the Board during 2013–14 were, Christine Goldstraw (Chair), Jane Geraghty (Chief Executive), Bonnie Jones, David Ward, Jeff Grant, Paul Grant, Kamaljit Sandhu, Kate McLaughlin and Keith Sudbury all of whom were Non Executives. Senior managers and officers in regular attendance were Sheila Wright, Rob Moore, Mark Taylor, Nigel Hill, Alan Goode (all Executive Directors), Ralph Tingle (Board Treasurer) and Andrew Cooper (Board Secretary).

Audit Committee

This Committee met five times during the year; this included an additional meeting in February 2014 to consider progress with the work being undertaken to manage Transforming Rehabilitation. The following table summarises attendance by Committee members during 2013–14.

Committee member	Attendance
Christine Goldstraw (by invitation)	4
Jane Geraghty (by invitation)	2
Bonnie Jones Chair of the Committee	5
Paul Grant	5
Kate McLaughlin	5
Dave Ward	4
Total number of meetings	5

Terry Needham, who was a co-opted member of the Committee, attended one meeting during 2013–14. He completed his term of office in March 2014.

This Committee and all others were supported by the attendance of the appropriate Directors and senior managers of the Trust.

It helped to promote:

- A climate of financial discipline;
- The development and maintenance of internal control systems;
- The quality of financial reporting;
- The contribution of audit (Internal and External); and
- Scrutiny of the annual and medium term internal audit plans.

The Audit Committee acted on behalf of the Trust Board and the Chief Executive in carrying out the detailed scrutiny, monitoring and review of risk registers, financial statements, audit plans, audit reports, internal control arrangements, accounting policies and other key statements as appropriate. In particular the Committee advised the Trust Board and the Chief Executive on:

- The adequacy and appropriateness of strategic and assurance processes for risk control and governance and the Annual Governance Statement;
- The underlying assurance processes that indicated the degree of achievement of corporate objectives, the effectiveness of the management of principal risks and the appropriateness of the disclosure statements;

- The processes for ensuring internal policy compliance with relevant regulatory, legal and code of conduct requirements, including periodic assurance from or review with the relevant responsible officers;
- The policies and procedures for all work related to fraud, corruption, gifts and bribery;
- The accounting policies, the integrity of annual Financial Statements, the annual report of the organisation (including the process for review of the Financial Statements prior to submission for audit), levels of error identified following audit and the management's letter of representation to the external auditors;
- The planned activity for and results of both internal and external audit;
- Management response to issues identified by audit activity, including external audit's management letter;
- Policies in connection with the Trust's role as employer and such other policies and documents of a similar nature as the Trust may have determined;
- Policies and procedures in relation to breaches of information security and their avoidance; and
- Such other matters as the Trust Board may from time to time have required.

The Chair of the Committee, Bonnie Jones, was also a member of the Trust Board, as were a number of other members of the Committee. The Chair and Chief Executive of the Trust were not members of the Committee but attended meetings by invitation. The Audit Committee included an independent co-opted member, Terry Needham, who had financial expertise.

The minutes of each meeting of the Committee were received by the Board. All of its meetings during the year were quorate.

The Audit Committee received regular reports from Internal Audit and External Audit. Internal Audit provided an independent opinion on the adequacy and effectiveness of the Trust's system of internal control, together with recommendations for improvement. Further independent, periodic assurance about the Trust's operations was received from HM Inspectorate of Probation.

The Chair of the Audit Committee reported annually to the Trust's Chief Executive and the Trust Board on its activities and provided appropriate assurances, comments or concerns to be included in the Trust's Annual Governance Statement.

Practice Assurance Group

The Committee met seven times to review the quality of service delivery across all areas of operation, having regard to the financial management and staffing of each area, and to provide assurance to the Trust Board that the:

- strategic and statutory objectives of the organisation (including in particular, but not limited to, public protection and reducing re-offending activities and the consequent impact on the community) were being achieved;
- Trust's performance met or exceeded the requirements of its contract with the Secretary of State for Justice in relation to the quality of service delivery;
- Trust realised all benefits identified in its Business Plan and/or its Contract with the Secretary of State for Justice in relation to the quality of service delivery;
- Trust identified and managed risks arising from or related to service delivery in a timely and appropriate way in accordance with its strategic and statutory objectives;
- Trust constantly sought to identify learning points from operational experience (including from Serious Further Offences (SFOs), Domestic Homicides and other specified matters) and to convert such learning points into improvements in service delivery; and
- impact of the Trust Board's decision-making results on continuous improvements in service delivery.

The Committee was responsible for reviewing on behalf of the Trust Board all SFO reviews submitted by the Trust during the year.

The Chair of the Committee was Dave Ward who was also a member of the Board, as were a number of other members of the Committee. The minutes of all meetings of the Committee were received by the Board. All of its meetings during the year were quorate.

Equality and Diversity Committee

The Committee met five times and was authorised by the Board to provide strategic direction, advocacy and guidance to facilitate the development and implementation of Equality and Diversity throughout the Trust. It worked within the wider Trust governance structure in providing a service that was inclusive and had due regard to the need to:

- Work towards eliminating unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010;
- Advance equality of opportunity between people who shared a protected characteristic and those who did not;
- Foster good relations between people who shared a protected characteristic covering race, age, gender, sexuality, religion, diversity, transgender and those who do not;
- Ensure that policies, procedures, and practices (including Service Level Agreements, commissioning and placement) took into account the nine protected characteristics and that relevant analysis, and consultation was undertaken at the earliest opportunity;
- Act as a co-ordinating leadership and advocacy body to ensure that Human Resources, Learning and Development and Operational groups were working in accordance with the agreed Equality and Diversity objectives of the Trust, in identifying and addressing risks; and
- Request and receive periodic process updates and action plans from relevant Operational and Finance & Resource Directors as was required (including minutes or notes of relevant LDU sub-committees) in order to provide an active steer on Equality Objectives and the Trust's compliance with the Equality Act.

The Chair of the Committee, Keith Sudbury, was also a member of the Board. The minutes of the Committee were received by the Board. All of its meetings during the year were quorate.

Change Management Committee

The Committee was set up in 2010 by the Trust Board to oversee and give assurance on the necessary service implications as a consequence of potential budget reductions of between 25%–40% of current expenditure from 2009–10 to 2013–14. The role of the Committee evolved, with the authority of the Board, since 2010 to relate to a wider set of objectives and topics. However, it was no longer required given the nationally determined changes taking place as part of Transforming Rehabilitation and so it was dissolved in January 2014.

Remuneration Committee

This Committee met annually and consisted of the Chair of the Trust, together with the Committee Chairs for Audit, Change Management and Practice Assurance. They were joined for part of their discussions by the Chief Executive. Its terms of reference were as follows:

- to provide advice and a sounding board to the Chair in preparedness for the formal appraisal process with the Chief Executive; and
- to receive a state of the nation report from the Chief Executive, to cover a broad assessment on achievements of the organisation against objectives outlined in the Strategic Business Plan and any other supporting documents.

Transforming Rehabilitation Project Board and Sub Committees

The Project Board was set up to oversee the work required by the Trust in managing exit and transition issues resulting from the implementation of Transforming Rehabilitation. The Board met 12 times during 2013–14 and was supported in its work by a Senior Project Team and two sub groups. The main areas of work undertaken were to:

- collate information about the Trust's assets and resources;
- oversee the process of allocating staff to either the National Probation Service (NPS) or the Community Rehabilitation Company(CRC);
- ensure the appropriate transfer of cases to both of these organisations;
- provide information to the Board and the National Offender Management Service; and
- identify risks that needed to be included on the Trust's overall risk register.

The Committee members were Jane Geraghty (Chair), Christine Goldstraw, Rob Moore, Alan Goode and Sheila Wright

The Risk and Control Framework

The Trust adopted an organisational risk policy which provided the framework for the identification and management of organisational risk. The policy involved the adoption and maintenance of a risk register which has been developed in consultation with the Chief Executive's Team (CET) and the Board. The risk register was reviewed at least three times per year and the results (including any changes in the level of risks) were reported to and discussed in the Audit Committee.

The Chief Executive together with other Directors identified key risks associated with the Business Plan. The risks were assessed against corporate evaluation criteria for likelihood and impact and included management controls in place for dealing with them. This register identified the "owner" for each of the Trust's risks, and in every case, the individual responsible was a Director. The Chief Executive used supervision sessions and accountability meetings with Directors to review the risks that were held by individuals.

The organisational risk management process formed part of the system of internal control and a developed framework had been in place all year. The structure and information on the risk register was reviewed by the Audit Committee and both the past and expected future movements in assessed risks are shown. The assessment of risks from the Trust's register had been integrated with the performance review reporting. The Audit Committee approved the annual Internal Audit Plan, including considering emerging national risks in respect of any high profile cases.

The profile of information security was raised nationally. However, there were no lapses in data security that needed to be reported to the Information Commissioner's Office. Information security was reviewed regularly via the Information Security Forum at which at least one Executive Director attended.

The Trust maintained a database of policies and procedures which was available to all staff. Probation circulars and instructions were available to all staff on a database provided nationally.

The Staff Learning and Development Plan, which was approved annually, was designed to support the work of the Trust and its priorities were taken from the Business Plan. The training plan included elements of mandatory training for some aspects of our work. NPT worked jointly with other Trusts in common areas for training. Managers also ensured that other development opportunities such as coaching, mentoring, job shadowing, e-Learning and self instruction were offered and supported where appropriate. There was particular focus on supporting the training and development of those staff whose roles will be most affected by the changes arising from Transforming Rehabilitation.

The Chief Executive operated a system of regular reviews and risk assessment of each externally funded project, together with an annual evaluation of sub-contracts involving identification of issues by business development staff, operational project managers and sign-off by project owners. The partnership reference group advised the Chief Executive about the Trust's approach to business development with the voluntary sector. The Trust worked in partnership with a number of other bodies which assisted them to manage common risks.

The Chief Executive was involved in a number of significant inter-agency activities. These included partnerships with the Police on the management of dangerous offenders, partnerships with the Prison Service in the resettlement of offenders and a series of inter-agency partnerships involving criminal justice agencies, the National Health Service and Local Authority Services in relation to child protection, drug misuse, the administration of justice and the resettlement of offenders. She was Chair of the Criminal Justice Board for Nottinghamshire and of MAPPA Strategic Management Board.

Compliance with Corporate Governance Code 2011

The Board complied with the key aspects of the Corporate Governance Code of Good Practice 2011. The focus of this code is on ministerial departments but others are encouraged to adopt the practices set out in this. This refers to four aspects of good governance covering leadership (articulating a clear vision), effectiveness (bringing a wide range of relevant experience to bear), accountability (promoting transparency through clear and fair reporting) and sustainability (taking a sensible, long term view about what the organisation is trying to achieve). These defined the work and role of the Trust Board.

The Code highlights five areas that all Boards should advise and supervise on covering strategic clarity, commercial sense regarding clear responsibilities, the requirement for the appropriate skills of people, focus on results and the provision of management information. In addition it highlights that there should be committees responsible for Audit, Risk and Governance. The Board was supported by an Internal Audit Service operating to nationally recognised standards. The Trust was able to demonstrate compliance with all of these requirements with the Board itself taking overall responsibility for governance.

The Code refers to Board members upholding the seven Nolan principles of public life; these are incorporated into the Governance Framework for NPT. “They will exercise their role through influence and advice, supporting as well as challenging the executive” Corporate Governance in central government department; Code of Good Practice 2011 (page 7).

The Trust Board had a range of experience and diversity amongst its Non Executives covering both the private and public sectors and including a mix of men and women.

The Code refers to the role of ministers and departmental accounting officers. The Trust's Accountable Officer was the Chief Executive and was responsible for similar areas to those of Departmental Accounting Officer. These cover:

- Propriety and regularity;
- Prudent and economical administration;
- Avoidance of waste and extravagance;
- Ensuring value for money;
- Efficient and effective use of resources; and
- Organisation, staffing and management of the Trust.

The Trust Board's relationship with its Committees is set out in the Governance Handbook including terms of reference and feedback.

The Board had a Board Secretary who was responsible for developing and agreeing Board and Committee agendas, developing and agreeing Committee Terms of Reference, ensuring the good flow of information between the Board and its Committees based on the quality and timeliness of Board papers, and providing advice on due process including compliance with governance requirements. The Treasurer provided independent financial advice and information about progress with the Trust's key strategic objectives as well as preparing and presenting the Trust's Annual Report and Accounts for approval.

The Board and its Committees recorded any declarations of interest in the minutes as a standing item.

Review of effectiveness

The annual Governance Statement has been discussed with and approved by the Trust Board on the 19 June 2014. The Chief Executive, as Accountable officer, had responsibility for the effectiveness of the system of internal control and the effectiveness of the system of internal control was informed by the work of Internal Audit and the Executive Directors. They had responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports.

The Board led the strategic direction and policy development for the Trust, including consideration of significant business risks.

The Audit Committee reviewed the organisational risk register regularly during the year. This ensured that the issue of risk assessment remained current and kept pace with changes in the environment and changes in the organisational performance of the Trust. The Audit Committee reported to the Board on any significant risk and governance issues that arose.

Significant Governance Issues

The Board, supported by the relevant Committees, regularly reviewed the Trust's financial, procurement and operational areas during 2013–14. The main priorities for the Board were to direct the Trust in responding positively and effectively to the changes arising from Transforming Rehabilitation as well as ensuring continuity with the core operational and other work of the Organisation. The Board's approach to Transforming Rehabilitation was subject to regular scrutiny including two external reviews by Internal Audit and the other by a specialist in Learning and Development. These confirmed that the Trust's approach had been good and that there was a sound system of risk management and control.

Audit Opinion

The Trust has received satisfactory assurance of the effectiveness of the whole of the control environment for Nottinghamshire from Internal Audit. The overall opinion from Internal Audit on the adequacy and effectiveness of the systems of risk management, internal control and governance, based on their work during the year, is that they are able to give reasonable assurance that the Trust's overall risk, control and governance framework was adequate and that key risks were being effectively managed.

The Trust has been given an unqualified opinion by the External Auditor on the financial statements for 2013–14.

I have responsibility, as the Accountable Officer, for maintaining a sound system of internal control that supports the achievement of Nottinghamshire Probation Trust's policies, aims and objective, whilst safeguarding public funds and Ministry of Justice assets for which I am personally responsible, in accordance with the responsibilities assigned to me in the Statement of Accounting Officer's responsibilities and the Accounts Direction both of which form part of this Annual Report.

I am satisfied that the Trust's approach to governance and internal control for 2013–14, as set out in this statement, was robust. It provides the Board and I with the appropriate level of assurance and this has been confirmed through the work of the Audit Committee during the year.

Accountable Officer

19 June 2014

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

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 Nottinghamshire 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 Nottinghamshire 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 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

2 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	<i>Restated</i> £000
Expenditure			
Staff costs	3(a)	16,951	16,733
Other expenditure	6	4,683	5,052
Total Expenditure		21,634	21,785
Income	7	(20,194)	20,679
Net operating costs		1,440	1,106
Net interest cost on pension scheme	4(c)	1,542	1,534
Net operating costs before taxation		2,982	2,640
Taxation	5	0	0
Net operating costs after taxation		2,982	2,640

Other Comprehensive Expenditure

		2013–14	2012–13
	Notes	£000	<i>Restated</i> £000
Items that will not be reclassified to net operating costs:			
Net gain on revaluation of property, plant and equipment	8	(5)	(8)
Remeasurement of post employment benefits	23	(503)	(1,803)
Total comprehensive expenditure for 31 March 2014		2,474	829

The notes on pages 31 to 53 form part of these accounts.

Statement of Financial Position

As at 31 March 2014

		2013–14	2012–13
	Notes	£000	£000
Non-current assets			
Property, plant and equipment	8	97	150
Total non-current assets		97	150
Current assets			
Trade and other receivables	12(a)	1,050	1,159
Cash and cash equivalents	13	1,169	1,355
Total current assets		2,219	2,514
Total assets		2,316	2,664
Current liabilities			
Trade and other payables	14(a)	(1,066)	(1,494)
Provisions	15	(62)	(123)
Taxation payables	14(a)	(717)	(593)
Total current liabilities		(1,845)	(2,210)
Non-current assets plus/less net current assets/(liabilities)		471	454
Non-current liabilities			
Pension liability	4(c)	(37,701)	(35,210)
Total non-current liabilities		(37,701)	(35,210)
Assets less liabilities		(37,230)	(34,756)
Taxpayers' equity			
General fund	23	(37,277)	(34,798)
Revaluation reserve – property, plant and equipment	24(a)	47	42
Total Taxpayers equity		(37,230)	(34,756)

The financial statements on pages 27 to 30 were approved by the Board on 19 June 2014 and were signed on its behalf by

..... Accountable Officer

19 June 2014

The notes on pages 31 to 53 form part of these accounts.

Statement of Cash Flows

For the year ended 31 March 2014

		2013–14	2012–13
	Notes	£000	£000
Cash flows from operating activities			
Net operating costs	23	(2,982)	(2,640)
Adjustments for non-cash transactions	6	5	188
Adjustments for pension cost	4(c)	2,994	2,657
(Increase)/decrease in receivables	12(a)	109	(181)
Increase/(decrease) in payables	14(a)	(304)	50
Utilisation of provisions	15	(8)	0
Net cash outflow from operating activities		(186)	74
Net increase/(decrease) in cash and cash equivalents in the period		(186)	74
Cash and cash equivalents at the beginning of the period	13	1,355	1,281
Cash and cash equivalents at the end of the period	13	1,169	1,355
Increase/(decrease) in cash		(186)	74

The notes on pages 31 to 53 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		(33,961)	34	(33,927)
Changes in taxpayers' equity for 2012–13 (restated)				
Net operating cost after taxation	SocNE	(2,640)	0	(2,640)
Net gain on revaluation of property, plant and equipment	24(a)	0	8	8
Remeasurement of post employment benefits	23	1,803	0	1,803
Balance as at 31 March 2013		(34,798)	42	(34,756)
Changes in taxpayers' equity for 2013–14				
Net operating cost after taxation	SocNE	(2,982)	0	(2,982)
Net gain/(loss) on revaluation of property, plant and equipment	24(a)	0	5	5
Remeasurement of post employment benefits	23	503	0	503
Balance as at 31 March 2014		(37,277)	47	(37,230)

The notes on pages 31 to 53 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 Trust for the purpose of giving a true and fair view has been selected. The 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. The adoption of Standards or Interpretations which have been issued by the International Accounting Standards Board but have not been adopted will not 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 (FRoM), 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:

Plant & equipment	3 to 15 years depending on individual asset type
Vehicles	7 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.

1.8 Inventories

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

1.9 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 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 confirmed that Trusts could retain any bank interest received.

1.10 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 Trust together with associated operating income. Programme costs are defined as projects which are fully or partially funded from outside the Ministry of Justice. However for 2013–14 all programme expenditure for both prior and current year is shown as Other Expenditures. All programme income for both prior and current year is shown within one classification. This change has been made for fairer presentation of the accounts. Further details are shown in **Note 3**, **Note 6**, **Note 7** and **Note 28**.

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

1.11 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, Barnett Waddingham, has used roll forward estimated asset value figures in producing the IAS 19 pension liability and other disclosures.

1.12 Leases

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. Payments made under operating leases (net of any incentives received from the lessor) are charged to the SoCNE on a straight-line basis. The Trust had operating lease covering photocopying and fax equipment.

1.13 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. The effect of the time value of money for the Trust's provisions was not significant so the estimated cash flows were not discounted.

1.14 Value Added Tax

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

1.15 Corporation Tax

The Trust was 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 was therefore subject to Corporation Tax (CT) on its profits and ‘profit’ for this purpose means income and chargeable gains.

1.16 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.

1.17 Financial instruments

As the cash requirements of the Trust were 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 related 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 was exposed to little credit, liquidity or market risk.

1.18 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 that allowed 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 by Operating Segment

Operational Unit	2013-14	2012-13
	Net Expenditure	Net Expenditure
City Local Delivery Unit	5,491	5,710
County Local Delivery Unit	4,385	4,404
Interventions Local Delivery Unit	2,506	2,779
Corporate Services	3,432	3,793
Chief and Chairs	1,158	1,077
Total Net Expenditure	16,972	17,763
Contract Income	(16,989)	(17,779)
Underspend	17	16

This summary covers income and expenditure related to the contract with NOMS; it excludes other income and expenditure that the Trust received.

3. Staff numbers and related costs

3a. Staff costs consist of:

	2013-14			2012-13
	Total	Permanently-employed staff	Others	Total
	£000	£000	£000	£000
Wages and salaries	13,644	13,420	224	13,872
Social security costs	972	972	0	1,015
Other pension costs	3,493	3,493	0	3,159
Sub-total	18,109	17,885	224	18,046
Less recoveries in respect of outward secondments	(1,158)	1,158	0	(1,313)
Total staff costs	16,951	16,727	224	16,733

Others refers to temporary staff employed on fixed term contracts.

Restatement of comparatives

In the prior year costs were split between administration and programme related costs. For 2013-14 all staff costs have been aggregated in to one classification. This has no impact on total staff costs.

The Local Government Pension Scheme is a funded multi-employer defined benefit scheme. The Trust's share of the underlying assets and liabilities are shown below in **Note 4**. Other pension costs relates primarily to the current service costs and this information is provided by the Actuary

No staff persons (2012-13: Nil) retired early on ill-health grounds so there were no additional accrued pension liabilities in the year.

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	Total
454	454	476

3c. Reporting of compensation schemes – exit packages

Exit packages cost band	2013-14		2012-13
	Number of departures agreed	Total number of exit packages by cost band	Total number of exit packages by cost band
<£10,000	1	1	0
£100,000-£150,000	1	1	0
Total number of exit packages by type	2	2	0
Total resource cost £000	126	126	0

NOMS agreed in 2013-14 that a member of staff will be made redundant in 2014-15. This is included in the above table and the costs have been shown as an accrual within the Accounts; this expenditure has been financed from additional income received from NOMS. The other member of staff was on a fixed term contract that finished in 2013-14.

4. Pensions costs

Pension benefits have been provided through the Local Government Pension Scheme (LGPS Regulations 2007/8) administered by Nottinghamshire County Council. This was intended to be a fully funded scheme providing benefits on a final salary basis and length of service at a normal retirement age of 65. Benefits accrued at the rate of 1/60th of pensionable salary for each year of service and for service before 1 April 2008 at 1/80th plus a lump sum of 3/80ths of pensionable pay for each year of service is payable on retirement. Members paid contributions of at least 6% of pensionable earnings. Pensions have been uplifted in line with the consumer price index. On death pensions have been paid at a reduced amount to the surviving spouse or civil partner. On death in service the Scheme paid a lump sum benefit and service enhancement in calculating the partner's pension. Medical retirement meant that pensions are paid without actuarial reduction and service enhanced as for partner pensions.

Changes to the LGPS came into effect from 1 April 2014 and any benefits accrued from this date are based on career average revalued salary with protections in place for those members who are part of the Scheme before the changes were implemented. The contributions that members make have changed and are based on their salary; the Trust's contribution was 16.9% in 2013–14 and this remained unchanged for April and May 2014. On 1 June 2014 the Trust's existing pension liabilities and corresponding assets transferred to the Greater Manchester Pension Fund (GMPF). The Trust is no longer required to pay employer contributions to the fund as it has ceased trading.

There were three former employees who became entitled to unreduced early retirement benefits during 2013–14 who had not previously been included in the Scheme valuation. The capitalised cost of these additional benefits was £95,000 as calculated under International Accounting Standard 19 (IAS) and this amount has been included as a curtailment in the information set out at **Note 4c**. The Trust met the cost of these benefits through an additional contribution in 2012–13. There was no settlement of any liabilities in 2013–14 that were materially different to the reserve calculated as part of IAS19.

The Trust's Actuary, Barnett Waddingham, completed a triennial review for the period 2014–15 to 2016–17. This set an employer contribution rate for these three years of 16.9%; however this only applied for April and May 2014 after which time the Trust ceased trading. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme. Early retirement costs have been included, with effect from 1 April 2010, within the Actuarial pension valuation and calculated on the same basis as the pension fund scheme assets and liabilities, in accordance with IAS 19.

4a. Pension costs

In 2013–14, employers' contributions of £2.013m were payable to the LGPS (2012–13 £1.978m). Future contributions are referred to in **Note 27**.

The employer's pension contributions have been:

- 2013–14 16.9% of salaries; and
- 2014–15 (April and May after which time the Trust ceases trading) 16.9% of salaries.

4b. Major assumptions used by the actuary were:

	2013–14	2012–13
	%	%
Inflation assumption	2.7%	2.6%
Rate of increase in salaries	4.5%	4.8%
Rate of increase for pensions in payment and deferred pensions	2.7%	2.6%
Discount rate	4.4%	4.5%

The assumed life expectations from age 65 for retiring today are males 22 years and females 25.1 years; for those retiring in twenty years these would be males 24.1 years and females 27.4 years.

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

	2013–14		
	Present value of obligation	Fair value of plan assets	Total
	£000	£000	£000
Plan assets	0	69,443	69,443
Funded liabilities	(104,073)	0	(104,073)
Unfunded liabilities	(580)	0	(580)
Opening balance at 1 April (restated)	(104,653)	69,443	(35,210)
Current service costs	(3,391)	(5)	(3,396)
Past service costs (including curtailments)	(95)	0	(95)
	(3,486)	(5)	(3,491)
Net Interest (cost)/income	(4,651)	3,109	(1,542)
Remeasurements			
Returns on plan assets, excluding amounts included in interest cost	0	1,083	1,083
Loss from change in demographic assumptions	(4,197)	0	(4,197)
Loss from change in financial assumptions	(1,656)	0	(1,656)
Experience gains/(losses)	8,764	(3,491)	5,273
	2,911	(2,408)	503
Contributions			
Employers	0	2,039	2,039
Plan participants	(760)	760	0
Payments from plans			
Benefit payments	3,485	(3,535)	(50)
Unfunded benefit payments	50	0	50
Closing balance at 31 March	(107,104)	69,403	(37,701)
Plan assets	0	69,403	69,403
Funded liabilities	(106,327)	0	(106,327)
Unfunded liabilities	(777)	0	(777)
Total	(107,104)	69,403	(37,701)

	2012–13 (restated)		Total £000
	Present value of obligation £000	Fair value of plan assets £000	
Plan assets	0	59,942	59,942
Funded liabilities	(93,706)	0	(93,706)
Unfunded liabilities	(593)	0	(593)
Opening balance at 1 April	(94,299)	59,942	(34,357)
Current service costs	(3,153)	(6)	(3,159)
Net interest (cost)/income	(4,296)	2,762	(1,534)
Remeasurements			
Returns on plan assets, excluding amounts included in interest cost	0	6,537	6,537
Loss from change in financial assumptions	(4,734)	0	(4,734)
	(4,734)	6,537	1,803
Contributions			
Employers	0	2,036	2,036
Plan participants	(766)	766	0
Payments from plans			
Benefit payments	2,545	(2,594)	(49)
Unfunded benefit payments	49	0	49
Closing balance at 31 March	(104,653)	69,443	(35,210)
Plan assets	0	69,443	69,443
Funded liabilities	(104,073)	0	(104,073)
Unfunded liabilities	(580)	0	(580)
Closing balance at 31 March	(104,653)	69,443	(35,210)

4d. Plan assets comprised as follows

	2013/14		2012/13	
	Total £000	%	Total £000	%
Equities	50,664	73	50,693	73
Debt instruments	9,022	13	9,028	13
Property	7,634	11	8,333	12
Cash and cash equivalents	2,082	3	1,389	2
Total	69,402	100	69,443	100

The overall return on the Fund was 6% for 2013–14. The Trust's share of the total fund assets of Nottinghamshire County Council was approximately 2%.

4e. Sensitivity analysis

Adjustment to discount rate	+0.1% £000	0% £000	-0.1% £000
Present value of total obligation	105,249	107,105	108,995
Projected service cost	2,661	2,721	2,783
Adjustment to mortality age rate assumption	+1yr £000	none £000	-1yr £000
Present value of total obligation	103,277	107,105	110,970
Projected service cost	2,627	2,721	2,817
Adjustment to long term salary increase	+0.1% £000	0% £000	-0.1% £000
Present value of total obligation	107,432	107,105	106,780
Projected service cost	2,721	2,721	2,721
Adjustment to pension increase and deferred revaluation	+0.1% £000	0% £000	-0.1% £000
Present value of total obligation	108,698	107,105	105,542
Projected service cost	2,784	2,721	2,721

The sensitivity analysis above has been determined based on a method that extrapolates the impact on the present value of the total benefit obligation and projected service cost as a result of changes in key assumptions occurring at the end of the reporting period. The only change in each case is that the assumption that is highlighted is altered while all others remain constant. This is unlikely to occur in practice and change in some assumptions may occur at the same time.

5. Taxation

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 was therefore subject to Corporation Tax on its profits and 'profit' for this purpose means income and chargeable gains. Nottinghamshire Probation Trust had a brought forward loss (for Corporation Tax purposes) in 2012–13 of £290,400. This changed to a loss carried forward of £175,600 following the completion of these Accounts, therefore no Corporation Tax was due (2012–13: nil).

6. Other Expenditure

	2013–14		2012–13 <i>Restated</i>	
	£000	£000	£000	£000
Accommodation, maintenance and utilities	1,522		1,527	
Travel, subsistence and hospitality	280		281	
Professional services	272		377	
IT services	840		926	
Communications, office supplies and services	371		384	
Other staff related	394		152	
Offender costs	808		804	
Other expenditure	139		366	
External Auditors' remuneration – statutory accounts	30		28	
Internal Auditors' remuneration	22		19	
		4,678		4,864
Non-cash items				
Depreciation of tangible non-cash assets	58		65	
Other provisions provided for in year	(53)		123	
		5		188
Total		4,683		5,052

Restatement of comparatives

In the prior year costs were split between administration and programme related costs. For 2013–14 all costs have been aggregated in to one classification. This has no impact on total costs.

7. Income

	2013-14		2012-13 <i>Restated</i>	
	£000	£000	£000	£000
Income receivable from the sponsoring department – NOMS	16,989		17,779	
		16,989		17,779
Other EU income		397		362
Other income received from Probation Trusts		75		53
Other income from NOMS		37		73
Other income from rest of MoJ Group		9		0
Other income from other Government departments		2,461		2,221
Miscellaneous income		226		191
		3,205		2,900
Total income		20,194		20,679

Restatement of comparatives

In the prior year income was split between administration and programme related income. For 2013-14 all income has been aggregated in to one classification. This has no impact on total income.

8. Property, plant and equipment 2013–14

	2013–14		
	Plant and machinery	Transport equipment	Total
	£000	£000	£000
Cost or valuation			
As at 1 April 2013	156	413	569
Indexation/revaluation	3	4	7
As at 31 March 2014	159	417	576
Depreciation			
As at 1 April 2013	132	287	419
Charge in year	16	42	58
Indexation/revaluation	0	2	2
As at 31 March 2014	148	331	479
Carrying value as at 31 March 2014	11	86	97
Carrying value as at 31 March 2013	24	126	150
Asset financing			
Owned	11	86	97
Carrying value as at 31 March 2014	11	86	97

	2012–13		
	Plant and machinery	Transport equipment	Total
	£000	£000	£000
Cost or valuation			
As at 1 April 2012	151	390	541
Indexation/revaluation	5	23	28
As at 31 March 2013	156	413	569
Depreciation			
As at 1 April 2012	110	224	334
Charge in year	18	47	65
Indexation/revaluation	4	16	20
As at 31 March 2013	132	287	419
Carrying value as at 31 March 2013	24	126	150
Carrying value as at 31 March 2012	41	166	207
Asset financing			
Owned	24	126	150
Carrying value as at 31 March 2013	24	126	150

9. Intangible Assets

The Trust did not have any intangible assets in 2013–14 (Nil: 2012–13).

10 Impairments

The Trust did not have impairments in 2013–14 (Nil: 2012–13).

11. Assets held for sale

There were no assets held for sale at 31March 2014 (Nil: 2012–13).

12. Trade receivables and other current assets

12a. Analysis by type

Amounts falling due within one year

Trade receivables	6	11
Deposits and Advance	(4)	0
Receivables due from Trusts	19	59
Receivables, Accrued Income and Prepayments due from NOMS Agency	180	172
Receivables, Accrued Income and Prepayments due from other Government departments	778	797
Other receivables	0	5
Prepayments	43	92
Accrued income	28	23
Total	1,050	1,159

	2013–14	2012–13
	£000	£000
Trade receivables	6	11
Deposits and Advance	(4)	0
Receivables due from Trusts	19	59
Receivables, Accrued Income and Prepayments due from NOMS Agency	180	172
Receivables, Accrued Income and Prepayments due from other Government departments	778	797
Other receivables	0	5
Prepayments	43	92
Accrued income	28	23
Total	1,050	1,159

There were no amounts due after one year (Nil: 2012–13).

12b. Intra-Government receivables

Balances with other central Government bodies (inc. parent department)	368	463
Balances with local authorities	600	586
Balances with NHS bodies	9	0
	977	1,049
Balances with bodies external to Government	73	110
Total	1,050	1,159

Amounts falling due within one year		
	2013–14	2012–13
	£000	£000
Balances with other central Government bodies (inc. parent department)	368	463
Balances with local authorities	600	586
Balances with NHS bodies	9	0
	977	1,049
Balances with bodies external to Government	73	110
Total	1,050	1,159

13. Cash and cash equivalents

Balance at 1 April
Net change in cash and cash equivalents
Balance at 31 March

	2013–14	2012–13
	£000	£000
	1,355	1,281
	(186)	74
	1,169	1,355
	1,169	1,355
	1,169	1,355

The following balances at 31 March are held at:
Commercial banks and cash in hand
Balance at 31 March

14. Trade payables and other current liabilities

14a. Analysis by type

Amounts falling due within one year (excluding taxation)

Trade payables
Other payables
Accruals
Deferred income
Staff payables
Payables due to Probation Trusts
Payables, Accruals and Deferred Income due to NOMS Agency
Payables, Accruals and Deferred Income due to other Government departments
Unpaid pensions contributions due to the pensions scheme

	2013–14	2012–13
	£000	£000
	65	65
	13	13
	522	727
	83	182
	9	3
	4	38
	0	196
	138	30
	232	240
	1,066	1,494
	428	298
	289	295
	717	593
	1,783	2,087

Tax falling due within one year

VAT
Other taxation and social security

Total amounts falling due within one year

There were no amounts due after more than one year (Nil: 2012–13).

14b. Intra-Government payables

Balances with other central Government bodies (inc. parent department)
Balances with local authorities
Balances with NHS bodies

Amounts falling due within one year		
	2013–14	2012–13
	£000	£000
	721	928
	134	171
	4	18
	859	1,117
	924	970
	1,783	2,087

Balances with bodies external to Government
Total

15. Provisions for liabilities and charges 2013–14

	2013–14	
	Other Provisions £000	Total £000
Balance at 1 April	123	123
Provided in year	62	62
Provisions written back	(115)	(115)
Provision utilised in the year	(8)	(8)
Balance as at 31 March 2014	62	62

	2013–14	
	Other Provisions £000	Total £000
Analysis of expected timing of discount flows		
Not later than one year	62	62
Balance as at 31 March 2014	62	62

	2012–13	
	Other Provisions £000	Total £000
Balance at 1 April	0	0
Provided in year	123	123
Balance as at 31 March	123	123

	2012–13	
	Other Provisions £000	Total £000
Analysis of expected timing of discount flows		
Not later than one year	123	123
Balance as at 31 March	123	123

Provisions have been made, based on legal advice, for expected costs which may result from current claims against the Trust.

16. Capital commitments

There were no capital commitments at the reporting date (Nil: 31 March 2013).

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	30	31
Later than one year and not later than five years	71	72
Total	101	103

These operating leases are mainly for the supply of photocopier equipment and faxes.

17b. Finance leases

There were no finance leases in 2013–14 (Nil: 2012–13).

18. Other financial commitments

The Trust had not entered into any arrangements as at the 31 March 2014 which may have given rise to other non cancellable commitments (Nil: 31 March 2013).

19. Deferred tax asset

There are no deferred tax assets as at 31 March 2014 (Nil: 31 March 2013).

20. Financial instruments

As the cash requirements of the Trust were 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

Nottinghamshire Probation Trust had contingent liabilities of possibly £76,000 relating to legal cases where there remains uncertainty that a loss of economic benefit will arise. Cases where a loss of economic benefit is probable have been provided for within the Statement of Financial Position.

22. Losses and special payments

22a. Losses statement

There were no losses of this nature to disclose as at 31 March 2014 (Nil: 2012–13).

22b. Special payments schedule

	2013–14		2012–13	
	Number of cases	Total value £000	Number of cases	Total value £000
Special payments	0	0	3	11
Total	0	0	3	11

There were no special payments in excess of £300,000 in 2013–14 (Nil: 2012–13).

23. General fund

	2013–14 £000	2012–13 £000
Balance at 1 April	(34,798)	(33,961)
Net transfers from Operating Activities:		
Statement of Comprehensive Net Expenditure	(2,982)	(2,640)
Remeasurement of post employment benefits	503	1,803
Balance at 31 March	(37,277)	(34,798)

24. Revaluation reserve

24a. Property, plant and equipment

	2013–14	2012–13
	£000	£000
Balance at 1 April	42	34
Arising on revaluations of PPE during the year (net)	5	8
Balance at 31 March	47	42

24b. Intangibles

There were no intangibles as at 31 March 2014 (Nil: 31 March 2013).

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.

The Trust purchased payroll and legal services from the County Council valued at £38,000 (2012–13, £81,000). Occupational Health services were purchased from Nottingham University Hospitals NHS Trust for £14,000 (2012–13, £14,000). Services were purchased from East Midland Quality Centre (EMQC) during 2013–14 for £2,000 but not during 2012–13. The subscription to the Probation Association (PA) was £26,000 (£27,000:2012–13).

Non Executives, the Chief Officer and other senior officers of the Trust have been asked to provide information about possible related party transactions. During the year, none of the members of the Management Board, members of key management staff or other related parties, or their related parties has undertaken any material transactions with the Trust. A Board member has declared appointments as Chair of Home Start (Newark), Mentor for Framework Charity and an Associate of Her Majesty's Inspectorate of Constabulary and another member has stated a role as an independent member Police and Crime Panel for Nottinghamshire. One member is independent chair and member of the independent committee of the East Midlands Quality Centre.

Officers have declared roles as a Non-Executive Director for Nottinghamshire HealthCare and Trustee with Integritas, one has a partner who works for GEO that is a provider of detention, rehabilitation and treatment services and some who are trustees of Pathways Charity. The Board Secretary was part time undertaking the same role with Gloucestershire Probation Trust. The Board Treasurer was part time and has undertaken interim work in a similar role with Leicestershire and Rutland Probation Trust for part of 2013–14.

26. Third-party assets

There were no third-party assets in 2013–14 (Nil: 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(1c) 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 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

Pensions

On 1 June 2014 the Trust's existing pension liabilities and corresponding assets were transferred to the Greater Manchester Pension Fund (GMPF) and it 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 either NPS or the CRC depending upon which of these each person has been transferred to.

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 into account future use, staff member allocation and services provided by either NPS or the CRC. Where an asset, liability or service is utilised by both entities it will remain within NPS/NOMS.

The allocation of assets and liabilities has not been completed as at the date of this report so financial information is being finalised.

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	1,962
Other comprehensive expenditure	(1,133)
Total comprehensive expenditure	829
Restatement:	
Increase in programme expenditure (interest costs)	678
Decrease in remeasurement of defined benefit obligation (previously actuarial loss)	(678)
	0
Extract from the 2012–13 accounts after restatement:	
Net operating expenditure after taxation	2,640
Other comprehensive expenditure	(1,811)
Total comprehensive expenditure	829

See **Notes 3, 6 and 7** regarding the restatement of administration costs, programme costs and income.

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	34,798
Restatement:	
Increase in net operating expenditure	678
Decrease in remeasurement of defined benefit obligation (previously actuarial loss)	(678)
General fund balance as at 31 March 2013 after restatement	34,798

Administration and programme income and 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 reflected 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. However for 2013–14 all programme expenditure for both prior and current year is shown as Other Expenditures. All programme income for both prior and current year is shown within one classification. This change has been made for fairer presentation of the accounts. Further details are shown in **Note 3**, **Note 6** and **Note 7**.

29. Other Matters


From June 1 2012 two Charities merged, following agreement with the Charity Commission, to become Pathways (East Midlands) Ltd. The Trustees for Pathways (East Midlands) were employees of the Trust including the Chief Executive. The income of this Company was £18,800 for the nine months to 31 March 2013 (2012–13 £33,000) and £37,000 for the 12 months to 30 June 2013 (2012–13 £45,000). The Trust had previously notified NOMS about the establishment and role of Pathways. The Trust decided that, as in previous years, the amount of income and expenditure was not material enough to warrant the production of Group Accounts.

The Trust's accounts were based in information taken from a statement of Financial Position that was in balance. There was a minor difference between this information and that recorded on a detailed template. This has been reviewed by the Trust and was probably due to the rounding of data. This has been discussed with the Trust's external auditors and it has been agreed that it is immaterial.

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 Nottinghamshire 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.

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

Governance, responsibilities and internal assurance

Overall governance and assurance is managed by the Ministry of Justice Sustainable Development Team (MoJ SDT). The probation estate is managed by facilities contractors, acting on behalf of 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; and
- 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 and Tribunals to deliver a single cohesive approach with costed projects for each unit to provide an overarching framework to tackle climate change.

Our vision is to:

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

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

Environmental Management System (EMS)

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

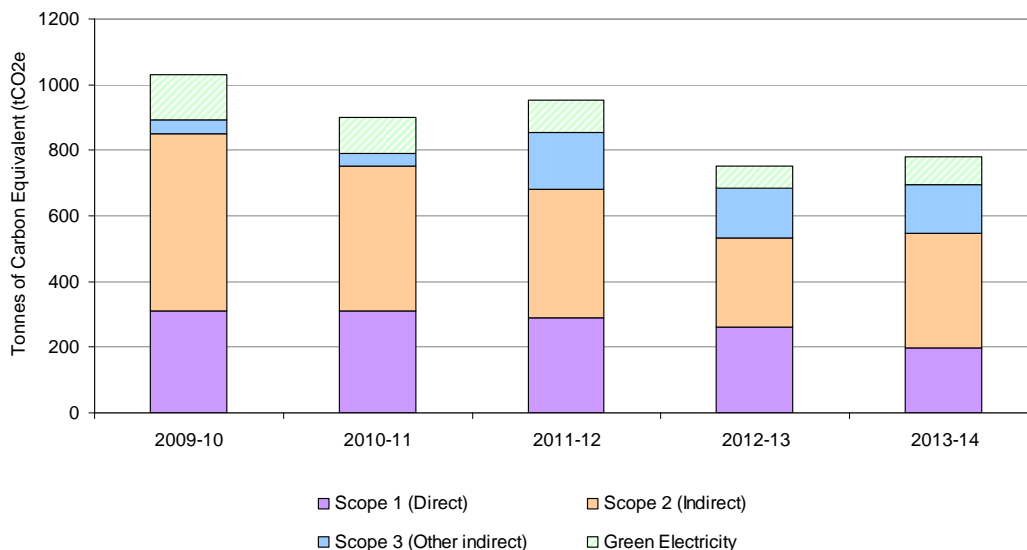
Nottinghamshire Probation Trust has access to purchasing agreements for commodities from suppliers that make available recycled and low carbon products where appropriate.

Performance summary

Greenhouse gas (GHG) emissions

		2009-10	2010-11	2011-12	2012-13	2013-14
Non-financial indicators (tCO2e)	Scope 1 (direct): Site-based emissions & owned transport	310.1	311.7	290.9	261.8	196.3
	Scope 2 (indirect): Supplied energy (electricity and heat)	541.5	441.2	391.1	271.1	352.0
	Scope 3 (other indirect): Business travel & transmission losses from supplied energy	42.9	37.7	172.0	152.3	145.4
	Total gross GHG emissions	894.5	790.7	854.0	685.2	693.6
	Electricity: green/renewable	135.4	110.3	97.8	67.8	88.0
Non-financial indicators (kWh)	Total net GHG emissions	759.1	680.4	756.2	617.5	605.6
	Electricity: Grid, CHP & non-renewable	822,397	742,860	658,393	456,418	592,575
	Electricity: renewable	274,132	247,620	219,464	152,139	197,525
	Gas	1,685,723	1,693,687	1,518,652	1,361,972	998,370
	Other energy sources	0	0	0	0	0
Financial indicators	Total energy	2,782,252	2,684,166	2,396,509	1,970,529	1,788,469
	Expenditure on energy (£)	£165,709	£128,262	£131,661	£107,668	£148,192
	Expenditure on official business travel (£)	£0	£0	£317,292	£294,917	£270,370

Greenhouse Gas Emission by source



Performance commentary (including targets)

Performance in 2013-14 continues to show impact of Trust actions to reduce usage. Npower, one of the Trust's energy suppliers, significantly increased the unit price of electricity and this is being reviewed by the Ministry of Justice.

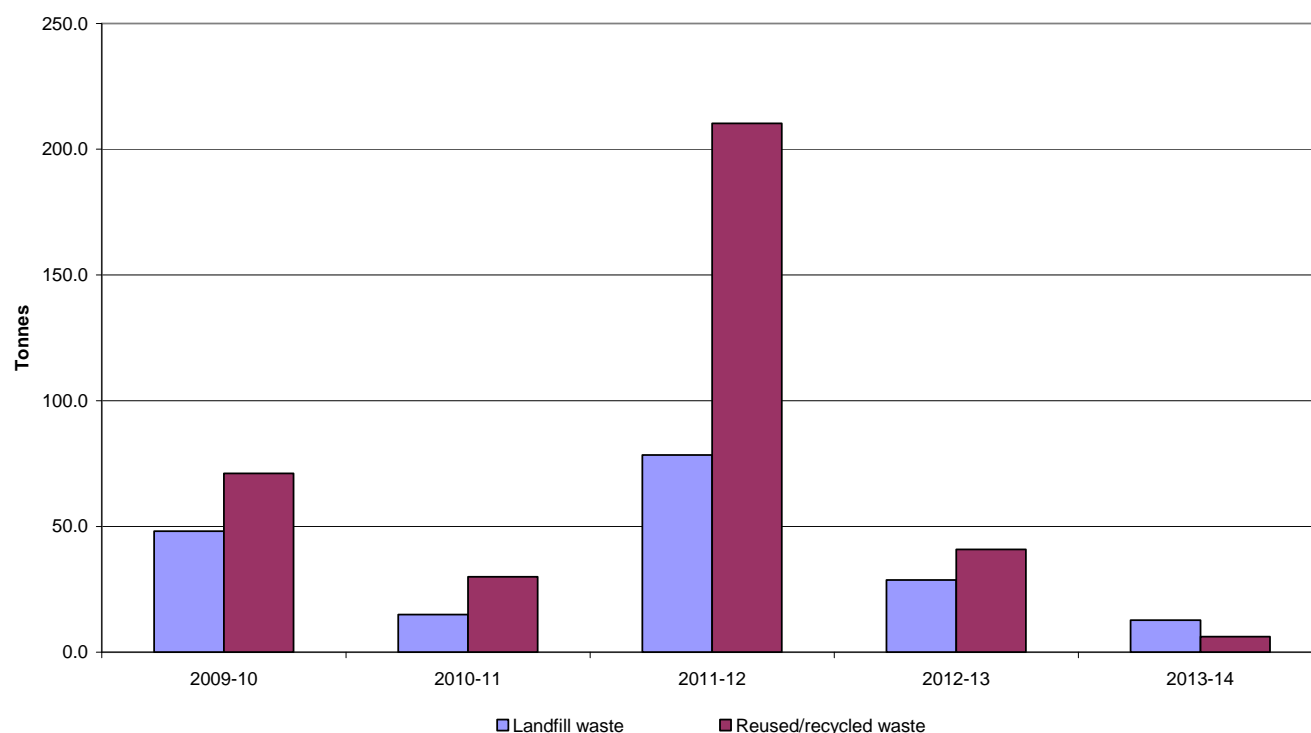
Controllable impacts commentary

The Trust continued to make staff aware of energy usage.

Waste

			2009–10	2010–11	2011–12	2012–13	2013–14
Non-financial indicators (tonnes)	Non-hazardous waste	Landfill waste	48.1	15.0	78.4	28.7	12.8
		To recovery (AD & composting)	0.0	0.0	0.0	0.0	0.0
		To incineration	0.0	0.0	0.0	0.0	0.0
		Reused/recycled waste	71.1	30.0	210.3	40.8	6.2
		Energy from waste	0.0	0.0	0.0	0.0	0.0
Total waste arising			119.2	45.0	288.7	69.5	18.9

Waste by final disposal



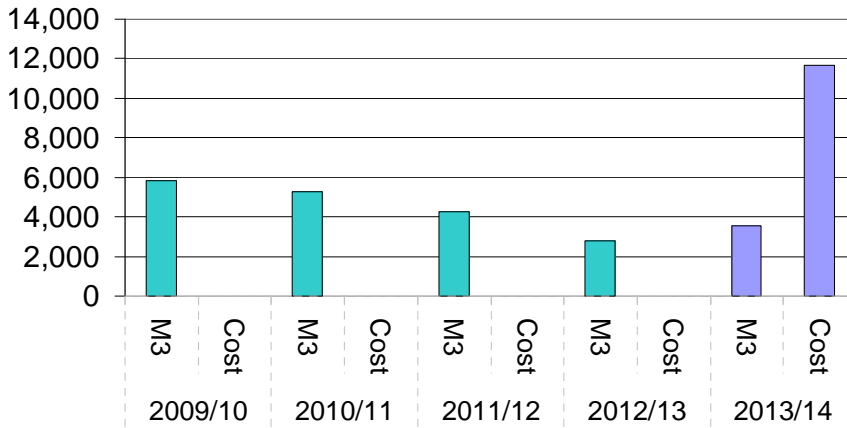
Performance commentary (including targets)

Performance data confirms impact of Trust actions to reduce waste. No financial data available from MoJ regarding cost.

Water

		2009–10	2010–11	2011–12	2012–13	2013–14
Non-financial indicators	Total water consumption (cubic metres: m³)	5,827	5,282	4,250	2,773	3,547
Financial indicators	Total water supply costs (£)	£3	£4	£4	£4	£11,661

Water (consumption and costs)



Performance commentary (including targets)

No reliable data available from MoJ until 2013–14 so comparison with previous years not relevant.

Paper

	2009–10	2010–11	2011–12	2012–13	2013–14
Cost (excluding VAT)	£0	£17,927	£11,576	£12,671	£8,613

Trust significantly changed usage by reduction in number of photocopiers.

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