

**Annual Report
and Accounts
20072008**



**Youth Justice
Agency**



Annual Report and Accounts 2007-2008

Report on the work of the Youth Justice Agency of Northern Ireland 2007-2008

Presented to Parliament in accordance with Section 7 (2) of the Government Resources and Accounts Act 2000.

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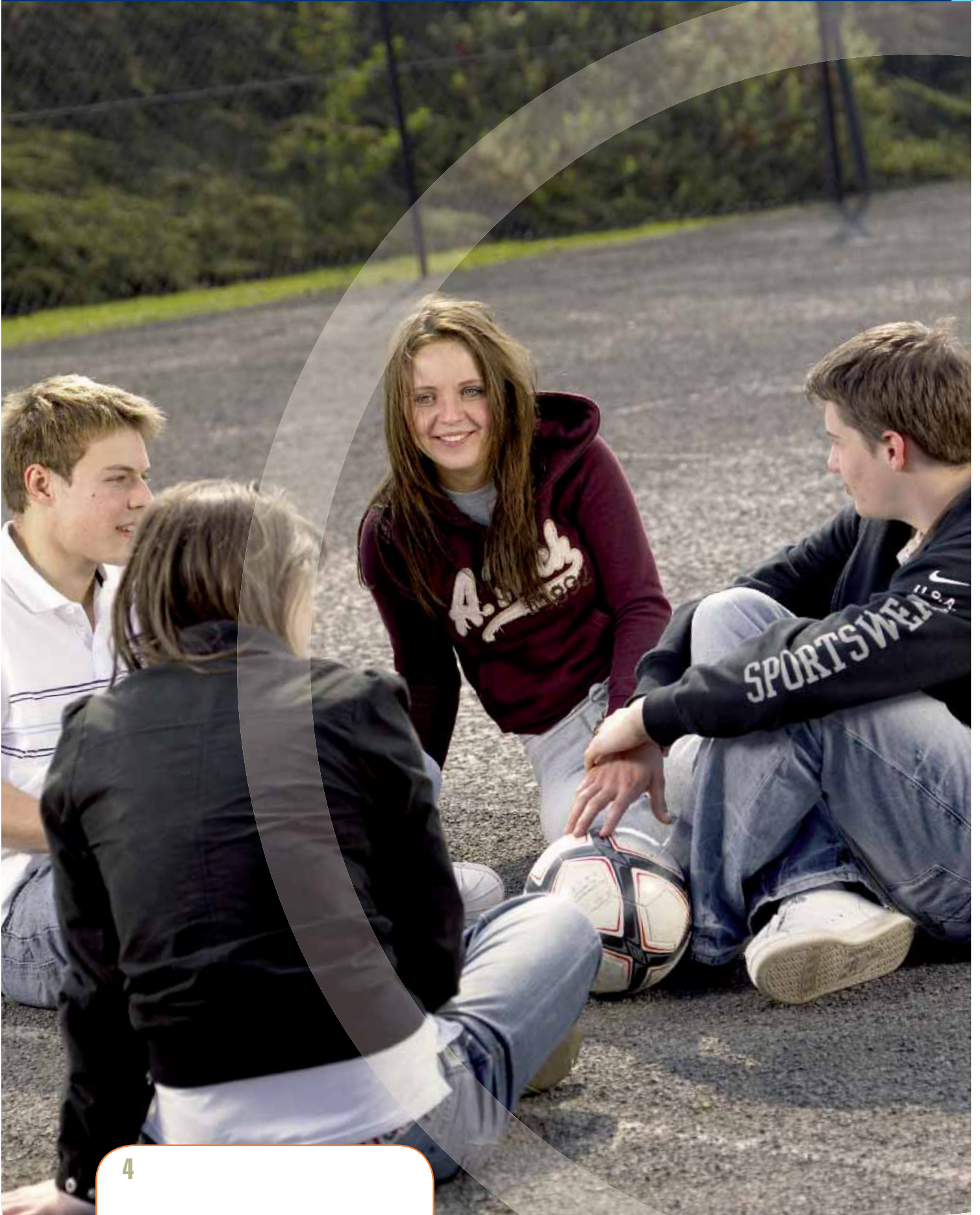


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	PAGE
Foreword by the Chief Executive	5
PART 1: ANNUAL REPORT 2007-2008 INCLUDING OPERATING AND FINANCIAL REVIEW	
Management Commentary	7
Operating Review	10
Role and Task	10
• Community Services.....	11
• Youth Conference Service.....	12
• Custodial Services.....	13
• Corporate Services.....	14
Mission Statement and Values	15
Review of Performance 2007-2008	16
• Looking Back over 2007-2008.....	16
• Highlights of the Year.....	20
• Performance against Key Targets.....	22
• Performance against Development Objectives.....	24
• Community Services Review.....	28
• Youth Conference Service Review.....	32
• Custodial Services Review.....	34
• Child Protection Policy and Procedures.....	38
• Complaints Charter.....	38
• Victims Charter.....	40
• Health & Safety.....	40
• Freedom of Information.....	40
• Data Handling.....	40
• Sustainable Development.....	40
Looking Forward to 2008-2009	41
Financial Review	43
Management Board Remuneration Report	46
Appendices:	
1. Community Services Caseload.....	50
2. Youth Conference Service Caseload.....	52
3. Analysis of Admissions to Custody.....	53
4. Recruitment and Selection Code of Practice.....	54
5. Child Protection – Statistics.....	55
6. Complaints – Statistics.....	56
7. Assaults by Young People on Agency Staff.....	57
8. Addresses and Contact Details.....	58
PART 2: ANNUAL ACCOUNTS 2007-2008	
• Statement of the Agency's and Chief Executive's Responsibilities.....	62
• Statement of Internal Control.....	63
• The Certificate and Report of the Comptroller and Auditor General to the House of Commons.....	66
• Financial Statements for the Year ended 31 March 2008.....	68
• Notes to the Financial Statements.....	72



By the Chief Executive

The Youth Justice Agency reached its fifth birthday at the beginning of April 2008. By all measures these have been an eventful and exciting five years. We have come a long way in a short time. The Agency's record of achievement has been impressive as has its ability to respond to a frequently changing operating environment.



This annual report sets out our record of delivery for 2007-2008. Our twin aims are to reduce offending by children and young people and to build confidence in the youth justice system. The statistics on offending and re-offending are encouraging but results from the January 2008 NI Omnibus Survey show that we have still some way to go in building public confidence in the effectiveness of our services. When respondents were asked for the most important things the Agency could do to improve confidence three clear messages emerged:

- educate young people about the harm of drug and alcohol abuse;
- tighter management of young people on court orders and hold them accountable for their actions;
- and work more closely with other agencies to help divert children from crime.

All three of these issues are addressed in our published Business Plan for 2008-2009. We are determined to respond to the public's concerns.

We are extremely pleased to have received very positive inspection reports from the Criminal Justice Inspectorate. These were on the Youth Conference Service, Woodlands Juvenile Justice Centre and the Corporate Governance of the Agency. Our Community Services also obtained an excellent evaluation report on the management of Attendance Centre Orders. All these reports contain a number of recommendations which, when implemented, will help us improve our services further.

Our Community Services Directorate undertook an estate and organisation structure review. This quantified our business needs using up to date demographic data, youth offending trends and so on and has resulted in a rationalisation of our estate from 23 centres to 17 teams. This will result in greater efficiencies and more flexibility. A similar

review of our community education service concluded that we should focus our efforts on supporting young people in mainstream or alternative education rather than delivering direct teaching ourselves. Unfortunately this means losing a number of valued teaching staff but we believe that this approach will deliver the best outcomes for the young people concerned.

As we face the future there remain a number of challenges for the year ahead. These include implementing our Priority Offending Strategy, which is closely linked to our Reducing Re-offending Framework and the new legislation which has come in under the Criminal Justice (Northern Ireland) Order 2008. In the year ahead we will target those young people leaving Woodlands Juvenile Justice Centre in an attempt to reduce their re-offending and assist their social inclusion in areas such as family, education, employment and neighbourhood. Our Priority Offending Strategy will be part of a multi-agency, regional strategy which will be rolled out to other key groups such as sex and violent offenders and those with very persistent offending.

Another key area for us is in relation to prevention and early intervention. We will be working with partners in the statutory, voluntary and community sectors to ensure that a clear approach is developed which is aligned to the OFMDFM Ten Year Strategy for Children & Young People in Northern Ireland and also the Children's Planning process. We fully support the importance of prevention as a vital aspect of reducing offending by children.

We will also be gearing up for the devolution of Policing and Justice. We fully expect close scrutiny of youth justice under local arrangements and would wish to ensure that the systems are in place to allow for clear accountability and the sharing of information.

I wish to thank our staff team and delivery partners. The achievements of the past year have been substantial. Their expertise and hard work have made the difference as attested by many young people, their families and the victims of their behaviour. We have some great stories to tell about positive outcomes and believe that these will help build public confidence.

Bill Lockhart
Chief Executive

PART 1:
ANNUAL REPORT 2007-2008
INCLUDING
OPERATING AND FINANCIAL REVIEW

Management Commentary

History and Statutory Background

The Youth Justice Agency was established as an Executive Agency, as recommended in the Criminal Justice Review, on 1 April 2003. It was established to take on the range of responsibilities which, up to that date, had fallen to the Juvenile Justice Board (a Non-Departmental Public Body), and to introduce a Youth Conferencing Service. It is one of four Executive Agencies within the Northern Ireland Office.

The Agency's policy framework is set by Ministers and the Agency is directly accountable to Ministers, through its Chief Executive, for the delivery of services and the management of resources in accordance with this policy.

Aims and Objectives

The overall aim of the Agency is to reduce youth crime and to build confidence in the youth justice system. The Agency is part of the wider criminal justice system and contributes alongside other partners to achieving the system's overall aims and objectives. Indicators have been set to measure the success of the Agency within a framework of efficiency and economy, consistent with the NIO Public Service Agreement target relating to the criminal justice system. The Agency will contribute to this target by providing a range of services aimed at crime avoidance by children. Further details can be found in the Operating & Financial Review.

Board Members

The Youth Justice Agency is headed by the Chief Executive who is supported by a Management Board. The Chief Executive for the year ending 31 March 2008 was Bill Lockhart.

The structure and members of the Management Board [Fig 1] for the year ended 31 March 2008 was as follows:

Chief Executive	Dr Bill Lockhart
Director Community Services	Mr David Weir (from 1/8/07) (Acting Director of Community Services from 1/4/07)
Director Youth Conference Service	Mrs Alice Chapman
Director Custodial Services	Mr Philip Tooze
Director Corporate Services	Mr Martin Gunning
Non-Executive Director	Mr Shane Logan
Non-Executive Director	Mrs Linda Kerr

David Weir assumed the role of Acting Director of Community Services during the 2006-2007 financial year and was appointed Director of Community Services from 1 August 2007 following an open competition.

The Management Board of the Agency is responsible for the strategic and business management of the Agency's operations. Appointments to the Management Board since the creation of the Agency are made in accordance with the Framework Document. Details of the salary and benefits of the Management Board members are disclosed in the Remuneration Report on pages 46 to 49.

Management Commentary



Fig 1: Youth Justice Agency Management Board during 2007-2008: Back Row L-R: Shane Logan (Non-Executive Director); Phil Tooze (Director of Custodial Services); Martin Gunning (Director of Corporate Services); and David Weir (Director of Community Services). Front Row L-R: Linda Kerr (Non-Executive Director); Bill Lockhart (Chief Executive) and Alice Chapman (Director of Youth Conference Service)

Board Members' Interest

A Register of Interests is maintained by the Agency in keeping with best practice, to record declarations of personal or business interests which may conflict with responsibility as a member of the Agency's Management Board.

Details of transactions of the Agency with organisations in which Board Members hold an interest and which could potentially conflict with their management responsibilities are disclosed in the Related Party Transactions note in the financial statements on page 90.

Business Review & Future Developments

A full review of the Agency's business for the year and its future development, including any research and development activities, and the exposure of the Agency to risk is set out in the Operating and Financial Review and in the Agency's Corporate Plan 2007-2010 and Business Plan 2007-2008.

The net cost of operations for the year ended 31 March 2008 was £21,981k (2006-2007, £26,087k). Further detail is provided in the Financial Review on pages 43 to 45.

Post Balance Sheet Events

There have been no significant events which have occurred since the year end.

Pension Liabilities

The Youth Justice Agency makes employer contributions to four pension providers:

- Principal Civil Service Pension Scheme GB (PCSPS GB)
- Principal Civil Service Pension Scheme NI (PCSPS NI)
- Northern Ireland Local Government Officers' Superannuation Committee (NILGOSC)
- Teachers' Superannuation Scheme (TSS)

Details of the above schemes are disclosed in the Remuneration Report on pages 46 to 49. The treatment of pension liabilities in the financial statements is disclosed in the accounting policies note (Note 1) on pages 72 to 73.

Health & Safety

The Youth Justice Agency is committed to providing for staff, young people and visitors an environment that is as far as possible safe and free from risk to health. The Agency will comply with all relevant Health and Safety Regulations.

Equal Opportunities

Section 75 of the Northern Ireland Act 1998 requires public authorities to promote equality of opportunity and good relations to ensure that equality issues are integral to the whole range of public policy decision making. The NIO, which includes the Youth Justice Agency, has submitted its Equality Scheme to the Equality Commission for Northern Ireland. The Youth Justice Agency is fully committed to the Equality Scheme and ensures that appropriate training is delivered to staff.

Management Commentary

Employees with Disabilities

The Agency is committed, where reasonably practicable, to the retention of individuals who become disabled whilst in its employment and, in addition, positively welcome applications by disabled people for employment or promotion. The average number of disabled people employed in the year was 8 (2006-2007, average 8).

Employee Consultation

The Youth Justice Agency recognises the importance of good industrial relations and is committed to effective employee communications. Regular meetings are held with representatives of the trade unions.

Charitable Donations

During the year ending 31 March 2008 the Youth Justice Agency donated four PCs to Extern which is a voluntary sector charitable body which provides intensive bail support services to young people referred to it by the Agency. The net book value of the computers in the Agency's books at the time was £368.

Payment of Suppliers

In line with the Better Payment Practice Code, the Agency's policy is to pay all invoices not in dispute within 30 days, or within agreed contractual terms if otherwise specified (may be over 30 days). The Agency has been set a target to pay 100% of invoices, including disputed invoices once the dispute has been settled, within these terms.

During the year ended 31 March 2008 the Agency paid 95.01% (2006-2007, 94.09%) of all invoices received within the terms of its payment policy.

Accounting Responsibilities

The financial statements of the Agency have been prepared in accordance with a direction issued by Treasury in pursuance of Section 7(2) of the Government Resources and Accounts Act 2000.

Audit

The financial statements of the Agency are audited by the Comptroller and Auditor General (C&AG) who is appointed by statute and reports to Parliament on the audit examination. His certificate is set out in pages 66 to 67. The notional audit fee of these financial statements was £15k (2006-2007, £15k).

The Chief Executive has taken appropriate steps to make himself aware of relevant audit information and to establish that the C&AG is aware of that information. To his knowledge, there is no relevant audit information of which the C&AG is unaware.

The C&AG may also undertake other statutory activities that are not related to the audit of the Agency's financial statements such as Value for Money reports. No such activity took place during the year.

Bill Lockhart

Chief Executive

25 June 2008

Operating Review

Role and Task

The Agency operates under the terms of a Framework Document which defines the responsibilities of, and the relationship between, the Agency, the NIO, Ministers and Parliament. The Chief Executive is responsible for the efficient and effective operation of the Agency in accordance with the Framework Document. Youth justice policy is separate from the functions of the Agency and is one of the responsibilities of the Criminal Justice Directorate of the NIO.

The Agency's Management Board is its top management group and focuses primarily on operational policy, planning and priority setting and monitoring of business performance. The Agency has an Audit Committee, chaired by a Non-Executive Director, which supports the Chief Executive in discharging his Accounting Officer responsibilities in relation to risk, control and governance and associated assurances.

The Chief Executive of the Agency is a member of the NIO Criminal Justice Board, which aims to secure an improved service to the public through better cooperation, coordination and accountability in the administration of the Northern Ireland criminal justice system.

The Agency delivers a range of services, often in partnership with others. The emphasis is on helping children to address their offending behaviour, diverting them from crime, assisting their integration into the community and also

meeting the needs of the victims of crime. This is achieved through shared standards, protocols and service level agreements.

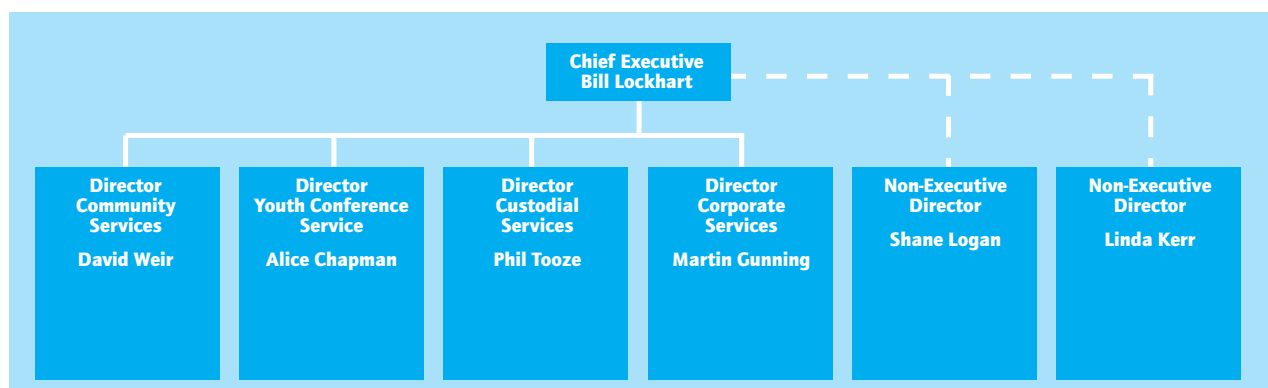
All the services delivered by the Agency are subject to inspection and review by the Chief Inspector of Criminal Justice. These services may also be subject to review by the Northern Ireland Commissioner for Children and Young People and the Northern Ireland Human Rights Commission.

There are three operational strands to the service provided by the Agency:

- Community Services
- Youth Conference Service
- Custodial Services.

A Corporate Services Directorate provides for the management and delivery of personnel, finance, business planning and support functions on behalf of the Chief Executive.

Youth Justice Agency Management Board structure for 2007-2008



Operating Review

Role and Task

Community Services



David Weir, Director of Community Services

The Agency's Community Services are delivered through locally based and accessible facilities across Northern Ireland.

Community Services are tasked with supervision of youth conference orders and plans, community responsibility orders, attendance centre orders and reparation orders. Community Services work closely with

colleagues in PSNI and PBNI, delivering interventions designed to challenge and support young people in avoiding re-offending, encourage integration with their families and communities and promote reparation.

Community Services contribute to work with young people in custody with the objective of achieving a safe return to the community. They deliver the Agency bail strategy through the Bail Supervision and Support Scheme and by providing access, in partnership with others, to intensive bail support and to bail fostering.

Through co-operation with Health and Social Care Trusts, Education and Library Boards and a range of voluntary sector bodies, Community Services aim to contribute to prevention services for children and young people vulnerable to offending.

All community based services seek to build links with their local communities to encourage appropriate diversionary activity, to respond to anti-social behaviour and to provide opportunities for integration and reparation.

Community Services staff represent the Agency on Area Child Protection Committees, Community Safety Partnerships, Local Child Protection Panels and contribute to Children's Services Planning through membership of Children and Young Peoples Committees and working groups.

Independent evaluations of the Community Services model of partnership, the Bail Support Scheme, and the community responsibility order all concluded that community based interventions are effective in changing attitudes and behaviour of young people.

The most recent evaluation of the attendance centre order, reporting in 2008, concluded that the dynamic model of practice incorporating restorative measures and desistance approaches, integrated with a flexible response to addressing needs and building on strengths, is the distinguishing characteristic of Community Services and is in line with the latest research into effectiveness.

Operating Review

Role and Task

Youth Conference Service



Alice Chapman, Director of Youth Conference Service

The Criminal Justice Review recommended that restorative justice should be integrated into the youth justice system in Northern Ireland, using a youth conference model based in statute. The Youth Conference Service was established in December 2003, initially in the greater Belfast area, and over a three year period extended its coverage to all areas of Northern Ireland.

The Youth Conference Service aims to develop restorative approaches which challenge young people who have offended to make amends to their victims for their behaviour and to put in place actions which will contribute to prevention of further offending. It works with young people referred by two criminal justice processes:-

- young people who admit their offence can be referred by the Public Prosecution Service for a pre-court diversionary conference;
- those who have appeared before the court, have been found guilty of an offence and have consented will also, in most circumstances, be referred to the Youth Conference Service.



The youth conferencing system focuses on:

- reparative justice and meeting the needs of victims, so giving them a real place in the youth conference, rather than just regarding it as a means to reform the young person who has offended;
- rehabilitative justice, where what is important is the prevention of re-offending by the young person, so that the youth conference focuses on offending behaviour;
- proportionality, rather than pure retributive justice;
- making amends for the harm done, clearly separating the young person who has offended from the offence and focusing on the potential for reintegrating the young person into the community and on the prevention of re-offending;
- repairing relationships which have been damaged or broken by crime;
- devolving power to youth conference participants to create the youth conference and the plan, but requiring subsequent approval for the plan from the court for cases which have gone to court;
- encouraging participation by young people who have offended, victims, and significant others in the process.

An independent evaluation of the youth conference scheme, undertaken by Queens University Belfast in 2006, was very positive and concluded that the conferencing process was progressing well and, during the period of the research, had become established as a mainstream approach to young people who come into contact with the criminal justice system. One of the main findings was the high level of participation and satisfaction of offenders and victims with the new system which compares favourably with similar schemes in operation internationally.

A further examination of the Youth Conferencing Service was carried out in late 2007 by the Criminal Justice Inspectorate NI and their findings, published in February 2008, were also very positive and confirmed their strong support for the principle and value of Youth Conferencing to the criminal justice system.

Operating Review

Role and Task



Phil Tooze, Director of Custodial Services

Custodial Services

The rationalisation of the Juvenile Justice estate was completed in January 2007 with the opening of Woodlands Juvenile Justice Centre and the closure of the old Rathgael site. Woodlands has been designed as a centre of national and international excellence in secure care, offering a wide range of services and

support to help prevent young people from re-offending. It provides a safe, secure and stimulating environment for up to 48 boys and girls between the ages of 10 and 17 placed in custody.

Woodlands uses a child centred approach to challenge offending behaviour and address lifestyle choices. Young people attend school within the Centre and complete work in line with the Northern Ireland curriculum. All programmes of study are individualised and include a range of vocational, occupational and essential skills courses. Parallel to the education programmes are intervention programmes aimed at addressing personal development, offending behaviour, health, and recreational needs. This helps to prepare young people for return to their families and communities with a reduced risk of re-offending.

Woodlands aims to deliver best value in custodial services for young people by:

- providing a safe, secure and caring environment;
- tackling offending by delivering anti-offending programmes and raising victim awareness;
- addressing development, health, educational and recreational needs;
- reducing risk to self and others;
- preparing young people for their return to families and communities with a reduced risk of offending; and
- having staff who are enthusiastic and committed in their belief that they can help young people make life-changing choices.

Woodlands currently provides:

- 6 residential units
- an education and vocational learning centre:
 - Education uses the nationally accredited AQA/NSP and GCSE exam base in a range of curricular areas including home economics, English, mathematics, science, motor vehicle studies, PE, woodwork, art and ceramics, creative media studies, geography, history and business studies.
- sports and leisure centre with swimming pool, fitness suite, health and fitness programmes
- programmes intervention
 - "Offending is Not the Only Choice"
 - IMPACT car crime course
 - Drugs awareness
 - Social and domestic living programmes
 - Lifestyles course
 - Family work

A full inspection of the Centre was carried out by the Criminal Justice Inspectorate NI in late 2007 and their report, published in May 2008, was very positive and confirmed that Woodlands was a well managed facility that provided many examples of good practice.



Operating Review

Role and Task

Corporate Services



*Martin Gunning, Director
of Corporate Services*

Corporate Services provide support and advice to the three service delivery directorates on functions such as human resources, finance, payroll, procurement, business planning, information technology and communications. The directorate consists of 4 branches:

- Financial Management Services
- Human Resources
- Planning & Communications
- Resource Accounts.

Corporate Services provides a central point of reference for those requiring information about the Agency. It is responsible for the coordination and distribution of Agency publications such as the Corporate and Business Plan; Annual Report and Accounts; Youth Justice Connections magazine; and also maintains the Agency's generic e-mail account and website.

Operating Review

Mission Statement and Values

The Youth Justice Agency has a mission statement and a set of values.

Mission Statement

"Our aim is to reduce youth crime and to build confidence in the youth justice system"

Values

In seeking to achieve our mission statement we will adhere to the following values in all that we do:

Care for Children

- Children's rights will be protected and they will be treated with fairness, justice and respect.

Respect for Victims

- The needs of victims of youth crime will be respected.

Integrity

- Honesty and openness will govern our thinking and actions.

Our Staff

- Staff are our most important asset and we are fully committed to supporting them in all aspects of their work.

Continuous Improvement

- We will embrace change and strive to deliver continuous improvement and maximise value for money.

Equality and Diversity

- We will embrace diversity and are committed to equality for all.

Inclusion

- We will encourage the active participation of children, families, victims and communities.

Operating Review

Review of Performance 2007-2008

Looking back over 2007-2008

The operation of the Youth Justice Agency and its ability to carry out its programmes of work are directly influenced by the sentencing practice of the courts, the resources available to the Agency and by legislative and policy initiatives, particularly from other parts of the criminal justice system. The Agency operates in a very demanding environment with a growing volume and complexity of work undertaken and against a background of major changes and developments occurring within the youth justice system and the central feature of efficiency within the Comprehensive Spending Review 2007.

A number of strategic reviews were undertaken across the Agency with a view to improving future operational effectiveness and ensuring compliance with statutory responsibilities. These included:

- Review of Community Services estate and organisation structure
- Review of Education Services within Woodlands Juvenile Justice Centre
- Review of the provision of education within Community Services
- Review of data handling procedures
- Review of the system for allocation of funding to external service providers.

Other significant developments during 2007-2008 included:

- Development of an Agency "Reducing Re-offending" framework based on the principles of restorative justice
- Transfer of responsibility for the supervision of elements of youth conference plans and orders to Community Services Directorate
- Creation of a Senior Management Group within the Agency
- Preparatory work for the establishment of a Department of Justice

- Preparatory work for the implementation of the new Public Protection Arrangements in Northern Ireland (PPANI)
- Criminal Justice Inspectorate review of corporate governance
- Criminal Justice Inspectorate Review of Youth Conference Service
- Criminal Justice Inspectorate Review of Woodlands Juvenile Justice Centre
- Independent evaluation of Attendance Centre Orders.

Initiatives and events undertaken in 2007-2008 aimed at improving stakeholder awareness of the Agency included:

- Extensive programme of engagement undertaken with local MLA's, PSNI Divisional Commanders and local Councils [Fig 2-4]
- A series of media briefings to selected editors and journalists
- Ceremony to mark the official opening of Woodlands Juvenile Justice Centre [Fig 5]
- Hosting of three joint events with Prince's Trust on the theme of reducing offending – a masterclass for practitioners and policy makers [Fig 6]; a dinner for employers to encourage employment of ex-offenders [Fig 7]; and a workshop for young people [Fig 8]
- Full programme of events in support of Criminal Justice week which included the hosting of a simulated youth conference event aimed primarily at MLA's and Lay Magistrates; and participation in a number of community open days led by the NI Court Service [Fig 9]
- Restorative Justice week poster competition organised by Youth Conference Service [Fig 10]
- Agency exhibition stand at NI Local Government Association annual conference
- Participation in a youth debate as part of the West Belfast Spring Festival

Operating Review

Review of Performance 2007-2008

- Agency participation in a series of seminars across the province organised by the Law Society of Northern Ireland [Fig 11]
- An open day in the Foyle offices hosted jointly by Community Services and Youth Conference Service [Fig 12]
- Agency participation in CJSNI schools outreach event in Dungannon [Fig 13]



Fig 2: Eddie McGrady (SDLP), MP for South Down is welcomed to the Agency's Downpatrick office by Aideen McLaughlin, Youth Conference Service and Deirdre O'Neill, Community Services



Fig 3: DUP MLAs Ian McCrea (Mid-Ulster) and Tom Buchanan (Fermanagh & Tyrone) are pictured with staff during their visit to the Agency's Omagh office



Fig 4: Alice Chapman, Director of Youth Conference Service and Bill Lockhart, Agency Chief Executive meet with an Alliance Party delegation comprising Stephen Farry, Naomi Long and David Ford at Stormont as part of the Agency's MLA outreach programme



Fig 5: Agency Chief Executive Bill Lockhart welcomes Secretary of State, Shaun Woodward MP, to Woodlands Juvenile Justice Centre to perform the official opening ceremony. Looking on are Stephen Leach, NIO Head of Criminal Justice and Phil Tooze, Centre Director



Fig 6: Key speakers at the practitioner masterclass in Hillsborough Castle are: Bill Lockhart, Chief Executive, Youth Justice Agency; Ellie Roy, Chief Executive, Youth Justice Board; Earl Simister and Sharon Cooper (guest speakers); and David Dobbin, Chairman of the Prince's Trust Northern Ireland



Fig 7: Aodhan Connolly, Prince's Trust; Brian Grzymek, NIO; Neil Patton, Patton Group; Linda Kerr, Youth Justice Agency; John McGregor, Business in the Community; Mary Geaney, Irish Youth Justice Service and Raymond Ruck, Michelin attend the employers dinner held in Hillsborough Castle

Operating Review

Review of Performance 2007-2008



Fig 8: Earl Simister and Sharon Cooper share their experiences with young people during the workshop



Fig 11: Pictured at the Law Society seminar in Ballymena are: Paula Jack, Public Prosecution Service; Andrew MacQuarrie, Youth Conference Service; Mr Wilson, Resident Magistrate; David Weir, Director of Community Services; and Peter O'Brien, Law Society of NI



Fig 9: Representing the Agency at the Community Open Day at Downpatrick Court House are: Paula McCune, Youth Conference Service; Deirdre O'Neill, Community Services; and Beverley Mulholland, Youth Conference Service



Fig 12: Donna O'Shea-Murie, Youth Conference Co-ordinator; Peter Quinn, Community Services Manager; Neill Geddes, PSNI Youth Diversion Officer; Mary-Jo McAllister, Youth Conference Service; and Inspector Milton Kerr, PSNI Community Service Co-ordinator attend the awareness raising open day in the Foyle offices



Fig 10: Overall winner Grainne Gorman, St Louis Grammar School, Killeel and Youth Conference Service staff display all the winning entries for the Restorative Justice poster competition during the awards ceremony at Hillsborough Castle



Fig 13: Pictured after taking part in a simulated youth conference at the CJSNI schools outreach event at Dungannon Court House are: Front row – Shane Cullen, East Tyrone College; Erin McGuigan and Mary-Jo McAllister, Youth Conference Service. Back row – Gareth Corry, Holy Trinity College; Shane Swaile and James Fairless, The Royal School, Dungannon

Operating Review

Review of Performance 2007-2008

Inspections by the Criminal Justice Inspectorate NI

The inspection report on the Youth Conference Service was published in February 2008. The report concluded that the Youth Conference Service was delivering "an effective and useful service for victims of crime and young offenders".

The report highlighted that staff and management were totally committed to providing a restorative conferencing system which worked equally well for both victims and young offenders and reached the conclusion that the "Inspectorate remained convinced in principle of the value of this restorative approach to criminal justice".

The inspection report of Woodlands Juvenile Justice Centre was published in May 2008 and although outside the scope of the period covered by this annual report, confirmed that Woodlands was a well managed facility that provided many examples of good practice.

A corporate governance inspection was also completed during the latter half of the year and reported that the Agency has good standards of corporate governance and a sound organizational structure in place to ensure its services are managed effectively.

Delivery Against NIO PSA Targets

During 2007-2008 the Agency contributed towards the delivery of NIO Public Service Agreement targets 2 and 3 to:

- Increase public confidence in the criminal justice system by 3% by April 2008
- Reduce the rate of reconviction by 5% compared to the predicted rate by April 2008

As part of its communications strategy, the Agency has undertaken a wide range of events and activities aimed at increasing awareness of the Agency and wider criminal justice system. This has proved successful in that overall awareness levels of the Agency, as measured by the independent NISRA Omnibus Survey, have increased from 11% in January 2005 to 19% in January 2008. Using the same survey, an overall baseline figure of 41% has been established in relation to confidence in the effectiveness of the Agency in dealing with young people accused of crime.

Operating Review

Review of Performance 2007-2008

Highlights of the Year

During 2007-2008 highlights included:

- The official opening of Woodlands Juvenile Justice Centre on 5 November 2007 by Shaun Woodward MP, Secretary of State for Northern Ireland
- Ministerial visits by Paul Goggins, Criminal Justice Minister, to Community Services Foyle on 11 September 2007 [Fig 14], the Agency's Headquarters in Waring Street on 17 September 2007 [Fig 15] and tour of Woodland Juvenile Justice Centre on 1 October 2007 [Fig 16]
- Formal presentation of the IIP Accreditation Award to the Agency at Hillsborough Castle in May 2007 [Fig 17]
- A teacher at Woodlands Juvenile Justice Centre received the accolade of Woman of the Year in Education at the inaugural Belfast Telegraph Woman of the Year Awards. She was chosen for the award for her desire to want to change the lives of young people who have hurt others, committed awful crimes and who have failed in other settings
- An external award won by the Agency at the annual CIPR Annual Pride Awards. The Youth Justice Agency and ASG PR won a Gold Award in recognition of the internal communications and development programme developed to take the Custodial Services directorate into the new Juvenile Justice Centre at Woodlands
- The graduation of a number of Youth Conference Coordinators from the University of Ulster in the first ever Postgraduate Diploma in Restorative Practices in Northern Ireland
- The hosting of three specific events with the Princes Trust on the theme of reducing offending
- Publication of the Criminal Justice Inspectorate's report of their inspection of the Youth Conference Service

- Independent Research Solutions (IRS) reported on their evaluation of Attendance Centre Orders. The report concluded that the dynamic model of practice employed by Community Services, incorporating restorative measures and desistance approaches integrated with an individualised response, was in line with the latest research into effectiveness and has application in all areas of community based supervision [Fig 18].



Fig 14: Community Services Manager Peter Quinn and Youth Conference Service Case Manager, Drew Hammond welcome Criminal Justice Minister Paul Goggins, MP, to the Agency's Foyle offices



Fig 15: Pictured with Criminal Justice Minister Paul Goggins (front row, centre) during his visit to Agency Headquarters are: Front Row – Bill Lockhart, Agency Chief Executive; Tony Kavanagh, NIO Youth Justice Policy Unit. Back row – Shane Logan, Non-Executive Director; Yvonne Adair, Youth Conference Service; Martin Gunning, Director of Corporate Services; Linda Kerr, Non-Executive Director; David Weir, Director of Community Services

Operating Review

Review of Performance 2007-2008



Fig 16: Criminal Justice Minister Paul Goggins is welcomed to Woodlands Juvenile Justice Centre by Bill Lockhart, Agency Chief Executive and Phil Tooze, Centre Director



Fig 17: Martin Gunning, Director of Corporate Services (left) and Cathy Heaney, Head of Human Resources (right) receive the Agency's Investor in People Award from Sir Reg Empey, Minister for Employment & Learning at a ceremony held in Hillsborough Castle



Fig 18: Discussing the report on the evaluation of Attendance Centre Orders are: Seamus Dunn and Helen Dawson, Independent Research Solutions; David Weir, Director of Community Services; Tony Kavanagh and Lisa Higgins, NIO Youth Justice Policy Unit

Operating Review

Review of Performance 2007-2008

Performance against Key Targets

The Minister set nine key targets and these were contained in the Youth Justice Agency Business Plan for 2007–2008. The Agency met seven of its key targets and one other target was partially met as described below.

KEY BUSINESS AREA	KEY PERFORMANCE TARGET	PERFORMANCE REPORT 2007-2008	PERFORMANCE REPORT 2006-2007
REDUCING OFFENDING	1. Contribute towards the delivery of the NIO PSA target to reduce the rate of reconviction by 5% compared to the predicted rate by April 2008.	Target met Various programmes for young people provided by each service delivery directorate contributed towards this target.	Not applicable
INCREASING CONFIDENCE IN THE YOUTH JUSTICE AGENCY	2. Achieve a 20% increase in the public awareness level of the Agency as measured by the NI Omnibus Survey.	Target not met 6% increase achieved.	Not applicable
DEVELOPING RESTORATIVE JUSTICE	3. Maintain an offender participation rate of 80% and satisfaction rate of 70% in youth conferences.	Target met Offender participation rate of 88% Offender satisfaction rate of 94%.	Target met Offender participation rate of 86% Offender satisfaction rate of 94%.
	4. Maintain a victim participation rate of at least 60% and a satisfaction rate of at least 75% in youth conferences	Target partially met Victim participation rate of 57% Victim satisfaction rate of 93%.	Target met Victim participation rate of 63% Victim satisfaction rate of 90%.

Operating Review

Review of Performance 2007-2008

KEY BUSINESS AREA	KEY PERFORMANCE TARGET	PERFORMANCE REPORT 2007-2008	PERFORMANCE REPORT 2006-2007
DELIVERING POSITIVE OUTCOMES FOR YOUNG PEOPLE	5. To further develop and test a measurement system in order to establish baseline figures in relation to key outcomes, in line with the OFMDFM Ten Year Strategy for Children and Young People in NI.	Target met Baseline figures established.	Not applicable
ENSURING SAFE AND APPROPRIATE USE OF CUSTODY	6. All new admissions have a risk assessment conducted within 24 hours.	Target met	Target met
	7. No high risk escapes from the Juvenile Justice Centre.	Target met	Target not met One low risk escape.
	8. At least 90% of young people remanded by the Courts to have a bail assessment completed within 7 days.	Target met 100% achieved.	Target met 100% achieved.
MANAGING RESOURCES	9. Maintain expenditure within approved budgetary limits	Target met	Target met

Operating Review

Review of Performance 2007-2008

Performance against Development Objectives

The Business Plan for 2007–2008 also set out a comprehensive and challenging programme of 18 development objectives for the Agency, 15 of which were met in full and a further 2 were partially met. The following chart provides a performance report against each objective.

KEY BUSINESS AREA	DEVELOPMENT OBJECTIVE	PERFORMANCE REPORT
REDUCING OFFENDING	1. Contribute to the development and implementation of an inter-agency strategy for the prevention of offending by children.	Objective met A regional children's services planning structure is now in place.
	2. Develop an evidence-based strategy, in conjunction with the NIO Youth Justice Policy Unit, to address priority youth offending.	Objective met A draft priority offender strategy has been produced and a reducing re-offending framework published.

Operating Review

Review of Performance 2007-2008

KEY BUSINESS AREA	DEVELOPMENT OBJECTIVE	PERFORMANCE REPORT
<p>INCREASING CONFIDENCE IN THE YOUTH JUSTICE AGENCY</p>	<p>3. Implement the agreed recommendations of the Delay Action Team Report as appropriate to the Youth Justice Agency.</p> <p>4. Deliver a communications and public relations strategy which aims to raise awareness, particularly at local level, of the work of the Agency and the services it delivers.</p> <p>5. Deliver outreach programmes, in partnership with others, which target specific stakeholder groupings such as sentencers, opinion formers, young people, statutory organisations, etc.</p>	<p>Objective met The Agency has played a full role in the Case Progression Pilot.</p> <p>Objective met The CPR strategy has been implemented via a range of promotional events and through a programme of engagement with MLAs and local councils.</p> <p>Objective met An extensive range of awareness raising events were held throughout the year to promote services delivered through the Agency. In support of Criminal Justice Week a simulated youth conference aimed at MLAs and Magistrates was held, together with three joint events with the Prince's Trust aimed at practitioners, employers and young people.</p>
<p>DEVELOPING RESTORATIVE JUSTICE</p>	<p>6. Develop restorative justice practices across all service delivery areas of the Agency.</p> <p>7. Develop a tiered model of restorative practices for application in prevention and in the discharge of court orders.</p> <p>8. Implement the agreed recommendations of the CJINI (Criminal Justice Inspection Northern Ireland) inspection of the youth conferencing scheme.</p>	<p>Objective met The reducing re-offending framework for the Youth Justice Agency has been published.</p> <p>Objective met Practice guidelines developed.</p> <p>Objective partially met Report published on 21 February 2008. Implementation plan is in place and will be completed in 2008-2009.</p>

Operating Review

Review of Performance 2007-2008

KEY BUSINESS AREA	DEVELOPMENT OBJECTIVE	PERFORMANCE REPORT
DELIVERING POSITIVE OUTCOMES FOR YOUNG PEOPLE	9. Implement a range of early intervention and prevention services through partnership and funding initiatives.	Objective met A number of external partnership contracts have been awarded for the delivery of prevention services for 8-13 year olds.
	10. Implement the agreed recommendations of the Mental Health Working Group report.	Objective met A Mental Health Strategy has been put in place and is being delivered on a phased basis.
ENSURING SAFE AND APPROPRIATE USE OF CUSTODY	11. Implement the new Juvenile Justice Centre Rules, standards and associated policies.	Objective not met New Juvenile Justice Centre Rules not yet published by NIO.
	12. Implement a process for supporting family involvement during periods that the young person is in custody.	Objective met A Family Services Team has been established.

Operating Review

Review of Performance 2007-2008

KEY BUSINESS AREA	DEVELOPMENT OBJECTIVE	PERFORMANCE REPORT
MANAGING RESOURCES	13. Review the operation, organisation structure and staffing levels in the four directorates of the Agency.	Objective met A series of reviews have been completed which will refine organisational structures and increase efficiency.
	14. Rationalise Community Services estate to take account of the Government's Review of Public Administration.	Objective met A rationalisation programme has been implemented.
	15. Deliver efficiency gains in line with agreed plans and targets.	Objective met Cost reduction programme implemented and staffing controls in place.
	16. Implement the agreed system for the allocation of funding to external service providers.	Objective met System agreed for introduction with effect from April 2008.
	17. Define responsibilities of the Agency and relationships with other criminal justice partners.	Objective partially met Discussions continuing.
	18. Introduce opportunities for the cross-deployment of staff across the four Agency directorates to improve their skills, develop their potential and to enhance the quality of service delivered by the Agency.	Objective met Secondment opportunities available and cross-deployment is underpinned by Agency policy on filling staff vacancies.

Operating Review

Review of Performance 2007-2008

Community Services Review

There is a long history of evolution and adaptation behind the Community Services Directorate, tracing its roots back to the vogue for intermediate treatment and the establishment of Whitefield House in 1977. This year provided the opportunity to take stock.

A review of education delivered through the service concluded that rather than the delivery of teaching, efforts should be directed towards supporting young people in mainstream or alternative education, and in accessing training and employment opportunities. This change signals the end of the long standing tradition of multi-disciplinary teams offering a range of services for young people. It does however also show evidence of an increasing commitment to the prevention of re-offending by emphasising the importance the Agency attaches to ensuring that young people have the maximum possible involvement with everyday, mainstream community based resources, be that school, work or training.

Similarly a change in approach indicated that the project based model of service structure, while allowing identification with location, had inefficiencies which could be addressed by creating bigger teams spanning larger geographical areas. Consequently the Directorate has been restructured from twenty-three projects to seventeen teams, though this has been accomplished without reduction in accessibility through the development of a hub and satellite structure [Fig 19].



Fig 19: Location map of Community Services teams operating across Northern Ireland

The primary role of the community based service is now in the provision of supervision. During the year staff were involved with 1,000 young people, 690 of these were supervised under the terms of youth conference plans and orders for which the Directorate accepted responsibility this year, and 111 were subject to attendance centre, community responsibility and reparation orders. A small number participated under voluntary agreements referred by other justice agencies.

The Bail Supervision and Support Team contributes another layer to this service. 272 bail assessments were conducted during the year, resulting in sixty-seven formal proposals to Court and drawing on both Agency resources and the intensive bail support team (Inside Out) [Fig 20] and the bail fostering scheme to provide support services to young people who would otherwise have remained in custody.

Working with families has been a consistent theme in Community Services practice and the appointment of a family worker based in Woodlands Juvenile Justice Centre has actively contributed to the continuity of contact between parents and children in custody, aiding communication, repairing relationships and preparing for return home.

Though reluctant to become directly involved with children who have not offended, Community Services staff retain a commitment to prevention. Working cooperatively with other agencies in the Area Children and Young People's Committees and in a variety of local fora, the Directorate promotes access to services for children perceived as vulnerable to offending or who are demonstrating anti-social behaviour.

The Directorate continues to support Impact, the anti-car crime initiative in West Belfast [Fig 21], and is investing in volunteers as individual support workers through partnership with volunteer bureaux. Relationships with local and community based organisations continue to be developed - the YMCA in Lisburn [Fig 22] being one of a number of examples - with the objective of strengthening links between young people and their community. Our partnership with the Duke of Edinburgh Awards Scheme continues to be valued and is well thought of by young people and their parents.

Operating Review

Review of Performance 2007-2008



Fig 20: The Inside Out Intensive Bail Support Project, Extern, receive their 'Outstanding Contribution to Working with Young People in the CJSNI' award from (then) Criminal Justice Minister Maria Eagle at the 2007 CJSNI awards ceremony



Fig 21: William McGowan, who is on secondment from the Youth Justice Agency to the IMPACT project, receives his award for 'Outstanding Contribution to Tackling Youth Crime' from (then) Criminal Justice Minister Maria Eagle at the 2007 CJSNI awards ceremony



Fig 22: Claire Hanna and Anne Wright, Lisburn YMCA discuss the delivery of services to the Lisburn Community Services project with local manager Paul Ryan

The Community Services Directorate played an active role throughout the year in raising awareness of the Agency, particularly at a local level. This included hosting a number of visits from local MLAs [Fig 23-24] in connection with the Agency's wider outreach programme, delivering a presentation to Castlereagh District Policing Partnership [Fig 25], and for the second year in succession organizing a successful summer tag rugby competition for young people in Londonderry [Fig 26-27] in conjunction with the IRFU Ulster Branch. Local managers participated fully in a number of court-based events in support of Criminal Justice Week, and a display of young people's arts and crafts was held at Foyleside Shopping Centre [Fig 28].

Other community based activities which have encouraged young people to contribute positively to their local community have included a visual arts project, in conjunction with the Creative Youth Partnership in Omagh, where young people worked with a local artist to produce clay artwork for presentation to the Royal National Institute for the Blind in Omagh [Fig 29] and the production of murals by young people in Community Services North Belfast for display in the children's play area of the local Thorndale Family Centre [Fig 30].



Fig 23: Pictured during a visit to the Community Services Craigavon office are: David Simpson, MP MLA (DUP, Upper Bann); Aideen McLaughlin, Youth Conference Service; Bill Lockhart, Agency Chief Executive; Dermot Magorrian, Local Manager; Stephen Moutray, MLA (DUP, Upper Bann); Michael Heaney, Community Services

Operating Review

Review of Performance 2007-2008



Fig 24: Michael Heaney, Community Services (left) and Deirdre O'Neill, Local Manager (right) welcome South Down MLAs Caitriona Ruane and Willie Clarke (both Sinn Fein) to the Downpatrick office



Fig 27: Pictured with Peter Quinn, Manager, Youth Justice Community Services Foyle (left) and Ulster Rugby player Niall O'Connor (right) is Aiden McIvor from City of Derry Rugby Club - winner of the draw for 4 free tickets to an Ulster rugby match at Ravenhill



Fig 25: Pictured outside the Castlereagh Council offices after presenting to the local District Policing Partnership are: Roy Lawther, Castlereagh DPP Manager; Patricia Muldoon, Community Services Manager (East Belfast); Brian Rea, Independent member of NI Policing Board and Castlereagh DPP; Tony Byrne, Community Services Manager (South Belfast)



Fig 28: Caroline Green from Foyleside Shopping Centre (right) is pictured with Youth Justice Agency staff at the display of local young people's arts and crafts in support of Criminal Justice Week



Fig 26: Participants celebrate the completion of the summer Tag Rugby competition in Derry



Fig 29: Ciara McKeown from RNIB Omagh is presented with the young people's artwork by Thompson Best, Community Services; Geraldine O'Reilly, WELB Creative Youth Partnerships Officer; Ian Coulter, (then) local Community Services Manager and Dara Hand, professional artist who supported the visual arts project

Operating Review

Review of Performance 2007-2008



Fig 30: Franciska Ewald, Community Services Manager presents the murals produced by young people in North Belfast to Thorndale Family Centre

The misuse of drugs and alcohol by young people is an ongoing anxiety and the Directorate is leading on the implementation of a regional initial assessment tool for young people with the objective of ensuring that services are appropriately matched to effect change.

Overall the Directorate is seeking to ensure that young people who have offended and are under its supervision are responding positively to the plans and orders to which they are subject, while at the same time building strengths through improved family relationships, enhanced access to education, training or employment, promoting healthy lifestyles and integration with their community.

A breakdown of Community Services caseload for 2007-2008 can be found at Appendix 1.

Operating Review

Review of Performance 2007-2008

Youth Conference Service Review

The last twelve months saw delivery of the youth conference across all court districts and Public Prosecution Service regions.

Throughout the year the Youth Conference Service performed at the margins of full capacity with the number of new referrals approaching 2,000. An internal reorganization of responsibilities helped relieve some of this pressure, with Community Services commencing supervision of youth conference plans – however the Youth Conference Service continue to maintain responsibility for the preparation and facilitation of youth conferences. Additional Youth Conference Coordinators were recruited, on a sessional basis, to meet the pressure of referrals.

The high quality standard of the youth conference was maintained and this was recognized by the Criminal Justice Inspectorate in their positive account of the performance of the Youth Conference Service which was published in February 2008 [Fig 31]. In welcoming the report, Criminal Justice Minister Paul Goggins commented: "I welcome the Chief Inspector's strong support for the principle and value of youth conferencing to the Criminal Justice System..... the conference service has been refined and developed to the point where independent evaluation and international experts now regard it as a world leader in addressing, in a balanced way, youth crime, the concerns of victims and the safety of communities."



Fig 31: Brendan McGuigan, Deputy Chief Inspector with the Criminal Justice Inspectorate NI, presents their report on the Youth Conference Service to Bill Lockhart, Agency Chief Executive and Alice Chapman, Director of the Youth Conference Service

Indeed the year saw several inward study visits to observe and learn about the delivery and effectiveness of the youth conference within Northern Ireland. Delegations included visitors from China, South Africa, Brazil, England and Norway. One visitor, Dominic Barter, Co-ordinator of the Restorative Justice Project for the International Centre for Non-Violent Communication in Brazil, shared with us his experiences of restorative practices in Brazil when he facilitated a masterclass on our behalf at Hillsborough Castle [Fig 32].



Fig 32: Pictured outside Hillsborough Castle are Alice Chapman, Director of the Youth Conference Service; Dominic Barter, key speaker at the master class on restorative justice; and Bill Lockhart, Agency Chief Executive

Quality of performance has been maintained during the year. Victim participation during 2007-2008 was 57%, comparing favorably internationally. Victim satisfaction rate remained impressive with victim satisfaction with the outcome of conferences at 93% and the level of victims who would recommend the conference to another victim also at 93%.

Likewise, participation by young people remained very high at 88%, with satisfaction with the outcome of the conference at 94% and the level of young people who would recommend the conference to another young person at 88%.

Youth Conference Service staff participated in a number of awareness raising events throughout the year, with the highlight being the hosting of a simulated youth conference as a key feature of Criminal Justice Week [Fig 33]. The invited audience of MLAs, magistrates, and other key stakeholders

Operating Review

Review of Performance 2007-2008

within the youth justice system were treated to an extremely realistic illustration of the conferencing process which powerfully demonstrated the tensions and feelings that exist within the conference setting. The fact that a number of audience members, including Jeffrey Donaldson MP MLA, willingly participated in the conference role-plays certainly added to the occasion.



Fig 33: Pictured at the simulated youth conference in support of Criminal Justice Week are: Bernie Kelly, Deputy Lord Mayor of Belfast; Aideen McLaughlin, Youth Conference Service; Jeffrey Donaldson, MP MLA; and Claire Swann, Youth Conference Service

The Youth Conference Service also organized a very successful Restorative Justice Poster Competition which was open to all schools and youth clubs throughout Northern Ireland [Fig 34]. A special awards ceremony was held at Hillsborough Castle in November where Grainne Gorman, a pupil of St Louis Grammar School in Killeel, was declared the overall winner [Fig 35].



Fig 34: Christopher Beck and Linzi Cosgrove, pupils from Belfast High School celebrate the launch of the Restorative Justice poster competition with teacher Suzanne Todd and Yvonne Adair, Youth Conference Service



Fig 35: Grainne Gorman, St Louis Grammar School, Killeel shows off her winning design to judging panel members Yvonne Adair, Youth Conference Service and Dr Suzanne Lyle, Arts Council of NI

The Youth Conference Service received recognition for the high quality service in preparing and facilitating youth conferences for young offenders and their victims from the University of Ulster when a number of Youth Conference Co-coordinators received a Diploma in Restorative practices, the first to receive this award in the UK [Fig 36].



Fig 36: Celebrating the success of a number of Youth Conference co-ordinators in achieving a diploma in Restorative Practices from the University of Ulster are: Martina Jordan; Sam McCready (UUJ); Bill Lockhart, Agency Chief Executive; Alice Chapman, Director of Youth Conference Service; Sam Armstrong; Martin McAnallen; Mark Johnston; Denise O'Neill

A breakdown of the Youth Conference Service caseload for 2007-2008 can be found at Appendix 2.

Operating Review

Review of Performance 2007-2008

Custodial Services Review

This year has been the first full year of operation of Woodlands, the new purpose built Juvenile Justice Centre for Northern Ireland.

The Centre was delivered and opened on time and on budget, with construction and development costs having been met by the sale of the land formally occupied by the former Rathgael site. Woodlands is a 48 bed Centre and is a state of the art secure facility for children and young people. It has six eight bedded units and can accommodate children and young people between the ages of 10 and 17.

At the heart of Woodlands is an Education and Learning Centre with enhanced vocational facilities including horticulture, car mechanics, ceramics and woodwork. It also has a dedicated programmes area enabling a range of accredited programmes to address offending behaviour to be delivered.

Curricular developments this year include the introduction of Essential Skills courses (literacy and numeracy) and Occupational Skills – horticulture; catering; motor vehicles; media (music); media (film); construction; and joinery.

Children in the Centre achieved the following awards:-

- AQA (Assessment and Qualifications Alliance) module awards: 597 awards were achieved by 170 young people. These subject areas included music, swimming, citizenship, business studies, horticulture, personal development and vehicle studies.
- CEA Essential Skills (Literacy / Communication): 140 awards were achieved by 119 young people.

Literacy	Entry Level (1-3)	132
Communication	Level 1 (GCSE equivalent grade G-D)	5
	Level 2 (GCSE equivalent grade C-A*)	3

- CEA Essential Skills (Numeracy / Application of number): 123 awards were achieved by 117 young people.

Numeracy	Entry Level (1-3)	107
Application of Number	Level 1 (GCSE equivalent grade G-D)	12
	Level 2 (GCSE equivalent grade C-A*)	4

- CEA Occupational Studies (Motor Vehicle Studies / Hospitality & Catering / Care / Constuction (Joinery): 37 awards were achieved by 35 young people, 36 awards were at level 2.
- Basic Food Hygiene: 15 awards were achieved by 15 young people.
- St John's Ambulance First Aid Certificate: 5 awards were achieved by 5 young people.

The Programmes Department and staff across the Centre have established a group work programme to deliver programmes to tackle the causes of offending. The Centre has also developed its links with community based organisations and has brought added value to the school curriculum and to tackling offending behaviours through endeavouring to build young people's personal and social skills and thus their resilience (eg Ascertain "Life Matters" life skills course; "CASE"- PBNI's personal development and citizenship programme).

We have developed partnerships with organisations like the Prince's Trust, whose focus is on reintegration, and PIPS (Positive Mental Health). The Prince's Trust also offers individual Development Awards to enhance employability and educational opportunities. Such a combination of individual and group work programmes serves to not only target various learning styles, but importantly to meet personal targets, reduce risks, build desistance and forge links with the community.

Other organisations such as PBNI delivered an Anger Management Programme, Impact (Anti-car Theft and Victim Awareness Programme), Opportunity Youth (Tackling Offending Issues) and the NI Fire and Rescue Service [NIFRS] (Consequential Thinking – with reference to starting fires, reckless driving, personal safety). The latter have also delivered Fire Starter courses to individual young people and their Life Scheme is made available to those who wish to engage in personal development and confidence building

Operating Review

Review of Performance 2007-2008

on release. An opportunity arose early in April this year to reciprocate the relationship between NIFRS and Woodlands as they needed to acquire behaviour management skills when working with young people in the community. Six NIFRS personnel joined Woodlands staff when they participated in a Therapeutic Crisis Intervention (TCI) training programme. TCI provides effective crisis prevention, de-escalation and intervention tool for those working with young people in crisis.

In some cases, however, a situation can escalate to the point where the young person and others are considered to be at risk of physical harm. All staff are trained in Physical Control in Care (PCC) and this restraining technique was used in 172 instances during 2007-2008 as follows-

Month	Number of Instances of Physical Restraint
April	22
May	22
June	29
July	18
August	14
September	22
October	17
November	15
December	4
January	3
February	6
March	0
Total	172

In 2007 a pilot GAA coaching scheme initiative was devised and delivered at Woodlands Juvenile Justice Centre [Fig 37]. The scheme was implemented following discussions between the Ulster Council of the GAA and the Youth Justice Agency. The coaching programme was facilitated by two regional games development officers from the Ulster Council. During the past year over 25 young people have participated in the three day programme which was delivered on four different occasions. For the majority of the young people it has given them an opportunity to participate in



Fig 37: Pictured after one of the GAA coaching sessions at Woodlands Juvenile Justice Centre are: Front row – Diarmaid Marsden, Ulster GAA; George Neill, Woodlands. Back row – Jimmy Darragh and Tony Scullion (both Ulster GAA); Paul McStravick, Woodlands



Fig 38: Secretary of State Shaun Woodward, MP performs the official opening of Woodlands Juvenile Justice Centre alongside Bill Lockhart, Agency Chief Executive and Phil Tooze, Centre Director



Fig 39: Lady Sylvia Hermon, MP for North Down and Secretary of State Shaun Woodward chat with a young person during their tour of the Centre

Operating Review

Review of Performance 2007-2008



Fig 40: DUP MLAs Michelle McIlveen (Strangford) and Ian Paisley Jnr (North Antrim) are welcomed to Woodlands by Phil Tooze, Centre Director



Fig 41: Sinn Fein MLA Alex Maskey is pictured with Phil Tooze, Centre Director and Bill Lockhart, Agency Chief Executive during his visit to Woodlands Juvenile Justice Centre

and learn about a sport that they had not played before. The coaching programme covered a number of areas, focusing on self-discipline, teamwork, challenging the young people physically and mentally and having fun through participating in sporting exercise and games. The young people experienced a variety of coaching sessions, football drills, mini games and conditioned games and all have benefited individually and enjoyed the experience.

The highlight of the year was the Official Opening of Woodlands on 5th November 2007 by Shaun Woodward MP, Secretary of State for Northern Ireland [Fig 38]. The Secretary of State toured the Centre and spent time talking to staff and young people [Fig 39]. The opening was attended by Lady Sylvia Hermon MP, Mayor of North Down and all the Youth Justice Agency's major stakeholders.

Woodlands has hosted a large number of international and national visitors who have come to view the innovative design and facilities that enable us to deliver world class services. Visitors from across the home countries and from the Republic of Ireland are looking at the Centre as an example of best practice both in terms of design and operation. We have also facilitated a number of visits from MLAs, Lay Magistrates and Ministers both locally and from the mainland, members of the Youth Justice Board, foreign students and many key stakeholders [Fig 40-42].



Fig 42: Caitriona Ruane, NI Minister for Education, is pictured alongside Phil Tooze, Centre Director; Bill Lockhart, Agency Chief Executive; and Jim Begley, Deputy Centre Director during a fact-finding visit to Woodlands

In line with staff development policy, all Woodlands staff who work directly with young people are expected to complete a NVQ111 in Youth Justice. It was extremely pleasing that Lady Sylvia Hermon, local MP for North Down, took time to present NVQ certificates to a number of successful staff during a visit to the Centre [Fig 43].

Operating Review

Review of Performance 2007-2008



Fig 43: Pictured after receiving their NVQ award certificates from Lady Sylvia Hermon, MP are: Michele Plant; Paul McStravick; Amanda Wilson; Davy Young; Louise Ormsby and Angela Fleming. Looking on are Joyce Thompson, Training & Development Manager and Phil Tooze, Centre Director

Some staff have also received external recognition for their work:

- Kevin Vernon, Unit Manager was presented with the Gold Award in the Internal Communications category at the Chartered Institute of Public Relations' annual PRide Awards in September 2007 [Fig 44]. Kevin was responsible for Internal Communication during our 18 month change management process which has been seen as best practice in how to achieve successful organisational cultural change.
- Liz Aiken, Deputy Head of School received an MBE in October 2007 for her services to Autism in Northern Ireland [Fig 45]. Liz has brought a focus on the needs of children and young people who suffer from autism and asperger syndrome who all too frequently end up in custody.
- Pauline Fulford, a teacher at Woodlands, won the Belfast Telegraph Woman of the Year in Education award in November 2007 [Fig 46].

At the end of 2007 Woodlands was inspected by the Criminal Justice Inspectorate for Northern Ireland for the first time. The report, which was published in May 2008, praised Woodlands stating that it was a well managed facility that provided many examples of good practice. The report also noted that education was given a high priority with the majority of young people improving their standard

of numeracy and literacy while in the Centre. An action plan is being drawn up to address a number of 'housekeeping' recommendations contained in the report.

An analysis of the admissions to custody during 2007-2008 can be found at Appendix 3.



Fig 44: Kevin Vernon (centre) with John McCandless and Kate Thompson from ASG PR with their Gold PRide Award from the Chartered Institute of Public Relations



Fig 45: Liz Aiken receives her MBE at Buckingham Palace in recognition of her services to Autism in Northern Ireland



Fig 46: Baroness May Blood presents Pauline Fulford with her Belfast Telegraph Woman of the Year in Education award

Operating Review

Review of Performance 2007-2008

Child Protection Policy and Procedures

The Agency is committed to the protection of children and young people from abuse and seeks to achieve this by operating safe, secure and caring environments that address the needs of the child whilst reducing risk to and from others. All children, staff, parents and representatives of other organisations who use or have contact with Agency services are encouraged to be alert to and report any concerns about abuse. All concerns, whether past or present, will be responded to in keeping with these principles and procedures.

The Agency has a published Child Protection Policy document which is compatible with the DHSS&PS guidance "Co-operating to Safeguard Children".

During 2007-2008 a total of 53 child protection allegations were received by the Agency, three of which were carried forward from 2006-2007. All related to occurrences outside the jurisdiction of the Agency (eg: incident occurred before young person came into contact with the Agency) and were as a result of disclosure by children to members of staff, disclosure by family or other representatives of the child, and arising through assessment processes. The child protection policy was followed in each case and referrals made to the appropriate authorities. No amendments were required to existing Agency policy and procedures. Further details are contained at Appendix 5.

Complaints Charter

The Agency has an easy to understand and responsive complaints procedure which encourages anyone who feels they have been treated unfairly or inappropriately by the Agency to speak out so that concerns can be addressed. Lessons learned from complaints will be used to improve and influence the development of Agency services.

An independent aspect to the Agency's complaints process is delivered through an Independent Complaints Reviewer.

During 2007-2008 a total of 46 complaints were received by the Agency (this includes one carried forward from 2006-2007). All were resolved at a local management level and no complaints were ongoing at year-end. Further details are contained at Appendix 6.

The report of the Independent Complaints Reviewer for 2007-2008 is reproduced below:-

Youth Justice Agency Complaints 2007-2008 - Report by Jodi Berg and Elizabeth Derrington, Independent Complaints Reviewers

The aim of the ICR service is to provide a free, effective and impartial complaints review and resolution service for complainants that settles complaints in a proportionate manner and makes a positive difference for individual complainants and for the future.

People who contact our office can expect from us courtesy; honesty; respect; objectivity; and flexibility.

We will communicate with them in straightforward language and in ways that best meet their needs.

This year because this office is based in London, we have established video links with the Agency to assist people to speak with us in person quickly, even if we cannot immediately meet them.

The decision to introduce a wholly independent final stage of complaint review, provided by a professional complaint handling service, was a significant step forwards on the part of the Agency towards meeting the high expectations that people rightly have of an organisation engaged in the youth justice system.

Operating Review

Review of Performance 2007-2008

This demonstrates its willingness to be accountable for the service it provides through the mechanism of independent complaint review.

In this reporting year, the Agency has facilitated ICR visits to the Juvenile Justice Centre and to regional community service offices. We have been able to enhance our understanding of the Agency's work and how it goes about it. We have met a cross section of Agency staff, stakeholders and, importantly, had unsupervised meetings with young offenders, voluntary users of the service and their family members. We are most grateful to all of these people for their help, and their patience and openness in answering our questions.

We have been very impressed indeed with the quality of service we have witnessed and with the reports given to us by young people and their families. With the exception of one young person in the Centre who had made a number of complaints to staff, everybody was very positive indeed about their experience of the Agency. In one regional office, people spoke about how the Agency's involvement had changed their lives for the better. One young offender gave the service "ten out of ten". During one visit, an observation of a youth conference was arranged, which was clearly a positive experience for both the victim and, ultimately, for the offender.

During our visits we have developed our understanding of the Agency's new complaints procedure, and provided feedback to the Agency on its effectiveness. We have had regular meetings with the Chief Executive and met a number of senior managers. We acknowledge the facilitative manner in which they have developed the Agency's relationship with the ICR office.

We are pleased to report that no complaints were referred to us in the reporting period. This is because all those received by the Agency were resolved within the internal process at step 1 ("talk to a member of

staff") or step 2 ("complain to a senior manager"). Most of these complaints arose within the Juvenile Justice Centre where the potential for dissatisfaction is perhaps naturally rather higher than in other parts of the Agency's service.

We are satisfied that, overall, the complaints process is well established and effectively promoted with both young people and staff. Complaints are taken seriously by staff and managers, and complaint information is regularly considered at Board level. We note that the Criminal Justice Inspection Service review of complaint handling suggested that young people were reluctant to complain because they could not do so confidentially, and feared negative treatment by staff. We did not find direct evidence of these concerns from our limited experience, however we hope that our visits and the ICR process will help to give young people more confidence to take concerns forward.

Following our review of procedures we made a number of recommendations aimed at improving consistency. Whilst we welcome the fact that the complaints process is explained to each young person as part of their induction and made accessible to them, it is important to ensure that staff across the Agency have a shared understanding of when to record a complaint; that parents or carers are informed as a matter of course when a complaint is made; and that there is clarity about the handling of different steps in the procedure.

We note that the Agency Board sets a good example in showing that it takes complaints seriously by receiving quarterly reports. During visits, we were also able to identify that staff have made changes as a result of complaints, but we recommend a more systematic approach to demonstrating more openly that issues raised in complaints are fed back into the development of policy, procedure, and staff training material. We will continue our programme of visits and feedback sessions in the coming year.

Operating Review

Review of Performance 2007-2008

Victims Charter

The Agency is committed to fairness and inclusivity with victims for whom it provides a service. It recognises the best interests of the child with whom it works are of importance whilst aiming to simultaneously balance the needs of victims. The Agency has published a Victims Charter which provides guidance on treating victims according to their particular needs, both as victims and as an individual. It takes account of vulnerable victims and the need to consider cultural, racial, religious and sexual identities of victims.

Health and Safety

The Agency accepts the responsibilities as outlined within the scope of the Health and Safety at Work (NI) Order 1978. The Agency will, therefore, do all it can to ensure the full commitment at all levels of management and the cooperation of all members of staff in order to meet its obligations under this legislation.

The Agency also accepts its responsibility to safeguard the health and safety of all young persons placed into custody and other persons not its employees who may be visiting, or working at any of the premises occupied by the Agency.

The Agency has in place an overarching Health & Safety Committee which meets quarterly. A Health & Safety representative from each Directorate has a seat on this committee. Health & Safety Committee's for each Directorate will be established in early 2008-2009.

During 2007-2008 there were a total of 26 recorded assaults on Agency staff by young people, all of which occurred within the custodial environment of Woodlands Juvenile Justice Centre. Further details are contained at Appendix 7.

Freedom of Information

The Freedom of Information Act 2000 provides a general right of access to information held by public authorities in the UK subject to certain exemptions. It is intended to promote a culture of openness and accountability amongst public sector bodies, and therefore facilitate better public understanding as to how public authorities carry out their duties, why they make the decisions they do, and how they spend public money.

The Agency displays on its website the processes by which information requests can be made.

During 2007-2008 the Agency received ten requests for information under the Freedom of Information Act and two requests for personal information under the Data Protection Act.

Data Handling

The Agency has a responsibility to safeguard the information it holds, both in electronic and hard copy format, and has in place data security procedures which mirror those of NIO to minimize the risk of compromise of that information. It has complied fully with the NIO data security reviews and has undertaken an extensive programme to provide encryption on all Agency laptops and stand-alone PCs. All staff received awareness training on data security issues.

There have been no recorded breaches of data security within the Agency during 2007-2008.

Sustainable Development

The Agency is committed to the Government's policy on sustainable development as set out in the Northern Ireland Sustainable Development Strategy and in its day to day activities it strives towards maintaining the best possible environmental performance.

The Agency has in place a policy on sustainable development to be applied across the organisation and all staff have been tasked to comply with the procedures.

Operating Review

Looking forward to 2008-2009

The Agency will continue to build upon its achievements and focus on organisation development, evaluation of services provided and enhancing public awareness of the services it provides. The Corporate Plan 2008-2011 and Business Plan 2008-2009 outlines the Agency's key priorities over the next three years.

The main developments planned for 2008-2009 include:

- Continued contribution towards the overall NIO Public Service Agreement, the NIO Departmental Strategic Objectives and the Criminal Justice System NI targets and objectives
- Implementation of the new Public Protection Arrangements NI (PPANI) legislative requirements in relation to young people
- Contribution to the implementation of the Northern Ireland regional strategy for the prevention of offending by children and young people
- Establishment of an Agency wide strategy for addressing priority youth offenders on Juvenile Justice Centre Orders
- Delivery of a communications and public relations strategy which raises awareness of and confidence in the work of the Agency among stakeholders
- Implementation of the reducing re-offending strategy through a restorative justice framework across the Agency
- Implementation of the agreed recommendations of the CJINI (Criminal Justice Inspection Northern Ireland) inspection of the Youth Conference Service
- Development of a social inclusion pathways model for all young people and families referred to the Agency
- Implementation of the new Juvenile Justice Centre rules and devise Agency standards and associated policies as appropriate
- Implementation of the agreed recommendations of the CJINI Inspection of the Juvenile Justice Centre
- Implementation of the agreed recommendations of the CJINI Inspection of Corporate Governance within the Agency.

Operating Review

Looking forward to 2008-2009

The key performance targets set by the Minister for 2008-2009 are given below:

KEY BUSINESS AREA	KEY PERFORMANCE TARGET FOR 2008-2009
REDUCING OFFENDING	<p>KPT 1: 95% of all children subject to a Juvenile Justice Centre Order will have a re-integration plan</p> <p>KPT 2: Achieve an 85% compliance rate within the statutory timeframe for all children who are subject to a community disposal supervised by the Agency</p>
INCREASING CONFIDENCE IN THE YOUTH JUSTICE AGENCY	<p>KPT 3: Achieve an increase in public confidence in how the Agency deals with young people accused of crime from 41% to at least 45%, as measured by the Northern Ireland Omnibus Survey</p> <p>KPT 4: 85% of youth conference reports to be returned to court within statutory timescales</p>
DEVELOPING RESTORATIVE JUSTICE	<p>KPT 5: At least 80% of referrals to result in a youth conference and of those, at least 70% of young offenders to be satisfied with the outcome</p> <p>KPT 6: Maintain a victim attendance rate of at least 60% for youth conferences and of those, at least 75% of victims to be satisfied with the outcome</p>
DELIVERING POSITIVE OUTCOMES FOR YOUNG PEOPLE	<p>KPT 7: Following the introduction of a common risk assessment system, all young people referred to the Agency under a court order to have an assessment of risk and strengths completed within 4 weeks of the commencement of the order</p>
ENSURING SAFE AND APPROPRIATE USE OF CUSTODY	<p>KPT 8: All new admissions to custody to have a risk assessment conducted within 24 hours</p> <p>KPT 9: No escapes from the Juvenile Justice Centre</p> <p>KPT 10: At least 90% of young people remanded by the Courts to have a bail assessment commenced within 5 working days</p> <p>KPT 11: Reduce the levels of physical restraint by 5% compared with 2007</p>
MANAGING RESOURCES	<p>KPT 12: Maintain expenditure within approved budgetary limits</p> <p>KPT 13: Publish and lay the Agency's audited 2007-2008 Annual Report and Accounts before Parliament prior to its summer recess</p> <p>KPT 14: At least 75% of staff to be satisfied with the learning and development opportunities provided by the Agency</p>

A further 22 development objectives have also been set for 2008-2009. Details of these can be found in the Agency's Corporate Plan 2008-2011 and Business Plan 2008-2009 which was published in May 2008. Copies may be obtained via the Agency website: www.youthjusticeagency.ni.gov.uk

Financial Review

Financial Provision & Cash Flow

The Youth Justice Agency is financed as part of the overall Northern Ireland Office (NIO) Departmental Expenditure Limit voted by Parliament. The total cash requirement for the year from NIO was £19,669k (2006-2007, £19,280k).

Resource Costs

The total net expenditure of the Agency for 2007-2008 was £21,981k and is compared to the previous financial years that the Agency has been in existence in the table below.

Income

During 2007-2008, income of the Agency increased significantly on the 2006-2007 financial year. This was due to the Agency receiving contributions from other public sector organisations towards the funding of a number of Agency sponsored initiatives and also a result of funding being channelled from the source sponsor to its end recipient via the Agency, with the Agency taking on the responsibility for monitoring those projects.

Expenditure

Pay Costs

Over the five year period pay costs have steadily increased in line with the growth of the services provided by the Agency. In that time, staff costs have also risen as a result of national wage agreements for staff on Joint Negotiating Committee (teachers and instructors) and National Joint Council (social, care and support workers) terms and conditions who also receive annual increments. The salaries and allowances of these staff are outside the control of the Agency as they are nationally agreed.

Since 2006-2007 (retrospectively applied to the 2005-2006 figures) a change to the accounting treatment of the NILGOSC pension scheme under Financial Reporting Standard (FRS) 17 has also added significantly to staff costs as the annual service charge of the pension scheme is charged to the operating cost statement in place of the contributions paid. This has added approximately £500k to the Agency's pay costs in each year.

Five Year Review

Summary of Income & Expenditure 2003-04 to 2007-08

	2007-2008	2006-2007	2005-2006	2004-2005 ¹	2003-2004 ¹
	£'000	£'000	£'000	£'000	£'000
Income	(143)	(64)	(106)	(283)	(356)
Staff Costs	15,519	14,323	12,351	10,185	8,263
Administration Expenditure	4,105	4,916	3,850	2,352	2,912
Programme Expenditure	2,106	2,093	1,389	585	449
Depreciation	714	3,032	1,532	1,386	1,231
Cost of Capital	475	469	497	356	351
Impairment of Fixed Assets	(795)	1,318	-	-	-
Net Operating Costs	21,981	26,087	19,513	14,581	12,850

¹ Amounts stated exclude the impact of a change in accounting for NILGOSC Pension Liabilities under FRS17

Financial Review

Staff costs in 2007-2008 also include the provision for £1m for the NILGOSC pension liability which arises as a result of a decision taken in-year to include certain allowances of a number of staff at the Juvenile Justice Centre within their pensionable pay. The provision represents the higher pension liabilities that immediately arise on the NILGOSC final salary scheme.

Administration Expenditure

Administration expenditure, which had steadily increased and mirrored the growth of the Agency since 2003-2004, reduced by £811k during 2007-2008. This is partly due to the accommodation costs in 2006-2007 including rates expenditure back-dated to 2003-2004 (the Agency's regional and local offices had incorrectly benefited from a rates exemption in the past). In addition, maintenance and repairs costs fell by £530k reflecting the absence of major premises development during the year, which had been substantial in previous years. Utilities costs also reduced benefiting from an over-accrual in 2006-2007 for electricity costs (based on incorrect electricity bills) for Woodlands Juvenile Justice Centre.

Programme Expenditure

Programme expenditure in 2007-2008 is broadly in line with 2006-2007 expenditure. Expenditure in this area has

increased in recent years as the Agency has taken over direct responsibility for providing additional services which had previously been administered by the Youth Justice Policy Unit of the NIO. These included the provision of prevention services and the expansion of the Bail Support and Remand Fostering schemes for which additional funding was transferred to the Agency.

From the summer of 2005, seventeen year olds came within the Youth Justice system and programmes were developed to meet the specific needs of this age group within existing resources.

In both 2007-2008 and 2006-2007 the Agency administered funding received from the Inter Departmental Fund under the Renewing Communities Initiative.

Capital Expenditure

Details of the movement of fixed assets which include expenditure on IT and other replacement fixtures & fittings and plant & equipment to support the Agency's activities are set out in Notes 7 & 8 to the financial statements.

Capital expenditure incurred by the Agency in 2007-2008 totalled £260k. This level of spend is broadly consistent with the level of capital expenditure by the Agency in recent years.

Five Year Review

Capital Expenditure 2003-04 to 2007-08

	2007-2008	2006-2007	2005-2006	2004-2005	2003-2004
	£'000	£'000	£'000	£'000	£'000
Capital Expenditure incurred by Agency	260	334	189	165	680
Capital Expenditure funded by Parent Department	75	11,738	6,782	457	1,267
Total	335	12,072	6,971	622	1,947

¹ Amount stated excludes provision for NILGOSC Pension Liabilities

Financial Review

During 2007-2008, the Agency incurred capital expenditure of £142k on IT equipment, £71k on alterations to the changing rooms at the Juvenile Justice Centre, and £42k on furniture and fittings. A further £80k was spent on plant & equipment, of which £75k was paid by the Agency's parent department (NIO) for the installation of CCTV cameras at Woodlands JJC.

The significantly higher expenditure funded by the Agency's parent department in the three previous years reflects the capital spend on the construction of the new Juvenile Justice Centre at Woodlands and prior to that, on initial capital spend on IT, and on furniture, fixtures and fittings required to get the new Agency operational.

Financial Position

The total net assets of the Agency at 31 March 2008 were £13,819k. A five-year comparison of the financial position for each year is shown in the following table.

The total net assets of the Agency have increased significantly since 2004-2005 due to the construction of the new Juvenile Justice Centre at Woodlands which became operational in 2006-2007 at a valuation of £17.5m. This has been partially offset by the transfer of surplus land at the old JJC (Rathgael) site to the NIO at its carrying value of

£6.8m in 2006-2007. The increase in fixed assets during the year largely reflects the in-year capital spend as depreciation of £714k and the disposal of obsolete equipment from the old centre of £104k has been offset by an increase in the valuation of the land & buildings at the Woodlands site at 31 March 2008 by £865k.

Since 2006-2007 (31 March 2006 and 31 March 2005 liabilities also restated) a change in the accounting treatment of the NILGOSC pension scheme under FRS 17 requires the Agency to report its share of the scheme's deficit on its balance sheet. This currently stands at £3.1m at 31 March 2008, a reduction of £1m during the year (£1.3m since 31 March 2006) due to an in-year actuarial gain of £1.5m (and a £0.8m gain in 2006-2007).

The reduction in the pension scheme provision at 31 March 2008 is offset by the additional pension related provision of £1m, payable to NILGOSC which is explained above under pay costs.

Financial Risk

The Youth Justice Agency relies primarily on the Northern Ireland Office for funding, transacts and holds its assets & liabilities in sterling, and has no significant borrowings. The Agency is therefore not materially exposed to liquidity risk.

Five Year Review

Summary of Assets & Liabilities 2003-2004 to 2007-2008

	2007-2008	2006-007	2005-2006	2004-2005	2003-2004
	£'000	£'000	£'000	£'000	£'000
Fixed Assets	20,543	20,147	19,214	12,796	12,758
Other Assets	246	309	403	498	343
Provisions	(4,803)	(4,581)	(4,719)	(5,607)	(2,214) ¹
Other Liabilities	(2,167)	(2,574)	(1,474)	(945)	(934)
Net Assets	13,819	13,301	13,424	6,742	9,953

¹ Amount stated excludes provision for NILGOSC Pension Liabilities

Management Board Remuneration Report

Remuneration Policy

The Agency does not have a remuneration committee. Appointments to the Management Board since the creation of the Agency are made in accordance with the Civil Service Commission's general regulations.

The remuneration of the Non-Executive Directors is determined by the Chief Executive in consultation with the Director of Corporate Services.

Service Contracts

Civil Service appointments are made in accordance with the Civil Service Commissioners' Recruitment Code, which requires appointment to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.

Unless stated below, the Directors of the Youth Justice Agency hold appointments, which are open-ended until they reach the normal retiring age. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

The Non-Executive Directors are appointed for a term of 3 years, renewable by agreement.

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

Bonuses

The Chief Executive is eligible to receive a bonus as a member of the Senior Civil Service. The Directors of Corporate Services and the Youth Conference Service are eligible to receive a non-consolidated performance bonus under the terms of the NIO scheme for general service grade staff.

Salary & Benefits [audited information]

In their roles as Non-Executive Directors Shane Logan received total remuneration of £7,341 (2006-2007, £7,155) and Linda Kerr received total remuneration of £7,341 (2006-2007, £1,201).

The salary and pension details of the remainder of the Management Board for 2007-2008 are disclosed in the Table overleaf. Salaries include gross salaries and any allowance or performance bonuses payable. The salary range reflects remuneration for the months in office. The Agency did not make any contributions to a Board Member's partnership pension account nor did it pay any compensation or make any award to former members of the Management Board.

The monetary value of benefits in kind covers any benefits provided by the employer and treated by the Inland Revenue as a taxable emolument.

Annual Report and Accounts 2007-2008

Management Board Remuneration Report

The salary, pension entitlements and taxable benefits of the Youth Justice Agency Management Board for 2007-2008 Financial Year [audited information]

Board Member	Salary (as defined) £'000	Benefit in kind £ 00	Real increase in pension at age 60 £'000	Real increase in related lump sum at age 60 £'000	Total accrued pension at age 60 at 31/3/08 £'000	Related lump sum at age 60 at 31/3/08 £'000	CETV at 31/3/07 £'000	CETV at 31/3/08 £'000	Real increase in CETV after adjustment for inflation and changes in market investment factors £'000	Employer contribution to partnership pension account including risk benefit cover £'000
Mr Bill Lockhart Chief Executive	65.70 (70.75)	- (-)	0.2.5 (0.2.5)	- (-)	25.30 (20.25)	- (-)	501 ¹	584	17	-
Mr Martin Gunning Director Corporate Services	45.50 (45.50)	- (-)	0.2.5 (0.2.5)	0.2.5 (0.2.5)	15.20 (15.20)	55.60 (55.60)	398	455	18	-
Mr Philip Tooze Director Custodial Services	65.70 (70.75)	- (33)	0.2.5 (0.2.5)	2.5.5.0 (2.5.5.0)	15.20 (15.20)	55.60 (55.60)	252	277	17	-
Mrs Alice Chapman Director Youth Conferencing	45.50 (40.45)	- (-)	2.5.5.0 (0.2.5)	0.2.5 (0.2.5)	15.20 (15.20)	55.60 (50.55)	355	408	19	-
Mr David Weir Director of Community Services (1/8/07 - 31/3/08) Acting Director of Community Services (1/4/07 - 31/07/07)	45.50 (20.25) ²	- (-)	0.2.5 (0.2.5)	0.2.5 (2.5.5)	20.25 (15.20)	60.65 (50.55)	299	355	50	-

(2006-2007 amounts are disclosed in brackets)

¹ Due to certain factors being incorrect in last year's CETV calculation there may be a slight difference between the final CETV for 2006-2007 and the start of period CETV for 2007-2008.

² The 2006-2007 comparative for Mr David Weir covers the period 12 October 2006 to 31 March 2007 (full year equivalent is £43,647).

Management Board Remuneration Report

Chief Executive [audited information]

The Chief Executive, Bill Lockhart received total remuneration excluding pension contributions of £68,903 (2006-2007, £72,730). The Chief Executive is an ordinary member of the Principal Civil Service Pension Scheme (GB).

Pensions

Pension benefits are provided through the Principal Civil Service (PCS) pension arrangements, the Northern Ireland Local Government Officers' Superannuation Scheme (NILGOSC) and the Teachers' Superannuation Scheme (TSS).

Principal Civil Service Pension Arrangements

Pension benefits are provided through the Northern Ireland Civil Service pension arrangements which are administered by Civil Service Pensions (CSP). Staff in post prior to 30 July 2007 may be in one of three statutory based 'final salary' defined benefit arrangements (classic, premium, and classic plus). These arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, and classic plus are increased annually in line with changes in the Retail Prices Index. New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account). New entrants joining on or after 30 July 2007 are eligible for membership of the nuvos arrangement or they can opt for a partnership pension account. Nuvos is an 'earned pension' arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current rate is 2.3%. Earned pension benefits are increased annually in line with increases in the RPI and attract annual pension increase.

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium, classic plus and nuvos. Benefits in classic accrue at the rate

of 1/80th of pensionable salary for each year of service.

In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

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

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

Further details about the Civil Service Pension arrangements can be found at the website www.civilservicepensions.gov.uk

The Northern Ireland Local Government Officers' Superannuation Committee Scheme (NILGOSC)

This scheme is a defined benefits type, and the fund is invested in suitable investments, managed by the Committee.

For 2007-2008 the contribution rates were 13% employer's, and 6% employee's (2006-2007, 11% employer's and 6% employee's).

The pension costs are assessed in accordance with the advice of independent qualified actuaries using the market led approach. The latest actuarial valuations of the scheme were at 31 March 2007.

Teachers' Superannuation Scheme (TSS)

The Teachers' Superannuation Scheme is a contributory scheme administered by the Department of Education. The conditions of the Superannuation (NI) Order 1972, the Teachers' Superannuation Regulations (NI) 1998, and subsequent amendments apply to the scheme. The scheme is presently notionally funded. The rate of the employer's contribution is determined from time to time by the Government actuary and advised by the Department of Finance and Personnel. For 2007-2008 the contribution rates were 13.6% employer's and 6.4% employee's. (2006-2007, 14% employer's and 6% employee's)

Cash Equivalent Transfer Value (CETV)

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

The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the CSP arrangements and for which the CS Vote has received a transfer of 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 pension benefits 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.

The Real Increase in the Value of the 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 common market valuation factors for the period.

Bill Lockhart

Accounting Officer

25 June 2008

Appendices

Appendix 1 - Community Services Caseload

Caseload - by Community Services Centre – April 2007 to March 2008

Centre	New Referrals 2007-2008	Cases Discharged 2007-2008	Monthly average active Caseload 2007-2008	Number of active cases at 31 March 2008
Antrim	22	34	22	11
Armagh ⁽¹⁾	21	19	12	-
Ballymena	39	33	28	34
Banbridge	89	51	53	73
Bangor	65	62	34	33
Coleraine	43	51	17	20
Downpatrick	34	22	24	33
East Belfast	30	23	36	36
Enniskillen	35	41	23	19
Falls	58	59	36	46
Foyle	71	53	53	61
Larne	35	38	24	15
Lisburn	72	39	27	40
Magherafelt	62	39	28	41
Newry	52	32	29	42
Newtownabbey	53	46	28	36
Newtownards	31	34	34	35
North Belfast	72	52	34	48
Omagh	43	49	23	20
South Belfast	30	21	25	27
Shankill	16	26	18	9
Strabane	27	34	19	19
Total for Year	1,000	858	627	698

[Note: Armagh Community Services Centre ceased to operate as a stand-alone centre in October 2007; from that point the Armagh caseload is combined with Newry Community Services Centre.]

Appendices

Source of Community Services Referrals - April 2007 to March 2008

Source	Number of Referrals	Percentage of Referrals
Court	111	11%
Youth conference orders and plans	690	69%
Other Criminal Justice source	112	11%
Health and Social Services	47	5%
Education Services	18	2%
Other	22	2%
Total	1,000	100%

Bail Supervision and Support Referrals – April 2007 to March 2008

	Number
Bail assessments completed:	272
<i>Of which:</i>	
<i>Formal proposals presented to Court</i>	67
<i>Proposals accepted by Court</i>	60
Outcomes of accepted proposals:	
<i>Successful completion of bail</i>	28
<i>Currently on bail</i>	18
<i>Bail revoked</i>	14
TOTAL	60
Court outcomes for those successfully completing bail:	
<i>Community disposal</i>	24
<i>Charges Withdrawn</i>	4
TOTAL	28

Appendices

Appendix 2 - Youth Conference Service Caseload

Referrals – by Region and Source - April 2007 to March 2008

YCS Region	Diversiory	Court	Total
Belfast	336	501	837
North East	72	144	216
North West	106	151	257
South East	147	208	355
South West	139	128	267
Total	800	1,132	1,932

Plans approved – by Region and Source - April 2007 to March 2008

YCS Region	Diversiory	Court	Total
Belfast	275	333	608
North East	60	114	174
North West	56	101	157
South East	114	146	260
South West	81	70	151
Total	586	764	1,350

Appendix 3 - Analysis of Admissions to Custody

Custody Population - by Status - April 2007 to March 2008

Status	Initial Admissions ⁽¹⁾	Total Admissions ⁽²⁾	Average Population
P.A.C.E	165	165	1
Remand	164	260	22
Committal	23	45	9

⁽¹⁾ Includes only new admissions into the Juvenile Justice Centre

⁽²⁾ Includes new admissions to the Centre plus changes of status within the Centre, for example, from P.A.C.E to remand.

Total Admissions to Custody - by Status and Month of Admission - April 2007 to March 2008

Status	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Total
P.A.C.E.	16	15	18	13	12	20	15	10	11	6	12	17	165
Remand	28	20	32	19	27	28	25	14	17	16	16	18	260
Committal	2	7	3	2	4	6	2	3	4	6	3	3	45
Total	46	42	53	34	43	54	42	27	32	28	31	38	470

Total Admissions to Custody - by Status and Gender - April 2007 to March 2008

Status	Male	Female	Total
P.A.C.E	145	20	165
Remand	216	44	260
Committal	41	4	45
Total	402	68	470

Appendices

Appendix 4 - Recruitment and Selection Code of Practice

The Youth Justice Agency has systems in place to ensure that selection for appointment is made in accordance with the Civil Service Commissioners for Northern Ireland recruitment code.

All applicants are considered systematically against the Agency's recruitment practices and in line with published suitability criteria. The recruitment systems are evaluated on a regular basis to ensure they meet with the Commissioner's guidelines and are in line with best practice as recommended by the Chartered Institute of Personnel & Development and the Equality Commission.

No appointments were made under regulation 3 of the Commissioner's general regulations. A statistical summary follows of the applicants' and appointees' religious affiliation and gender for the following recruitment campaigns:

- Qualified/Unqualified Careworker
- Deputy Director, Custodial Services
- Social Worker
- Nurse
- Youth Conference Co-ordinator
- Director, Community Services
- Casual Careworkers

APPLICANTS		APPOINTEES	
Religious Affiliation		Religious Affiliation	
Protestant	117	Protestant	11
Roman Catholic	98	Roman Catholic	16
Non-determined	26	Non-determined	6
Total	241	Total	33

Gender		Gender	
Male	126	Male	14
Female	115	Female	19
Total	241	Total	33

The Religious affiliation and gender breakdown of the workforce within the Youth Justice Agency is provided to Department of Finance and Personnel.

Appendix 5 - Child Protection - Statistics

Youth Justice Agency – Summary of Child Protection Allegations Received - April 2007 – March 2008

Period	Directorate	No. of Allegations Received	Submitted by				Outcome		
			"C"	"R"	"S"	Total	No Action Required	Referred to H&SST	TOTAL
Apr 2007 -	*Community Services	39	3	12	24	39	0	39	39
Mar 2008	Corporate Services	0	0	0	0	0	0	0	0
	Custodial Services	14	11	2	1	14	2**	12	14
	Youth Conference Service	0	0	0	0	0	0	0	0
	TOTALS	53	14	14	25	53	2	51	53

[Note: All referrals relate to incidents occurring outside the jurisdiction of the Agency but which were identified and reported via the Agency's Child Protection procedures.]

*Community Services figure includes three outstanding allegations carried forward from the year 2006-2007.

**Health & Social Services already aware of both cases when contacted – formal referral not required.

Abbreviations:

Allegation submitted by:-

"C" - Child

"R" - Representative

"S" - Member of YJA Staff

Appendices

Appendix 6 - Complaints - Statistics

Youth Justice Agency - Summary of Complaints Received - April 2007 - March 2008

Directorate against which complaint made / received by	Submitted by						No of Complaints Submitted By		Status of Complaint	Step of Investigation / Resolved at					Sub-Totals
	Q1	Q2	Q3	Q4	Total YTD	"C"	"R"	Step 1		Step 2	Step 3	Step 4			
	Community Services	0	0	0	0	0	0	0		Ongoing	0	0	0	0	
Corporate Services (including Chief Executives office)	1	0	0	0	1	1	0	Ongoing	0	0	0	0	0	0	
*Custodial Services	21	7	13	4	45	43	2	Resolved	1	0	0	0	0	1	
Youth Conference Service	0	0	0	0	0	0	0	Ongoing	0	0	0	0	0	0	
TOTALS	22	7	13	4	46	44	2	-	25	21	0	0	0	46	

*Custodial Services figure includes one outstanding complaint carried forward from the year 2006-2007

Abbreviations:

1. Complaints Submitted by:-

"C" - Complainant

"R" - Representative

2. Step of Investigation / Investigation resolved at:-

Complaint is currently being dealt with or was resolved by -

"1" - Member of staff that received the complaint

"2" - Senior Manager

"3" - Chief Executive

"4" - Independent Complaints Reviewer

Appendix 7 - Assaults by Young People on Agency Staff

Assaults by Young People on Agency Staff: April 2007 - March 2008

Month	Number of assaults
April	3
May	5
June	6
July	2
August	2
September	1
October	4
November	0
December	0
January	3
February	0
March	0
Total	26

All assaults took place within the Juvenile Justice Centre. There were no assaults on staff working in Community Services or the Youth Conference Service

Appendices

Appendix 8 - Addresses and Contact Details

Youth Justice Agency
41-43 Waring Street
Belfast BT1 2DY
Tel: (028) 9031 6400
E-mail: info@yjani.gov.uk
www.youthjusticeagency.cymni.gov.uk

Corporate Services & Chief

Executive

41-43 Waring Street
Belfast BT1 2DY
Tel: (028) 9031 6452
E-mail: info@yjani.gov.uk

Community Services Headquarters

41-43 Waring Street
Belfast BT1 2DY
Tel: (028) 9031 6477
E-mail: info@yjani.gov.uk

Youth Conference Service

Headquarters

41-43 Waring Street
Belfast BT1 2DY
Tel: (028) 9031 6418
E-mail: info@yicsni.gov.uk

Woodlands Juvenile Justice Centre

1 Mosswood Close
Mosswood Avenue
Rathgael Road
Bangor BT19 1TA
Tel: (028) 9185 4600
E-mail: jjc@yjani.gov.uk

Community Services Offices

Youth Justice Community Services

Ballymena & Antrim

2 Broadway Avenue
Ballymena BT43 7AA
Tel: (028) 2563 8288

Youth Justice Community Services

Bangor

54 Abbey Street
Bangor BT20 4JB
Tel: (028) 9146 4577

Youth Justice Community Services

Coleraine

Suite 5 River House
4 Castle Lane
Coleraine BT51 3DR
Tel: (028) 7032 9346

Youth Justice Community Services

Craigavon & Banbridge

Unit 7 Legahory Centre
Brownlow
Craigavon BT65 5BE
Tel: (028) 3834 4257

Youth Justice Community Services

Downpatrick

13A English Street
Downpatrick BT30 6AB
Tel: (028) 4461 2817

Youth Justice Community Services

East Belfast

8 Library Court
Upper Newtownards Road
Belfast BT4 3EY
Tel: (028) 9065 2440

Youth Justice Community Services

Enniskillen

18A Shore Road
Enniskillen BT74 7EF
Tel: (028) 6632 0560

Youth Justice Community Services

Foyle

4th Floor Embassy Building
3 Strand Road
Londonderry BT48 7BH
Tel: (028) 7136 5593

Youth Justice Community Services

Lisburn

Office Suite 4
2nd Floor, Lisburn Square House
Haslems Lane
Lisburn BT28 1TS
Tel: (028) 9260 6828

Youth Justice Community Services

Mid-Ulster

9A Broad Street
Magherafelt BT45 6EB
Tel: (028) 7963 4943

Appendices

Youth Justice Community Services

Newry & Armagh

14A The Mall
Newry BT34 1BX
Tel: (028) 3025 1115

Youth Justice Community Services

Newtownabbey & Larne

The Norah Bain 'A' House
Whiteabbey Hospital
Doagh Road
Newtownabbey BT37 9RH
Tel: (028) 9086 2990

Youth Justice Community Services

Newtownards

19 Mill Street
Newtownards BT23 4LU
Tel: (028) 9182 0611

Youth Justice Community Services

North Belfast & Shankill

171-179 Duncairn Gardens
Belfast BT15 2GE
Tel: (028) 9035 1982

Youth Justice Community Services

Omagh & Strabane

1st Floor Anderson House
Market Street
Omagh BT78 1EE
Tel: (028) 8225 2398

Youth Justice Community Services

South Belfast

2 Hawthorns
Belfast BT10 ONR
Tel: (028) 9030 1611

Youth Justice Community Services

West Belfast

471 Falls Road
Belfast
BT12 6DD
Tel: (028) 9024 5858

Youth Conference Service Centres

Youth Conference Service - Belfast Area

41-43 Waring Street
Belfast BT1 2DY
Tel: (028) 9031 6418

Youth Conference Service - North East

6-8 Broadway Avenue
Ballymena BT43 7AA
Tel: (028) 2563 9800

Youth Conference Service - North West

2nd Floor Embassy Building
Strand Road
Londonderry BT48 7BA
Tel: (028) 7127 8070

Youth Conference Service - South East

15 Castlewellan Road
Banbridge BT32 4AX
Tel: (028) 4062 9158

Youth Conference Service - South West

1st Floor Anderson House
Market Street
Omagh BT78 1EE
Tel: (028) 8225 2398

Accounts

2007-2008



Accounts
2007-2008

PART 2:
ANNUAL ACCOUNTS 2007-2008

Accounts

2007-2008

Statement of Agency's and Chief Executive's Responsibilities

- (i) Under Section 7 of the Government Resources and Accounts Act 2000, Treasury has directed the Youth Justice Agency of Northern Ireland to prepare a statement of account for the financial year ended 31 March 2008 in the form and on the basis set out in its accounts direction. The accounts are prepared on an accruals basis and must give a true and fair view of the Agency's state of affairs at the year-end, and of its income and expenditure, recognised gains and losses and cash flows for the financial year.
- (ii) In preparing the accounts the Agency is required to:
- Observe the accounts direction issued by Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
 - Make judgements and estimates on a reasonable basis;
 - State whether applicable accounting standards have been followed and disclose and explain any material departures in the financial statements;
 - Prepare the financial statements on the going concern basis, unless it is inappropriate to presume that the Agency will continue in operation.
- (iii) The Accounting Officer of the Northern Ireland Office has designated the Chief Executive of the Youth Justice Agency of Northern Ireland as the Accounting Officer for the Agency. The relevant responsibilities as Agency Accounting Officer, including responsibility for the propriety and regularity of the public finances and for the keeping of proper records, are set out in the Accounting Officer's Memorandum, issued by Treasury.

Statement of Internal Control

1. Scope of Responsibilities

As Accounting Officer, I have responsibility for maintaining a sound system of Internal Control that supports the achievement of the Youth Justice Agency's policies, aims and objectives, whilst safeguarding the public funds and Agency assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money.

The Youth Justice Agency was launched as an Executive Agency, as recommended in the Criminal Justice Review on 1 April 2003. It replaced the former Juvenile Justice Board, a Non-Departmental Public Body, and is one of four agencies established within the Northern Ireland Office.

I am supported by the Management Board of the Agency which consists of the Director of each of the four directorates of the Agency – Youth Conference Service, Community Services, Custodial Provision and Corporate Services and two Non-Executive Directors.

The Agency's Audit Committee is chaired by a Non-Executive Director and the other members are :

- The Chief Executive
- The Director of Corporate Services
- The Director of Custodial Services
- The Director of the Youth Conference Service
- The Director of Community Services
- Head of Financial Management Services for the Agency

The NIO Internal Audit and the external auditor are also represented. The Audit Committee operates under the agreed Terms of Reference below which are reviewed as and when required.

Role of Audit Committee

To support the Accounting Officer with his responsibilities for issues of risk, control, governance and associated assurances.

Objectives of the Audit Committee

To advise the Accounting Officer on:

- The Agency's risk management process and preparation and updating of the risk management framework.
- The adequacy of arrangements for internal control and risk management including the preparation of the Statement of Internal Control.
- The accounting policies, the accounts and the annual report of the organisation, including the process for review of the accounts prior to submission for audit, levels of error identified, and management's letter of representation to the external auditors.
- Planned activity of internal audit and external audit.
- The results of internal and external audit activity including ensuring appropriate action has been taken through quarterly reviews of the relevant Action Plans.
- Assurances relating to the corporate governance requirements for the organisation.

A Risk Management Framework detailing the top risks for the Agency is reviewed by the Audit Committee each quarter. Risk Registers for each of the four Directorates underpin the Agency Top Risk Framework and these are also reviewed by the Audit Committee on a quarterly basis.

2. Purpose of the System of Internal Control

The system of Internal Control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Agency's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in the Youth Justice Agency for the year ended 31 March 2008 and up to the date of approval of the Annual Report and Accounts, and accords with Treasury guidance.

3. Capacity to Handle Risk

The management of risk is driven by the Youth Justice Agency's Management Board and Audit Committee:

- The Chief Executive and Directors are responsible for risk management within their areas.
- Each quarter the Audit Committee review the high level risks currently facing the Agency together with the likelihood, impact, controls in place to mitigate the risks and further action required. It also identifies emerging risks and the impact they may have on the Agency.
- Directorate Risk Registers are also reviewed quarterly as these underpin the Corporate Risk Register.

It is the responsibility of the Agency's Management Board to identify and control the risks faced by the Agency in order to minimise any potential losses. The Management Board will set the tone and promote an anti-fraud culture, supported by Assistant Directors and their staff who are best placed to recognise the potential for fraud within the everyday operations of their teams.

The Fraud Policy for the Agency has been issued to all managers, and a summarised version has been issued to all staff.

4. The Risk and Control Framework

Each key performance target and development objective within the 2007-2008 Business Plan was risk assessed. Each quarter the Management Board reviews progress against each target and objective and reassesses the risk of non-achievement. The quarterly performance report subsequently issued to the Departmental Sponsor and Minister also contains the risk assessment against targets and objectives.

A Risk Management policy for the Agency has been produced and ensures that the management of risk is embedded in policy making, planning and delivery of the Agency's aims and objectives. It includes a plan setting out the Agency's co-ordinated approach to risk management, what it involves and how it should be conducted. The 'NIO Risk Management - A Practical Guide' has been used to provide clear approaches to risk management in the Agency.

The Risk Management policy of the Agency outlines the requirements the Agency needs to meet in terms of evidencing fully embedded risk management - particularly appropriate accountability, internal control and assurance mechanisms - which underpins the Agency's future Statements of Internal Control.

5. Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the reports produced by internal auditors and implementation of their recommendations together with executive managers within the Agency who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their Management Letter and other reports.

I have been advised throughout the year on the effectiveness of the system of internal control by the Board and Audit Committee.

Action plans are developed to address weaknesses and monitored to ensure improvement of the systems in place. Action Plans as a result of internal control reports and external audit reports are reviewed and updated at each quarterly Audit Committee meeting.

Risk Registers at both Corporate and Directorate level are also reviewed and revised at each Audit Committee meeting.

Assurance Statements at Directorate level were introduced in the 2006-2007 financial year. The purpose of the Assurance statements is to improve management and control by identifying managements' specific responsibilities and seeking written assurance that these have been exercised with due care and attention. These Assurance Statements which are completed at half-year and full-year intervals also inform the Annual Statement of Internal Control.

I have ensured effective management of financial and non-financial resources, by following good management practice as well as specific guidelines or instruction issued by Personnel Services Division, Financial Services Division and from elsewhere in the Northern Ireland Office. The budgets which were delegated to me have not been exceeded (except where approval from Financial Services Division has been received). As the Agency had agreed to carry out a

significant number of internal reviews during 2007-2008, Internal Audit agreed with management that it would restrict its involvement for that year to follow-up reviews of corporate governance and risk management. In year, both these reviews were swept up by the CJNI corporate governance review. Internal Audit agreed to rely on the output from that review rather than duplicate work. A normal programme of internal audits has been agreed for 2008-2009. This inspection was completed during 2007-2008 and reported that the Agency has good standards of corporate governance and a sound organisational structure in place to ensure its services are managed effectively.

All of the recommendations contained in the external auditor's management letter pertaining to 2006-2007 Accounts have been implemented or are in the process of being implemented.

6. Significant Internal Control Problems

There were no significant internal control problems in 2007-2008.

Bill Lockhart

Accounting Officer

25 June 2008

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

I certify that I have audited the financial statements of the Youth Justice Agency for the year ended 31 March 2008 under the Government Resources and Accounts Act 2000. These comprise the Operating Cost Statement and Statement of Recognised Gains and Losses, the Balance Sheet, the Cashflow Statement 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 Agency, the Chief Executive and Auditor

The Agency and Chief Executive, as Accounting Officer, are responsible for preparing the Annual Report, which includes the Remuneration Report, and the financial statements in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions made there under and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Accounting Officer's Responsibilities.

My responsibility is to audit the financial statements and the part of the Remuneration Report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000.

I report to you whether, in my opinion, the information which comprises the Management Commentary and the Financial Review, included in the Annual Report, is consistent with the financial statements.

I also report whether in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

In addition, I report to you if the Agency has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by HM Treasury regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the Agency's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or to form an opinion on the effectiveness of the Agency's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises the Foreword by the Chief Executive, Operating Review, Appendices and the unaudited part of the Remuneration Report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinions

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Agency and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Agency's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error, and that in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinions

In my opinion:

- the financial statements give a true and fair view, in accordance with the Government Resources and Accounts Act 2000 and directions made there under by HM Treasury, of the state of the Agency's affairs as at 31 March 2008, and of the net operating cost, recognised gains and losses and cash flows for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000; and
- information, which comprises the Management Commentary and the Financial Review, included within the Annual Report, is consistent with the financial statements.

Opinion on Regularity

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

Report

I have no observations to make on these financial statements.

TJ Burr

Comptroller and Auditor General
National Audit Office
151 Buckingham Palace Road
Victoria
London
SW1W 9SS

4th July 2008

Financial Statements for the Year Ended 31 March 2008

OPERATING COST STATEMENT

For the Year Ended 31 March 2008

	Notes	2007-08 £'000	2006-07 £'000
Income	2	(143)	(64)
Expenditure			
Staff Costs	3	15,519	14,323
Depreciation	7&8	714	3,032
Other Current Expenditure	4	<u>6,170</u>	<u>6,970</u>
Total Expenditure		<u>22,403</u>	<u>24,325</u>
Net Operating Costs Before Interest		22,260	24,261
Cost of Capital Charges	5a	475	469
Finance Costs	5b	<u>41</u>	<u>39</u>
Net Cost of Operations before Exceptional Costs		<u>22,776</u>	<u>24,769</u>
Exceptional (Income)/Costs			
Impairment of Land & Buildings	6	<u>(795)</u>	<u>1,318</u>
Net Cost of Operations		<u><u>21,981</u></u>	<u><u>26,087</u></u>

The results of the Agency's Operating Cost Statement derive from operating activities, all of which are continuing.

STATEMENT OF RECOGNISED GAINS & LOSSES

For the Year Ended 31 March 2008

	Notes	2007-08 £'000	2006-07 £'000
Net Gain on Actuarial Valuation of NILGOSC Pension Deficit	14	1,548	838
Net Gain on Revaluation of Tangible Fixed Assets	15	99	120
Recognised Gains for the Year		1,647	958
Prior Year Adjustment – FRS 17	14	-	(4,365)
Recognised Gains and (Losses) Since Last Financial Statements		1,647	(3,407)

The notes on pages 72 to 91 form part of these financial statements

BALANCE SHEET AT 31 MARCH 2008

	Notes	2007-08 £'000	2006-07 £'000 restated
Fixed Assets			
Tangible fixed assets	7	20,501	20,077
Intangible fixed assets	8	42	70
		<u>20,543</u>	<u>20,147</u>
Current Assets			
Debtors due in less than one year	9	227	291
Cash at bank and in hand	10	19	18 ¹
		<u>246</u>	<u>309</u>
Current Liabilities			
Creditors due within one year	11	(2,167)	(2,574) ¹
Net Current Liabilities		<u>(1,921)</u>	<u>(2,265)</u>
Total Assets Less Current Liabilities		<u>18,622</u>	<u>17,882</u>
Provisions for liabilities and charges	13	(1,664)	(458)
Net Assets Excluding Pension Deficit		<u>16,958</u>	<u>17,424</u>
Pension deficit	14	(3,139)	(4,123)
Net Assets Including Pension Deficit		<u>13,819</u>	<u>13,301</u>
Taxpayers' Equity			
General fund	15	13,403	12,976
Revaluation reserve	15	416	325
		<u>13,819</u>	<u>13,301</u>

Notes

¹ Prior-Year Comparatives restated due to the exclusion of third party assets from bank and creditor balances – see Note 11

Bill Lockhart

Accounting Officer

25 June 2008

The notes on pages 72 to 91 form part of these financial statements

CASH FLOW STATEMENT

For the Year Ended 31 March 2008	Notes	2007-08 £'000	2006-07 £'000
Operating Activities			
Net Cash Outflow from Operating Activities	16(i)	(19,537)	(18,946) ¹
Capital Expenditure and Financial Investment			
Net Cash Outflow from Capital Expenditure	16(ii)	(137)	(334)
Proceeds of Disposals of Fixed Assets		5	0
Net Cash Outflow before Financing		(19,669)	(19,280)
Financing from the Consolidated Fund	15	20,012	19,296
Increase in Cash	16(iii)	343	16¹

¹Prior-Year Comparatives restated due to the exclusion of third party assets from bank and creditors balances - see Note 11

The notes on pages 72 to 91 form part of these financial statements

Notes to the Financial Statements

1. STATEMENT OF ACCOUNTING POLICIES

The financial statements have been prepared in accordance with the requirements of the 2007-2008 Government Financial Reporting Manual (FRoM) issued by HM Treasury. The accounting policies contained in the FRoM follow UK generally accepted accounting practice for companies (UK GAAP) to the extent that it is meaningful and appropriate to the public sector.

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

Accounting Convention

The financial statements have been prepared under the historical cost convention modified to account for the revaluation of fixed assets, at their value to the Agency by reference to their current costs.

Tangible Fixed Assets

Land & buildings are subject to professional valuation at least once every 5 years and revalued using Land & Property Services (formerly Valuation & Lands Agency) indices in intervening years. Other capital assets are carried at current cost using indices compiled by the Office for National Statistics. The standard threshold for capitalisation is £1,000, with the capitalisation threshold for computer processing units being £400. The Agency pools and capitalises printers and office furniture on an annual basis.

In line with Departmental policy, the Agency does not capitalise expenditure on improvements or enhancements to its leasehold properties. Properties regarded by the Agency as operational are valued on the basis of existing use, or where this could not be assessed because there is no market value for the property, its depreciated replacement cost. Properties

regarded by the Agency as non-operational are valued on the basis of open market value.

Provision for depreciation is made to write-off the cost of fixed assets on a straight-line basis over the expected useful lives of the assets concerned. Land, assets under construction, or assets awaiting disposal are not depreciated.

The expected useful lives of assets are as follows:

	Useful life
Land & Buildings (including temporary buildings)	Up to 40 years
Plant & Machinery	4 - 15 years
Computer Equipment	5 years
Intangibles	5 years

Plant & Machinery includes :

- Plant & machinery
- Motor vehicles
- Furniture & fittings
- Office equipment
- Telecommunications equipment
- Security equipment
- Medical equipment

Intangible Fixed Assets

Purchased computer software is capitalised as intangible fixed assets where expenditure of £400 or more is incurred. Intangible assets are stated at their current cost. Intangible fixed assets are amortised on a straight-line basis over the expected useful lives of the assets concerned. The expected useful life of purchased computer software is 5 years.

Realised Element of Depreciation from Revaluation Reserve

Depreciation is charged to expenditure on the revalued amount of assets. An element of the depreciation therefore arises due to the increase in valuation and is in excess of the depreciation that would be charged on the historical cost of assets. The amount relating to this excess is a realised gain on revaluation and is transferred from the Revaluation Reserve to the General Fund.

Provision for Liabilities & Charges

The Agency provides for legal and constructive obligations, which are of uncertain timing, or amount at the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation.

Pension Costs

The Agency's staff belong to one of four principal pension schemes, the Principal Civil Service Pension Scheme (PCSPS – for Home Civil Service and Northern Ireland Civil Service staff), the Teachers' Superannuation Scheme (TSS – for all teaching staff), and the Northern Ireland Local Government Officers' Superannuation Committee Scheme (NILGOSC – for all other staff). Payment of future benefits is a charge to the PCSPS (GB), PCSPS(NI), TSS, and NILGOSC. Except for the NILGOSC scheme, the Agency meets the cost of pension cover through the payment of charges calculated on an accruing basis. Contributions are charged to the Operating Cost Statement as incurred.

The pension costs of the NILGOSC scheme are assessed in accordance with the advice of independent qualified actuaries using the market led approach. The latest actuarial valuations of the scheme were at 31 March 2007.

Pension scheme assets are measured using the market value. Pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term to the liability.

The increase in the present value of the liabilities of the Agency's defined benefit pension scheme arising from employee service in the period is charged to the Operating Cost Statement. The expected return on the scheme's assets

and the increase during the year in the present value of the scheme's liabilities arising from the passage of time are included in other finance costs. Actuarial gains and losses are recognised in the Statement of Recognised Gains and Losses.

Operating Leases

Operating lease rentals are charged to the Operating Cost Statement over the lease term.

Early Retirement Costs

The Agency is required to meet the cost of paying pensions of employees who have retired early, from the date of their retirement through the life time of the pensioner / widow(er). The Agency has provided in full for this cost.

VAT

The majority of the activities of the Agency are outside the scope of VAT. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of fixed assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

Notional Costs

In accordance with Treasury's Financial Reporting Manual (FRem), a notional cost reflecting the cost of capital employed in the year by the Agency is included in operating costs. The charge for the year is calculated using the Treasury's standard discount rate of 3.5% applied to the average capital employed, defined as total assets less total liabilities.

Notional amounts are also included as charges in respect of costs to the Agency borne by other Government Departments or organisations.

Insurance

Except where there is a statutory requirement to do so, the Agency does not take out general insurance. Instead, expenditure in connection with uninsured risks is charged as incurred.

Funding

The Youth Justice Agency is financed by supply estimates voted by Parliament. Its provision is currently set out in Request for Resources 1 of the Northern Ireland Office.

	2007-08 £'000	2006-07 £'000
2 OPERATING INCOME		
Administration Income		
Contribution to Running Costs	11	49 ¹
Tuckshop Profits	4	3
Sale of Equipment	3	-
	<u>18</u>	<u>52</u>
Programme Income		
Contribution to Running Costs	-	- ¹
Contribution to Projects	111	-
Student Placement Income	13	11 ¹
Miscellaneous Income	1	1
	<u>125</u>	<u>12</u>
Total Operating Income	<u>143</u>	<u>64</u>

3 STAFF COSTS & NUMBERS

(i) Staff costs consist of:

	Permanent Staff £'000	Others £'000	Total 2007-08 £'000	Total 2006-07 £'000
Wages & salaries	11,349	143	11,492	11,691
Social security costs	1,023	-	1,023	962
Annual service cost (NILGOSC)	1,440	-	1,440	1,285
Other pension costs	1,564	-	1,564	385
Total Employment Costs	<u>15,376</u>	<u>143</u>	<u>15,519</u>	<u>14,323</u>

(ii) Employee Numbers

The average number of persons employed during the year is set out below.

	Permanent Staff Nos	Others Nos	Total 2007-08 Nos	Total 2006-07 Nos
Admin & support staff	27	-	27	30
Operational staff	342	26	368	369
Total	<u>369</u>	<u>26</u>	<u>395</u>	<u>399</u>

¹Comparative restated to correct analysis of 2006-2007 income in line with 2007-2008 analysis.

(iii) Pensions

Pension benefits are provided through the Northern Ireland Civil Service pension arrangements which are administered by Civil Service Pensions (CSP). Staff in post prior to 30 July 2007 may be in one of three statutory based 'final salary' defined benefit arrangements (classic, premium, and classic plus). These arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year.

Pensions payable under classic, premium, and classic plus are increased annually in line with changes in the Retail Prices Index. New entrants joining on or after 1 October 2002 and before 30 July 2007 could choose between membership of premium or joining a good quality 'money purchase' stakeholder arrangement with a significant employer contribution (partnership pension account). New entrants joining on or after 30 July 2007 are eligible for membership of the *nuvos* arrangement or they can opt for a partnership pension account. *Nuvos* is an 'earned pension' arrangement in which members accrue pension benefits at a percentage rate of annual pensionable earnings throughout the period of scheme membership. The current rate is 2.3%. Earned pension benefits are increased annually in line with increases in the RPI and attract annual pension increase.

Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium, classic plus and *nuvos*. Benefits in classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum (but members may give up (commute) some of their pension to provide a lump sum). Classic plus is essentially a variation of premium, but with benefits in respect of service before 1 October 2002 calculated broadly as per classic.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee.

The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

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

Further details about the Civil Service Pension arrangements can be found at the website www.civilservicepensions.gov.uk

The Principal Civil Service Pension Scheme (GB)

The Principal Civil Service Pension Scheme - PCSPS (GB) is an unfunded multi-employer defined benefit scheme, but the Youth Justice Agency is unable to identify its share of underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2007. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk)

For 2007-2008 employers contributions detailed in the table below were payable at one of four rates in the range 17.1% to 26.5% per cent of pensionable pay, based on salary bands (2006-2007, 17.1% to 26.5%)

Pension Provider	Contribution	Contribution
	1/4/07-31/3/08 £'000	1/4/06-31/3/07 £'000
PCSPS (GB)	18	18

The Scheme's Actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Employees joining after 1 October 2002 could opt to open a partnership pension account, a stakeholder pension with an employer contribution. No Youth Justice Agency staff have taken up this option.

The Principal Civil Service Pension Scheme (NI)

The Principal Civil Service Pension Scheme - PCSPS (NI) is an unfunded defined benefit scheme which produces its own resource accounts, but the Youth Justice Agency is unable to identify its share of underlying assets and liabilities. The most up to date actuarial valuation was carried out as at 31 March 2003 and details of this valuation are available in the Department of Finance and Personnel Superannuation and other Allowances Account (www.civilservice-pensions.ni.gov.uk).

For 2007-2008 employer's contributions detailed in the table below were payable to the PCSPS(NI) at one of four rates in the range 17.1 to 26.5 per cent of pensionable pay, based on salary bands (2006-2007, 16.5% to 23.5%)

Pension Provider	Contribution 1/4/07-31/3/08 £'000	Contribution 1/4/06-31/3/07 £'000
PCSPS (NI)	237	217

The contribution rates reflect benefits as they are accrued in a period, not when the costs are actually incurred, and reflect past experience of the scheme.

Employees joining after 1 October 2002 could opt to open a partnership pension account, a stakeholder pension with an employer contribution. No Youth Justice Agency staff have taken up this option.

The Teachers' Superannuation Scheme (TSS)

The Teachers' Superannuation Scheme is a contributory scheme administered by the Department of Education. The conditions of the Superannuation (NI) Order 1972, the Teachers' Superannuation Regulations (NI) 1998, and subsequent amendments apply to the scheme. The scheme is presently notionally funded. The rate of the employer's contribution is determined from time to time by the Government actuary and advised by the Department of Finance and Personnel. For 2007-2008 the contribution

rates were 13.6% employer's, and 6.4% employee's (2006-2007, 14% employer's and 6% employee's).

The total employer pension cost under the Scheme was £112k (2006-2007, £123k).

The Northern Ireland Local Government Officers' Superannuation Committee Scheme (NILGOSC)

This scheme is a defined benefits type, and the fund is invested in suitable investments, managed by the Committee. For 2007-2008 the contribution rates were 13% employer's, and 6% employee's (2006-2007, 11% employer's and 6% employee's).

The total cost charged to the Operating Cost Statement in 2007-2008 was £1,440k (2006-2007, £1,285k)

The total employer contributions paid under the Scheme was £917k (2006-2007, £728k)

The pension costs are assessed in accordance with the advice of independent qualified actuaries using the market led approach. The latest actuarial valuations of the Scheme were at 31 March 2007.

The Agency operates a defined benefit scheme for specific employees. The assets of the Scheme are held separately from the Agency. Pension scheme assets are measured using the market value. Pension scheme liabilities are measured using the projected unit method and discounted at the current rate of return on a high quality corporate bond of equivalent term to the liability. The increase in the present value of the liabilities of the Agency's defined benefit pension scheme arising from employee service in the period is charged to the Operating Cost Statement. The expected return on the Scheme's assets and the increase during the year in the present value of the Scheme's liabilities arising from the passage of time are included in other finance costs. Actuarial gains and losses are recognised in the Statement of Recognised Gains and Losses.

Accounts

2007-2008

	2007-08	2006-07
	£'000	£'000
4 OTHER CURRENT EXPENDITURE		
Administration Costs		
Staff Related Costs	608	590
Travel, Subsistence, Hospitality	244	264
Rentals Under Operating Leases – Non Land & Buildings	20	21
Rentals Under Operating Leases – Land & Buildings	578	515
Accommodation Costs	574	767
General Office Costs	529	545
Utilities	256	371
Maintenance & Repairs	324	854
Professional Services & Advisory Costs	458	438
Hospitality	6	22
Loss on Disposal of Fixed Assets	92	2
Permanent Diminution of Fixed Assets on Indexation	22	16
Write-off of Fixed Assets	-	83
Other Administration Costs	63	79
	<u>3,774</u>	<u>4,567</u>
Programme Costs		
External Funding	1,573	1,559
Supplies, Services & Stores	415	431
Other Programme Costs	118	103
	<u>2,106</u>	<u>2,093</u>
Notional Costs		
Provided by Parent Department:		
IT Support	143	168
Internal Audit	2	4
Personnel Support	17	23
Pay	44	41
Welfare	5	5
Training	40	43
	<u>251</u>	<u>284</u>
Provided by Other Departments & Agencies:		
Audit Fee	15	15
Miscellaneous Costs	24	11
	<u>39</u>	<u>26</u>
Total Other Current Expenditure	<u><u>6,170</u></u>	<u><u>6,970</u></u>

Accounts

2007-2008

5 COST OF CAPITAL & INTEREST

(a) **Cost of Capital** – The Agency bears a notional charge calculated at the Government standard rate of 3.5% on the average capital employed, defined as total assets less total liabilities. In 2007-2008 this amounted to £475k (2006-2007, £469k)

(b) OTHER FINANCE COSTS

NILGOSC Pension Liability	2007-08	2006-07
	£'000	£'000
Expected return on pension scheme assets	1,031	828
Interest on pension scheme liabilities	(1,072)	(867)
Net Return	<u>(41)</u>	<u>(39)</u>

6 EXCEPTIONAL COST - IMPAIRMENT OF LAND & BUILDINGS

The Operating Cost Statement contains an impairment credit of £795k (2006-2007, £1,318k debit) representing the increase in the valuation by Land & Property Services of the Juvenile Justice Centre building at Woodlands, Bangor at 31 March 2008. The credit partly reverses the impairment on the same property which was charged to the 2006-2007 Operating Cost Statement.

7 TANGIBLE FIXED ASSETS

	Assets						Total 2007-2008 £'000
	Land & Buildings	Furniture & Fittings	Vehicles	Plant & Equipment	IT Equipment	Awaiting Disposal	
	£'000	£'000	£'000	£'000	£'000	£'000	
Cost or Valuation							
At 1 April 2007	18,710	608	239	461	549	265	20,832
Additions	71	42	-	80	139	-	332
Disposals	-	-	(23)	-	(3)	(250)	(276)
Impairments and Write - offs	444	-	-	-	-	-	444
Revaluation or Indexation	70	18	(1)	6	(25)	(15)	53
At 31 March 2008	19,295	668	215	547	660	-	21,385
Depreciation							
At 1 April 2007	-	116	136	133	209	161	755
Charge for Year	364	92	35	82	110	-	683
Disposals	-	-	(20)	-	(3)	(156)	(179)
Impairments and Write - offs	(351)	-	-	-	-	-	(351)
Revaluation or Indexation	(13)	6	(1)	2	(13)	(5)	(24)
At 31 March 2008	-	214	150	217	303	-	884
Net Book Value							
At 31 March 2008	19,295	454	65	330	357	-	20,501
At 31 March 2007	18,710	492	103	328	340	104	20,077

All land & buildings disclosed above are freehold. Land held by the Agency was valued at £804k at 31/03/08 (£734k at 31/03/07).

Basis of Valuation

The Land & Property Service carried out a full valuation of land and buildings at 31 March 2008, in accordance with the RICS Appraisal and Valuation Manual. The next full valuation will be carried out at 31 March 2013.

Accounts

2007-2008

8 INTANGIBLE FIXED ASSETS

	2007-08 £'000	2006-07 £'000
Cost or valuation		
At 1 April	155	141
Additions	3	15
Disposals	-	(1)
Revaluation		
At 31 March	<u>158</u>	<u>155</u>
Depreciation		
At 1 April	85	57
Charged in year	31	28
Disposals	-	-
Revaluation	-	-
At 31 March	<u>116</u>	<u>85</u>
Net Book Value		
At 31 March 2008	<u>42</u>	
At 31 March 2007	<u>70</u>	

9 DEBTORS

	2007-08 £'000	2006-07 £'000
(i) Amounts due in less than 1 year		
Recoverable VAT	61	125
Prepayments & Accrued Income	80	142
Other Debtors	86	24
	<u>227</u>	<u>291</u>

Accounts

2007-2008

10 CASH AT BANK AND IN HAND

	2007-08 £'000	2006-07 £'000 restated
Bank	12	11 ¹
Cash in Hand	<u>7</u>	<u>7</u>
	<u>19</u>	<u>18</u>
Bank Overdraft	(30)	(372)
Total Cash at Bank and in Hand	<u><u>(11)</u></u>	<u><u>(354)</u></u>

The above figures do not include balances of non-public funds of £1k (2006-2007, £1k) held for the benefit of young people in custody, or £4k (2006-2007, £1k) of youth conference retribution monies payable to victims or their nominated beneficiaries.

¹ Prior-Year comparative restated – see Note 11

11 CREDITORS

	2007-08 £'000	2006-07 £'000
(ii) Due within one year		
Trade Creditors	486	140
Accruals & Deferred Income	1,259	1,530
Taxation & Social Security	255	272
Other Creditors	<u>137</u>	<u>260¹</u>
	<u>2,137</u>	<u>2,202</u>
Bank Overdraft	<u>30</u>	<u>372</u>
	<u>2,167</u>	<u>2,574</u>

¹ Prior-Year comparatives have been restated due to the exclusion of certain third party assets (youth conference retribution monies payable to victims or their nominated beneficiaries). These were included within the bank and creditor balances disclosed in the 2006-2007 financial statements.

12 INTRA-GOVERNMENTAL BALANCES

	Debtors: Amounts Falling Due within one year £'000	Debtors: Amounts Falling Due after one year £'000	Creditors: Amounts Falling Due within one year £'000	Creditors: Amounts Falling Due after one year £'000
<i>Included in debtors and creditors are the following intra-governmental balances at 31 March 2008</i>				
NIO Core, its Agencies & NDPBs	18	-	379	-
Other Central Government Bodies	61	-	918	-
Local Authorities	-	-	1	-
NHS Trusts	66	-	-	-
Public Corporations & Trading Funds	-	-	-	-
Bodies External to Government	82	-	869	-
	227	-	2,167	-

Included in debtors and creditors are the following intra-governmental balances at 31 March 2007

			restated	
NIO Core, its Agencies & NDPBs	-	-	260	-
Other Central Government Bodies	125	-	752	-
Local Authorities	-	-	1	-
NHS Trusts	16	-	24	-
Public Corporations & Trading Funds	-	-	2	-
Bodies External to Government	150	-	1,535 ¹	-
	291	-	2,574	-

¹ Prior-Year comparative restated – see Note 11

13 PROVISIONS FOR LIABILITIES & CHARGES

	Legal Cost Provision £'000	Early Retirement Provision £'000	Other £'000	Total 2007-08 £'000
At 1 April 2007	146	312	-	458
Provided in the year	195	220	1,000	1,415
Provision Utilised in year	(58)	(111)	-	(169)
Amounts Released	-	(40)	-	(40)
At 31 March 2008	283	381	1,000	1,664

The provisions for liabilities and charges represent the best estimate of the amount payable at the balance sheet date.

The legal cost provision relates to staff personal injury and industrial tribunal cases against the Agency which are likely to be settled in the next financial year.

The early retirement provision relates to inherited pension costs associated with the early departure of staff in the years prior to creation of the Agency. The costs are payable to NILGOSC and are payable over the lifetime of the retired staff member and his/her spouse (where applicable).

The other provision represents a liability owing to the NILGOSC pension scheme at 31 March 2008 as a result of certain allowances payable to staff at Woodlands Juvenile Justice Centre being incorporated within their pensionable pay, and is due to the increase in future pension liabilities arising from higher pensionable salaries. The liability is expected to be settled in the 2008-2009 financial year although the option exists to settle the liability over the next three financial years.

14 PENSION COMMITMENTS

The Youth Justice Agency makes employer contributions to the Northern Ireland Local Government Officers' Superannuation Scheme (NILGOSC) which is a funded scheme of the defined benefit type.

Previously the Agency took advantage of the multi employer provisions within FRS 17 and accounted for pension costs in line with the employer contributions paid. However, from 2006-2007 it is now possible to define the Agency's share of the funds assets/liabilities and as a result the following disclosures are provided inline with FRS 17. The latest actuarial valuation of the scheme was carried out at 31 March 2007, the liability and cost calculations based on assumptions carried forward from the latest valuation are shown below.

The financial assumptions used by the actuary were:

	31/3/08	31/3/07	31/3/06
Rate of increase in salaries	5.00%	4.70%	4.50%
Rate of increase in pensions in payment	3.50%	3.20%	3.00%
Discount rate	6.30%	5.30%	4.90%
Inflation assumption	3.50%	3.20%	3.00%

14 PENSION COMMITMENTS (continued)

The market value of assets in the scheme and the expected rate of return were:

	Long term rate of return expected at 31/3/08 %	Value at 31/3/08 £'000	Long term rate of return expected at 31/3/07 %	Value at 31/3/07 £'000	Long term rate of return expected at 31/3/06 %	Value at 31/3/06 £'000
Equities	6.50%	12,685	6.80%	12,135	6.30%	10,601
Property	6.00%	1,586	6.30%	1,517	5.80%	1,325
Gilts	4.50%	1,269	4.80%	1,213	4.30%	1,060
Cash	5.25%	317	5.25%	303	4.50%	265
		15,857		15,168		13,251

The following amounts at 31 March 2008, 31 March 2007, and 31 March 2006 were measured in accordance with the requirements of FRS 17:

	2008 £'000	2007 £'000	2006 £'000
Total market value of assets	15,857	15,168	13,251
Present value of scheme liabilities	(18,996)	(19,291)	(17,616)
Net Pension Liability	(3,139)	(4,123)	(4,365)

14 PENSION COMMITMENTS (continued)

Analysis of Amount Charged to Operating Cost Statement in Respect of Defined Benefit Scheme

	2007-08 £'000	2006-07 £'000
Operating Cost Statement		
Current Service Cost	1,440	1,285
	1,440	1,285
Analysis of Amount Charged to Other Finance Costs		
Expected return on pension scheme assets	1,031	828
Interest on pension scheme liabilities	(1,072)	(867)
Net Return	(41)	(39)

Statement of Recognised Gains and Losses

	2007-08 £'000	2006-07 £'000
Actual return less expected return on pension scheme assets	(1,682)	(29)
Experience gains and losses arising on the scheme liabilities	12	8
Changes in assumptions underlying the present value of the scheme liabilities	3,218	859
Actuarial Gain Recognised in the SRGL	1,548	838

	2007-08 £'000	2006-07 £'000
Movement in Deficit During the Year		
Deficit in scheme at the beginning of the year	(4,123)	(4,365)
Movement in the year:		
Current service cost	(1,440)	(1,285)
Contributions	917	728
Other finance charge	(41)	(39)
Actuarial gain/(loss)	1,548	838
Deficit in Scheme at the End of the Year	(3,139)	(4,123)

14 PENSION COMMITMENTS (continued)

Details of Experience Gains and Losses	2007-08	2006-07
Difference Between the Expected and Actual Return on Scheme Liabilities		
Amount (£'000)	1,682	(29)
Percentage of scheme liabilities (%)	11%	0%
Experience Gains and Losses on Scheme Liabilities		
Amount (£'000)	12	8
Percentage of the present value of the scheme liabilities (%)	0%	0%
Total Amount Recognised in Statement of Recognised Gains and Losses		
Actuarial gain (£'000)	1,548	838
Percentage of the present value of the scheme liabilities (%)	8%	4%

15 RECONCILIATION OF MOVEMENT IN RESERVES

	General Fund £'000	Revaluation Reserve £'000	Total 2007-08 £'000	Total 2006-07 £'000
At 1 April	12,976	325	13,301	13,421
Net Vote Funding in Year	20,012	-	20,012	19,296
Net Cost of Operations	(21,981)	-	(21,981)	(26,087)
Agency Expenditure Funded by Parent Dept	75	-	75	11,738
Transfer of Land to Parent Department	-	-	-	(6,804)
Actuarial Gain on NILGOSC Pension Deficit	1,548	-	1,548	838
Transfer b/w R/R & G/F iro realised depreciation	8	(8)	-	-
Surplus on Revaluation	-	99	99	120
Notional Costs	290	-	290	310
Interest on Capital Employed	475	-	475	469
At 31 March	13,403	416	13,819	13,301

16 NOTES TO THE CASH FLOW STATEMENT

(i) Reconciliation of Net Cost of Operations to Net Cash Flow from Operating Activities

	Notes	2007-08 £'000	2006-07 £'000 restated
Net Cost of Operations		(21,981)	(26,087)
Adjustment for Non-Cash Transactions			
Depreciation	7&8	714	3,032
Diminution of Fixed Assets	4	22	16
Loss on Disposal of Fixed Assets	4	92	2
Impairment of Fixed Assets	6	(795)	1,318
Write-off of Fixed Assets	4	-	83
Notional Cost of Capital	5	475	469
Notional Costs	4	290	310
Finance Charge	14	41	39
Net Provision provided in Year	13 & 14	2,815	1,439
Adjustments for Movements in Provisions & Working Capital			
Decrease in Debtors	9	64	95
(Decrease)/Increase in Creditors Less than 1 Year		(188)	1,116 ¹
Provision Utilised in Year	13 & 14	(1,086)	(778)
Net Cash Outflow from Operating Activities		(19,537)	(18,946)
(ii) Reconciliation of Purchase of Fixed Assets			
Total Capital Additions in Year		(212)	(12,072)
Less Non Cash Additions in Year Funded by Parent Department	15	75	11,738
Total Cash Additions in Year		(137)	(334)
(iii) Reconciliation of Net Cash Flow to Movement in Net Funds			
Increase in Cash during the Year	10	343	16 ¹
Net Funds at start of Year	10	(354)	(370)
Net Funds at end of Year		(11)	(354)
Net Funds Comprise of:			
Cash at Bank and in Hand	10	19	18
Bank Overdraft	10	(30)	(372)
		(11)	(354)

¹Prior-year comparative restated – see Note 11

Accounts

2007-2008

17 CAPITAL COMMITMENTS

	2007-08	2006-07
	£'000	£'000
Capital Expenditure, which at year -end was contracted for but not provided for in the accounts.	-	-

18 LEASING COMMITMENTS

	2007-08	2006-07
	£'000	£'000
Land & Buildings		
Expiry within 1 year	153	91
Expiry after 1 year but not more than 5 years	64	203
Expiry thereafter	417	266
	<u>634</u>	<u>560</u>
Other		
Expiry within 1 year	6	5
Expiry after 1 year but not more than 5 years	20	16
Expiry thereafter	-	-
	<u>26</u>	<u>21</u>

19 OTHER FINANCIAL COMMITMENTS

The Agency has entered into non-cancellable contracts (which are not leases or PFI contracts) for security, court escorting, bail fostering and support services and a multi-agency youth crime prevention initiative. Payments to which the Agency is committed during 2008-2009, analysed by the period during which the commitment expires are as follows:

	2007-08	2006-07
	£'000	£'000
Expiry within 1 year	727	- ¹
Expiry within 2-5 years	187	966 ¹
Expiry thereafter	-	-
	<u>914</u>	<u>966</u>

¹Comparative restated due to omission from previous year's financial statements

20 CONTINGENT LIABILITIES

The Agency is currently contesting a number of personal injury or industrial tribunal claims brought by staff or young people. Provision has been made in these financial statements for cases where it is considered probable that payment may be made in the future- see Note 13.

However, there are other cases which have not been provided for as the Agency does not consider it likely that payment will be made e.g. because it expects that the Agency should be able to successfully defend these cases. The estimated value of such cases at 31 March 2008 is £69k (2006-2007, £58k) and if payments materialise, they will do so during the 2008-2009 financial year.

21 RELATED PARTY TRANSACTIONS

The Youth Justice Agency is an Executive Agency of the Northern Ireland Office, which is regarded as a related party. The Agency also transacts with other entities for which the NIO is the parent Department, viz:

- The Northern Ireland Prison Service
- The Crown Solicitor's Office
- Forensic Science Northern Ireland
- The Compensation Agency
- Northern Ireland Policing Board
- Police Service of Northern Ireland
- The Probation Board for Northern Ireland

The Agency also has various transactions with other Government Departments and central government bodies. Most of these transactions have been with the Department of Health & Social Services, the Department of Finance & Personnel and related Agencies.

Whilst none of the members of the Management Board or key management of the Agency had any personal transactions with the Agency, the Agency had transactions with the following organisations connected to members of the Management Board and key management. All the transactions were conducted at arms length.

Mr Dave Weir, Director of Community Services from 1 August 2007 (Acting Director of Community Services from 1 April 2007) is a member of Include Youth and NIACRO. Those bodies received £23,469 and £276,350 respectively for services provided to the Agency during the year. The Youth Justice Agency also received £43,950 from NIACRO for the re-imbursment of salary costs incurred by the Agency.

Mrs Grainne Keane, Assistant Director of Community Services is married to John Keane who is a manager at Glenmona Resource Centre. During 2007-2008, the Agency paid £7,350 to the Centre for the rental of premises.

22 FINANCIAL INSTRUMENTS

FRS 13, Derivatives and Other Financial Instruments, requires disclosure of the role which financial instruments have had during the period in creating or changing the risks an entity faces in undertaking its activities. Because of the largely non-trading nature of its activities and the way in which it is financed, the Youth Justice Agency is not exposed to the degree of financial risk faced by business entities. Moreover, financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which FRS 13 mainly applies. The Youth

Justice Agency has no powers to borrow or invest surplus funds. Financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing the Agency in undertaking its activities.

As permitted by FRS 13, debtors and creditors which mature or become payable within twelve months from the balance sheet date have been omitted from the currency profile.

Liquidity Risk

The Youth Justice Agency's net revenue resource requirements are financed by resources voted annually by Parliament, as is its capital expenditure. The Youth Justice Agency is not therefore exposed to liquidity risk.

Interest Rate Risk

The Youth Justice Agency is not exposed to any interest rate risk

Foreign Currency Risk

The Youth Justice Agency is not exposed to any foreign currency risk.

23 POST BALANCE SHEET EVENTS

There have been no Post Balance Sheet Events which impact on these financial statements.

24 THIRD PARTY ASSETS

The young people in custody have a private cash facility for the lodgement of their pocket money and funding of tuck-shop purchases. When the young people are discharged they are paid in full the balance on their account in cash.

Where a youth conference plan requires a young person to compensate a victim, the money is collected by the Agency and held in a separate bank account until it is paid over to the victim.

	31 March 2007	Gross Inflows	Gross Outflows	31 March 2008
	£'000	£'000	£'000	£'000
Monetary assets such as bank balances	2 ¹	47	44	5

¹Prior-Year comparative restated – see Note 11

25 ACCOUNTABILITY

No exceptional kinds of expenditure such as losses and special payments that require separate disclosure because of their nature or amount were incurred.

26 DATE ON WHICH THE FINANCIAL STATEMENTS WERE AUTHORISED FOR ISSUE

These financial statements were authorised for issue on 4th July 2008.

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