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# **Crown Prosecution Service**

# **Annual Report and Accounts**

# **2011–12**

(for the period April 2011–March 2012)

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# **2011–12**

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

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

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

*Ordered by the House of Commons  
to be printed 28 June 2012*

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This publication is available for download at [www.official-documents.gov.uk](http://www.official-documents.gov.uk) and from our website at [www.cps.gov.uk](http://www.cps.gov.uk).

ISBN: 9780102979046

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

ID 2495209 06/12 21288

Printed on paper containing 75% recycled fibre content minimum.

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## Director's letter to the Attorney General

I am pleased to report to you on the performance of the Crown Prosecution Service (CPS) during 2011-12.

During this year the CPS has become a leaner, more flexible organisation that is growing in confidence and which has demonstrated a real ability to respond dynamically to changes in its operating environment. We have restructured and implemented a phased process of staff reductions to fit our new model, and are now beginning to see the benefits of increased flexibility which digital working provides by enabling work to be processed outside traditional geographic boundaries allowing us to deal more efficiently with peaks in demand. The CPS has led the move to digital working across the criminal justice system and through this process has forged closer collaborative working arrangements with key partners including the police, courts and the defence community. Digital working now provides a platform on which all agencies can work together to build further reforms.

This, the first year of the 2010 Spending Review period, presented a robust test of CPS's capacity to continue delivering cases with fewer resources, whilst at the same time maintaining and, where possible, raising standards. It was also the second year of the operation of CPS Core Quality Standards. As in the first year we examined a comprehensive sample of cases to ensure that we were fully meeting the Standards we have set, and took corrective actions where we found we did not.

By the end of the final quarter of 2011-12, performance in nine of our ten critical performance measures showed improvement when compared to the final quarter of 2010-11. This improvement came whilst we saved more than £19.6m (6% of our budget) in the costs of front line activity.

For example:

- The conviction rate for CPS-charged cases in both the magistrates' and Crown Courts improved;
- The number of cases dropped at the third or subsequent hearings fell;
- Witness attendance rates improved;
- The conviction rate for both Violence against Women and Hate Crime improved in every quarter throughout 2011-12;
- Attrition rates for rape have been reduced and are now at their lowest recorded levels; and
- The average number of working days lost to sickness was reduced by 7% over the course of the year.

In my report to you last year I described the steps we had taken to live within our budget and safeguard our operations and I recorded my determination to ensure that cost reductions did not come at the expense of quality or the proper application of justice. Now that this first year has been completed, I can confirm that the measures we put in place have been effective and the quality of cases has been maintained.

This year we undertook 787,613 cases in magistrates' courts (840,983 in 2010-11) and 107,268 cases in the Crown Court (116,898 in 2010-11).

During the summer of 2011 there were disturbances in London and other cities in England. The CPS responded by providing round the clock cover at magistrates' courts so that those responsible could be brought to justice swiftly. Our response was widely acclaimed and provides strong evidence of the responsiveness and capability of our staff in difficult and pressurised conditions.

This year also saw CPS continuing to lead in the field of technology and innovation. Our Transforming Through Technology (T3) programme is continuing to deliver fundamental change by using technology to streamline and modernise long standing working practices leading to efficient, paperless working. The year saw the first cases being presented at court electronically, and the transfer of digital files between the police, the CPS and courts is now a reality. This initiative, led by CPS and now adopted by other agencies, will fundamentally change the way that criminal justice is delivered in England and Wales in the coming years and puts us in the best position to take advantage of future technological change. It has also enabled us to develop innovative and genuinely collaborative approaches with partner agencies to deliver change in the criminal justice system, for example the single (cross-agency) Programme Management Office which is driving the implementation of streamlined digital case administration.

Another way we have sought to lead and work across Government is by taking on the prosecution functions of the Department for the Environment, Food and Rural Affairs; and from 1 April 2012, the prosecution functions of the Department for Work and Pensions and Department of Health.

I would like to end my report to you by recognising the work of my staff. Over the past 12 months they have shown great tenacity in delivering a good and improving prosecution service. Operational imperatives must always take priority but at the same time they have delivered organisational and technological changes which place the CPS in the vanguard of legal practice in this country. The achievements that have been won are a direct result of their impressive hard work and dedication to public service. It has not always been plain sailing, there have been many obstacles to be overcome and we recognise that there are further significant challenges ahead. Our staff survey results tell us that we need to work hard at securing and improving staff engagement. During the course of this year we have devised and implemented a new People Strategy which will change fundamentally our approach to people issues and our ability to develop the capability of our staff and their managers which will equip us to build for the future. Within this we will seek to replicate the very high performance and staff engagement that we already see in many parts of the Service.

As we enter 2012-13, I am confident that the commitment, professionalism and sheer grit of my capable and forward looking staff will continue to enable the CPS to provide a high performing prosecution service, supporting both the requirements of society and the demands of justice.



Keir Starmer QC  
Director of Public Prosecutions  
22 June 2012

## Who we are

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

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

The way in which the CPS undertakes its role is governed by two key documents: the Code for Crown Prosecutors; and Core Quality Standards (CQS).

Before charging a defendant and proceeding with a prosecution, Crown Prosecutors must first review each case against the Code for Crown Prosecutors. The Code sets out the principles through which Crown Prosecutors arrive at decisions to charge suspects and proceed with prosecutions, or not. Those principles are whether:

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

The Director is under a statutory duty to publish the Code for Crown Prosecutors. The sixth edition of the Code was published in February 2010 and it is replicated in full in Annex A (page 72).

In 2012-13 we will consult on and publish a revised Code for Crown Prosecutors.

The CQS lay down the quality of service that the public are entitled to expect from those who prosecute on their behalf. They apply to all those who deliver the prosecution service.

The Standards form a constant thread through the Service's planning and performance monitoring regimes and provide all staff with a narrative around what they are responsible and accountable for delivering.

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

The CPS is a national service that is delivered at a local level by 13 Areas across England and Wales. Each Area is led by a Chief Crown Prosecutor (CCP) who is responsible for the provision of a high quality prosecution service in their Area. Each CCP is supported by an Area Business Manager (ABM), and their respective roles mirror the responsibilities of the DPP and the Chief Executive. Administrative support to Areas is provided by Area Operations Centres. A 'virtual' 14th Area, CPS Direct, is also headed by a CCP and ABM, and provides out-of-hours charging decisions to the police.

In addition, three specialist casework groups: Central Fraud, Serious Crime and Welfare, Rural and Health, deal with the prosecution of cases investigated by Her Majesty's Revenue & Customs (HMRC), the Serious & Organised Crime Agency (SOCA), UK Border Agency (UKBA), the Department for Environment, Food and Rural Affairs (DEFRA), the Department for Work and Pensions (DWP) and the Department of Health (DH). The work of the Serious Crime Group includes cases alleging terrorism and other challenging matters that require specialist experience.



## Performance in 2011-12

### Our People

#### The CPS People Strategy

Our People Strategy was launched in November 2011 fulfilling one of CPS's four strategic objectives:

*To inspire, engage and support our people by delivering a new People Strategy that promotes an inclusive culture and which recognises individual contribution and supports the Service's aspirations of integrity, fairness, equality and diversity.*

The Strategy forms part of our response to the CPS People Survey and reflects discussions with staff about how they would like to see the CPS develop and support its people over the coming years.

The Strategy puts people centre stage and is intended to send an unambiguous signal to all of our stakeholders – but especially our managers and our staff – that the CPS is serious about the development of its people and is determined to build their capability.

Since launch, work has been undertaken to understand how the Strategy has been received by individuals and the difference it is making in their working lives. This information is being used so that, as the Strategy evolves, it will continue to be relevant to the changing ambitions and aspirations of our people.

#### Progress and Measures against the People Strategy

The People Strategy is intended to bring about a positive and permanent change in the culture of the CPS so that learning and development is brought to the fore and managerial skills are emphasised.

A scorecard has been developed, to be used at each level of the organisation to monitor progress against the Strategy at quarterly intervals.

#### Organisational Activity

The People Strategy is underpinned by a number of related programmes that support the Strategy's aims and which will bring real benefits to individuals and the business as a whole:

- A Learning and Development Delivery Model to develop the capability of our people;
- A Talent Development Strategy to develop individuals with the potential to become tomorrow's leaders;
- Apprenticeships in a variety of disciplines to give individuals the opportunity to acquire valuable, recognised qualifications and transferable skills;
- A new Recognition Strategy to design and implement a more effective way of recognising an individual's contribution;
- A new, mandatory on-line performance management system.

#### Learning & Development

Throughout 2011-12 we continued to focus attention on developing the capability of our staff to improve overall performance. During the second half of the year all generic training was moved to Civil Service Learning (CSL). This resulted in CPS becoming an early adopter of CSL and paved the way for a full management development programme. This programme, which is tied closely to the People Strategy, will be made available to all managers from April 2012.

Legal training focused heavily on advocacy. As well as traditional classroom training the legal team worked with Areas to assist in assessment and selection of Crown Advocate teams by running simulated court exercises. The team developed a range of e-Learning covering some of the CPS priority areas – Disclosure, Criminal Procedure Rules, Acceptance of pleas and others. The provision of CPD through e-learning is now at its highest ever level and e-learning has now become an indispensable delivery mechanism across much of our training.

#### The Prosecution College

The Prosecution College achieved a number of key successes in 2011-12. The team produced a large volume of e-Learning content in response to both HMCPSI recommendations and specific business objectives. These

included mandated programmes on Acceptance of Pleas, Intellectual Property Offences (in preparation for London 2012), Complaints and Feedback, and Criminal Procedure Rules amongst others.

The Prosecution College also led production of Communications Data e-Learning, developed in collaboration with Home Office, Crown Office of the Procurator Fiscal Scotland (COPFS) and Public Prosecution Service Northern Ireland (PPSNI). This programme realised cost savings of over £1,000,000 across all departments involved.

The team's success has been noted over the year with nominations for three separate awards: the e-Government Awards, CPS Staff Awards and e-Learning Age awards. The team was successful at the e-Learning Age awards, taking the title of Internal Project Team of the Year at this highly prestigious and widely regarded event.

This work continues and the team is now involved in a number of high-profile learning programmes including the delivery of six hours of content on the subject of cyber crime, a course which reflects the challenges of the closure of Forensic Science Services and a second collaborative programme on Communications Data.

### **Recognition Strategy**

A new Recognition Strategy, which replaced the existing Staff Awards Scheme, was launched in April 2012. This provides a more timely, structured and consistent process for recognising the achievements of our employees.

### **HR Policies**

To ensure that CPS employment conditions fit our business requirements, are consistent with other government departments and reflect statutory developments, our HR policies are reviewed at regular intervals. During the year we introduced a new policy on paternity leave and updated our policy on agency staff to reflect the new Agency Worker Regulations.

### **Efficiency**

The CPS has a strong record in effective resource planning and management and it has deployed its skills in delivering value for money to ensure that it can live within its SR2010 settlement. By 2014-15 CPS's funding will have fallen by more than 25% in real terms from its 2009-10 budget and its expenditure on headquarters will be 50% lower than in 2008-09.

The average number of whole time equivalent persons employed in 2011-12 was 7,464: a reduction of 7.8% over the equivalent figure of 8,094 in 2010-11. We have also restructured from 42 Areas to 13, achieving significant economies at senior management levels whilst streamlining management decision making and accountability for performance.

During 2011-12 a new Staff Resourcing Policy was launched to enable the CPS to respond to the outcomes of the Spending Review whilst continuing to support security of employment and ensure that the CPS is resourced with the right skills, experience and knowledge to deliver the Core Quality Standards.

In April 2011 HR efficiency goals were incorporated into a new programme called Next Generation HR (NGHR), which set out radical targets to be met by 2013. To measure progress against the NGHR programme, HR functions in over 30 departments have completed a resourcing survey.

Since the initial inception of NGHR we have been working to align our function with the Civil Service HR delivery model and corresponding targets around ratio of HRD staff to employees and cost per head of the HRD function.

This year's results show that in the last 12 months we have decreased our ratio of HR staff to employees by 30% so that it is now 1 to 75 and we have reduced the cost of our HR function per head by 47% so that it is now £722.

These figures place CPS 3rd across responding departments in terms of HR staff to employees and 4th in terms of cost.

The NGHR Project Team is now carrying out further analysis to determine the actions and best practice across Departments that is driving performance.

New procurement processes have ensured improved cost efficiency and the delivery of savings, in particular on temporary staff, consultancy, recruitment and travel.

Our efficiency plans include the implementation of the CPS's Estates Strategy which will reduce the number of small, uneconomic offices. Consolidation into larger offices will enable more flexible and effective use of resources, reduce costs and help us to achieve our Sustainable Development objectives (see page 17). Consolidation is being facilitated by the move to digital working which helps achieve economies of scale and

overcomes geographic obstacles. Newly negotiated deals are delivering savings in office consumables, facilities management and legal professional services.

### **T3**

The ground-breaking Transforming Through Technology (T3) Programme was established by CPS to transform the way it works – transferring the preparation and progression of cases from paper to digital using existing technology.

During 2010-11 we worked closely with our CJS partners to make the case for digitalisation, not just within the CPS, but across and between CJS agencies. This effort was rewarded when CPS's vision was endorsed by the CJS Operational Board and the Home Secretary, the Lord Chancellor and Secretary of State for Justice, and the Attorney General committed to exchanging information digitally across the CJS by April 2012.

Solid co-operation and support from our CJS partners and the judiciary gave real impetus to work that was already underway and this opened the way to rapid change. With full commitment from our IT partner, Logica, several key targets were achieved or exceeded during 2011-12:

- We are now receiving digital case files from the great majority of police forces;
- Tablet devices have been issued to all CPS prosecutors enabling them to present cases digitally and our prosecutors are routinely prosecuting cases digitally in court;
- Many of our most difficult and lengthy cases are being presented using electronic presentation and preparation of evidence (EPPE);
- Our Witness Care Units are now digital and paper witness care files have been replaced;
- Magistrates' courts have agreed to accept digital service;
- Pilots are operating in two Crown Courts;
- The Court of Appeal, the Administrative Court and the Supreme Court are taking steps to operate digitally;
- National Offender Management System (NOMS) and Youth Offending Teams (YOTS) are preparing to accept digital service and about half of the CPS Areas have a process in place to send files to them digitally;
- HMRC, SOCA, UKBA, DWP and others are now working to digitise their files;
- Counsel who prosecute for us have all now agreed to accept briefs digitally;
- Agreement to serve evidence to defence solicitors electronically is being sought.

These achievements mean that digital working is now delivering real benefits. There have been challenges and there is more to achieve. But the point is fast approaching when digital working will be the only way of working within the criminal justice system.

### **CPS Appeals Unit**

The CPS Appeals Unit was launched by the Director of Public Prosecutions in January 2011 to service the three most senior appellate courts in England and Wales – the Court of Appeal, the Administrative Court and the Supreme Court.

The cases it deals with range greatly in type, size and complexity and involve the practice of specialist civil as well as criminal law and procedure. They are often of high public profile or sensitivity and their outcomes frequently have an impact upon the development of case law and the wider criminal justice system as well as on the lives of the individuals directly involved.

The Unit's role is to: conduct the full range of appeals to the highest standards of quality and efficiency; manage the key relationship with the appellate courts; and identify cases with national policy or procedural implications or which will develop or clarify criminal case law.

In the Court of Appeal (Criminal Division) the Unit has conduct of all appeals against conviction, sentence and a range of other final orders and interlocutory proceedings, as well as responsibility for the progression of Unduly Lenient Sentence (ULS) appeals, working in support of the Attorney General's Office (AGO). In the Administrative Court the Unit conducts all judicial reviews and case stated appeals against final rulings, including reviews of CPS decisions to prosecute or not to prosecute. It also conducts all cases in the Supreme Court to which the CPS is a party.

The Unit now receives around 550 new appeal notifications each month and on 1 January 2012, the Unit had a total caseload of 3,145 live cases.

As well as expert legal decision-making and efficient paralegal support, appellate court cases demand high quality written and oral advocacy. Since April 2011 the Unit's advocates have appeared in 34 hearings in the Court of Appeal and 15 in the Administrative Court.

The Unit has taken full advantage of the benefits of digital working to drive productivity and timeliness. The Unit works collaboratively with the appellate courts, receiving daily notification from them of all new appeals electronically, while approximately 90% of information between the Court of Appeal and the Unit is served electronically and 90% of briefs are served on counsel by secure email. 66% of the Unit's files are now electronic, and this is due to increase significantly.

The Unit has used its unique position to identify cases and legal issues that require clarification for the benefit of CPS prosecutors and the wider criminal justice system, keeping the Director and the AGO well informed of all such matters on a regular basis.

### **Core Quality Standards**

The Core Quality Standards have been in operation for two years and are now well embedded in the day-to-day work of the service. In order to assure compliance with the standards, approximately 18,000 files are reviewed each year. The results of these assessments are then compared against a basket of key performance measures.

The file review process, known as Core Quality Standards Monitoring (CQSM), requires managers to assess at least six files per month against 34 commitments set out in the Core Quality Standards. These assessments are supplemented by a peer review process where another manager assesses at least 24 files over a two month period. This helps to ensure assessments are consistent and robust across the service. In the 2011-12 financial year, 16,894 files were assessed. Approximately 82% of the commitments in these files were fully met. Of the remainder, 10% were partially met and 8% not met.

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

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

### **Charging**

During 2011-12 we implemented revised charging arrangements whereby a number of offences were returned to the police to charge. These arrangements came into effect under the DPP's Guidance on Charging (4th edition, January 2011 revised arrangements) and were rolled out nationally on a phased approach by 30 June 2011.

The revised arrangements increase the number of offences which the police are authorised to charge without referral to the CPS. As a consequence, the proportion of police-charged cases during the year ending February 2012 was 68% as compared to 65% during the year ending February 2011. The year ending February 2012 contains several months when some police forces were not working under the revised arrangements and it is expected that figures for next year will show a further increase in the percentage of police-charged cases.

In partnership with ACPO we are also undertaking further pilots in five areas to test whether shoplifting offences where a not guilty plea is anticipated should be charged by the police (police can already charge these offences where a guilty plea is anticipated). The pilots started in September 2011 and will run for up to a year and will be subject to an evaluation before any permanent change is implemented.

## Victims and Witnesses

The Crown Prosecution Service (CPS) recognises the important role that victims and witnesses play in the prosecution process and is committed to supporting them in their journey through the criminal justice system (CJS).

In a major development this year, we have extended the service we offer to bereaved families. The CPS Victim Focus Scheme was introduced in 2007 giving bereaved families in qualifying cases heard in the Crown Court the opportunity to meet with the reviewing lawyer shortly after charge. As from December 2011 the scheme renamed 'Homicide Cases – CPS Service to Bereaved Families', has been extended to include cases involving a death heard in the magistrates' court, cases where there has been an acquittal, and qualifying cases to the Court of Appeal and 'double jeopardy' cases. Under this enhanced scheme, bereaved families are offered meetings with the prosecutor at important stages of the criminal justice process to explain the anticipated progress of the case, what is expected to happen at each court hearing and the possible sentences available for the offences charged. Improvements to the scheme were endorsed by Louise Casey, the Victims' Commissioner at the time of the announcement.

With the support of ACPO, the CPS has tested a revised service to victims and witnesses, focussing the support Witness Care Units (WCUs) give to those victims and witnesses in greatest need. Pilot sites in Wales and the West Midlands have operated a revised set of minimum requirements, whilst at the same time making better use of IT by working with a paperless file. Following a final evaluation in March 2012, we will consider with ACPO whether the scheme should be implemented nationally. To date, witness attendance has continued at the same high levels in the pilot Areas and initial feedback received from victims and witnesses about the new service has been positive.

This targeted approach to victim and witness care is supported by the Ministry of Justice, which has recently published a consultation document 'Getting it right for Victims and Witnesses', setting out Government proposals for revising the support provided to victims and witnesses in the future. The exercise will include a review of the CJS commitments to victims outlined in the Code of Practice for Victims of Crime. The CPS is one of a number of criminal justice agencies which has statutory obligations under the Code.

During the year we have also continued to progress the review of our commitments to victims and witnesses. We are currently finalising a document which sets out the service victims and witnesses can expect from the CPS. We have also improved our guidance to prosecutors on victim and witness issues. Both of these documents will be published during 2012.

The CPS Strategy and Policy Directorate has also undertaken a research project into the use of special measures. Once the report is published, we will consider how we will progress the recommendations made.

In February 2012 Her Majesty's Crown Prosecution Service Inspectorate (HMCPSI) and Her Majesty's Inspectorate of Constabulary (HMIC) published their 'Joint Inspection Report on the Experience of Young Victims and Witnesses in the Criminal Justice System' (the 2012 report). The 2012 report follows on from a wider review of the experiences of all victims and witnesses in the CJS conducted in 2008-09. The 2012 report indicates that only limited progress has been made across the CJS against the recommendations made in the earlier review. We are now considering the action required to address the issues highlighted.

We are currently working with the Ministry of Justice, Home Office, Attorney General's Office, Ministry of Defence and HM Treasury, to agree proposals for a European Union (EU) Directive which will provide victims of crime with minimum standards on their rights, support and protection within the EU.

The aim of the Directive is to ensure that all victims of crime receive appropriate protection and support; are able to participate in criminal proceedings; and are recognised and treated in a respectful, sensitive and professional manner without discrimination of any kind, in all contacts with any public authority, victim support or restorative justice service.

It is anticipated that the Directive will be agreed during 2012-13 and is likely to come into effect in 2014.

## Violence Against Women and Girls

Our commitment to further improve performance in cases involving Violence Against Women and Girls (VAWG) continued to be a priority for the CPS during 2011-12, and was reflected in the government-wide Violence Against Women and Girls Action Plans launched in March 2011. All actions were completed within the year and new plans are underway for March 2012, including plans to address domestic violence involving both young

offenders and victims, sharing good practice in relation to child sexual exploitation, better supporting and communicating with all VAWG victims and further challenging of myths and stereotypes in the prosecution of rape cases.

From January 2011 Areas were supported in taking on the management of their local performance through the introduction of a VAWG Assurance scheme. Strategic VAWG coordinators supported Areas in reporting actions on local plans to the Chief Operating Officer and Director on a six-monthly basis, on the quality of VAWG prosecutions, including a qualitative assessment of 25% of rape prosecutions. The Annual VAWG Crime Report was published in November 2011 and the Director's visits to all Areas addressing VAWG issues were completed by December 2011. Area good practice was shared in February 2012.

Successful outcomes in VAWG crimes increased in 2011-12. In March 2012 a series of local and national events were held for International Women's Day to help engage women victims and address women offender issues, including prostitution and girls in gangs.

Domestic violence prosecutions were improved by ensuring all new prosecutors completed e-learning by March 2011, and specialist domestic violence court services were maintained following any court closures. Areas were provided with a Directory of VAWG victim support services and guidance on engagement with Black Minority Ethnic (BME) support services. Work began to identify prosecutions for abuse in teenage relationships and stakeholders were consulted on the findings. CPS participated in four roadshows to promote awareness of stalking and plans are underway to develop harassment and cyber-stalking training.

Rape prosecutions improved through the use of 727 trained specialist prosecutors. Guidance on Perverting the Course of Justice in rape and domestic violence cases was issued in July 2011. A new policy was introduced on Human Trafficking in June 2011 and guidance on exploitation of prostitution. Guidance on Female Genital Mutilation was published in September 2011.

### **Advocacy**

In the first of what will become a regular exercise new Advocate Panels were implemented in February 2012. Members were appointed following a fair and open application and assessment process to create Circuit-based and specialist panels of advocates for the CPS to call on over the next three years. The new panels provide confidence to the CPS, members of the public and other participants in the criminal justice system that the advocates being used have been through a rigorous selection and approval process with a clear focus on quality.

The panels, which complement the in-house advocacy resource already available to the CPS, contain about 2,600 barristers and solicitors who have the ability to undertake the highest quality advocacy for the benefit of the CPS and the wider criminal justice system. They replace the old counsel lists which had over 4,500 advocates and provide a greater opportunity to successful applicants to take on prosecution work. They also represent a significant opportunity to the CPS to work more closely with self-employed advocates to secure a better quality of advocacy service overall.

Appointment to the panel at level 1 provides advocates with an opportunity to gain experience of criminal prosecution work, whereas appointment to level 2, 3 or 4 signifies excellence in advocacy, appropriate to that level.

Following a lengthy period of consultation and negotiation with the Bar Council, the CPS implemented new remuneration arrangements for self-employed advocates in March 2012. The new arrangements are simpler and easier to operate than those they replace and they support electronic payment of counsel fees by Procure to Pay (P2P) systems. P2P, which automates and accelerates payments, generates significant savings in administration and is being implemented throughout the CPS following a successful pilot in Greater Manchester and Hertfordshire.

### **Social and Community Matters**

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



There is a national Community Accountability Forum, which includes partners from national community organisations, through which we engage, involve and consult on a range of priorities. We have also established a National Scrutiny Panel that scrutinises issues such as hate crime and violence against women.

We have also set up Area Local Involvement and Scrutiny Panels to involve communities in planning, scrutiny and the analysis of local data.

### **Equal Opportunities**

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

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

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

The CPS is committed to further progress on equality and diversity in employment and service delivery.

### **Sickness Absence**

There has been a decrease in average working days lost to sickness – down from 9.0 days per employee in the year to December 2010 to 8.4 days in the year to December 2011.

This follows:

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

### **Payment of Suppliers and Witnesses**

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

In 2011-12 the CPS settled 79% of undisputed invoices and staff and witness expense claims with 10 days of receipt. The CPPS paid £772.01 in interest due under the Late Payment of Commercial Debts (Interest) Act 1998.

### **Pension liabilities**

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

### **Events after the reporting period**

There have been no events after the reporting period that would have a material impact on the financial statements for the year ended 31 March 2012.

### **Reporting Cycle**

The CPS produces a three year Corporate Business strategy and an Annual Business Plan. The Annual Business Plan is submitted by the Chief Executive to the Attorney General in April and sets out the Department's

priorities, objectives and annual performance targets. It is the definitive document against which the Department's annual performance is measured.

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

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

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

They may be accessed at [www.cps.gov.uk](http://www.cps.gov.uk)

### **Auditors**

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

The cost of audit work was £96,000 for the audit of the CPS 2011-12 Resource Accounts. Auditor's remuneration is a notional cost (see Note 8).

### **Statement on disclosure to auditors**

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



## Financial Review

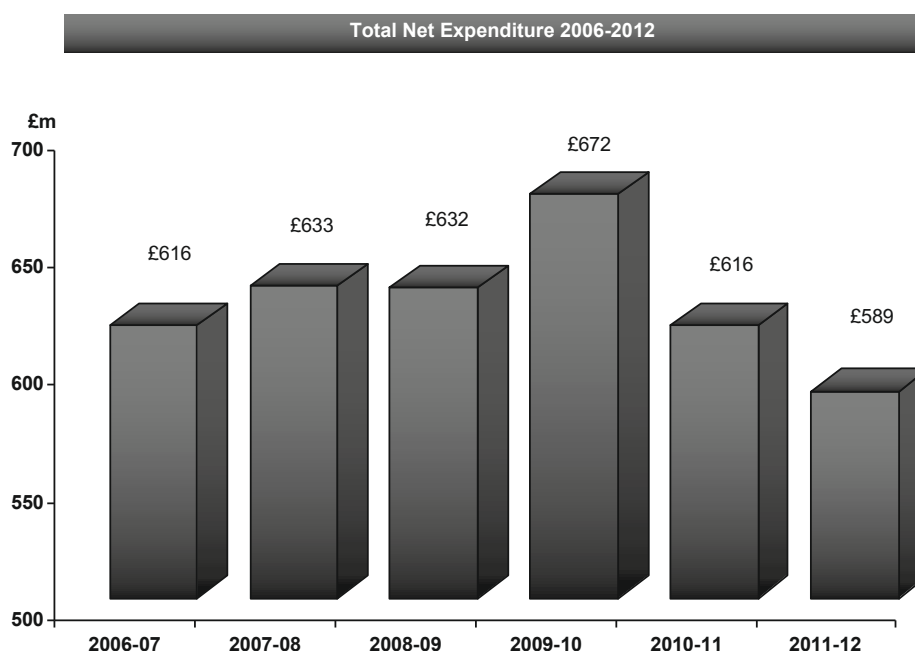
The CPS's net funding, as voted by Parliament, for the period to 31 March 2012 was £622 million.

### Financial Results

In delivering the public prosecution service the Department spent a total of £655 million. After taking into account £64 million income, the total net resource requirement was £591 million which was £31 million or 5.0% less than the sum Voted to the CPS by Parliament.

### Net expenditure

The table below shows the CPS's net expenditure since 2006-07. It indicates that last year we spent less than in any other year in this period and that between 2009-10 and 2011-12 net expenditure fell by £83 million or 12.5%.



### Income

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

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

Over the year the CPS received net income of £64.2 million – a decrease of 10.3% over the equivalent figure from 2010-11 of £72.6 million. Whilst the majority of the CPS's income is made up of recovered criminal assets and awards of court costs, the greater part of the decrease was attributable to a premium of £5.7 million received for the early vacation of the main headquarters building in Ludgate Hill, London in 2010-11.

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

**Administration Costs** represents the costs of running the Department and includes only those costs not attributed to front line services directly associated with the prosecution of criminal cases. It includes staff salaries, other staff-related expenditure, accommodation and related costs for administrative staff based in the CPS Headquarters and accounts for just 4.7% of net resource outturn.

Overall, the CPS's net outturn against its Administration budget was £27.9 million compared to net provision of £42.6 million (Note 3b). The outturn represents a decrease of £11.3 million or 28.8% against the figure of £38.9 million for 2010-11 and was the result of lower spending on salaries, accommodation and consultancy.

**Crown Prosecutions and Legal Services** cover the direct and indirect costs of taking cases to court and makes up over 94% of the CPS's total resource expenditure (Note 2). After the cost of front line staff salaries, most of the expenditure is associated with the costs of the more serious cases, which are heard in the Crown Court and comprise the costs of employing barristers as advocates, paying allowances and expenses to prosecution witnesses who attend court, the cost of expert testimony and a number of other less significant costs associated with the prosecution process.

In 2011-12 net expenditure on Crown Prosecutions and Legal Services was £557 million compared with provision of £569 million representing an underspend of £12 million.

### **Consultancy and Professional Charges**

The reduction in Consultancy and Professional charges from £3.140 million in 2010-11 to £1.563 million in 2011-12 (Note 8) was driven by a general decrease in the use of professional services including on HR, IT and legal services. The CPS did not employ consultants in 2011-12.

### **Crown Court Advocacy**

The CPS uses two fees schemes for the payment of self-employed advocates' fees. The majority of cases in the Crown Court handled by external advocates are paid under the graduated fee scheme (GFS). GFS is a formulaic scheme using a range of measures to determine the fee, and measures include offence category, pages of evidence, numbers of witnesses, outcome type, etc. In March 2012 a new, simplified scheme (Scheme C) was launched that is simpler to administer and which introduced revised rates.

### **Capital Expenditure**

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

The Department spent a total of £0.79 million on the purchase of fixed assets and of this the great majority was for purchases of furniture and fittings.

### **Movements in Working Capital other than Cash**

The closing balance on trade receivables and other current assets due within one year fell slightly from £58.8 million in 2010-11 to £56.1 million in 2011-12.

In the same period trade payables and other current liabilities rose from £86.2 million to £107.9 million. The £21.7 million increase was driven mainly by a rise of £15.3 million in the year end Consolidated Fund creditor and of £8.4 million in accruals and deferred income.

### **Provisions for liabilities and charges**

At the end of the financial year the CPS held total provisions of £16.3 million. Of this, £7.4 million was to cover the future cost of early departures and £8.9 million was for other expenses including relatively small amounts to cover personal injury and employment tribunal claims.

### **Non-current assets**

At £40.3 million property, plant and equipment and intangible assets showed a fall of £11.6 million over the equivalent figure for 2010-11 of £51.9 million. In the case of property, plant and equipment the reduction was largely accounted for by disposals and depreciation. In the case of intangible assets a decrease in net values of £3.9 million was mainly due to amortisation charged in year.

### **Cash and cash equivalents**

The CPS held £28.6 million in cash and cash equivalents at the end of the reporting year – an increase of £15.5 million from the 2010-11 balance of £13.1 million. This increase was largely caused by Supply in excess of cash outflows from operating activities (£25.8 million) offset by the capital element of payments for on balance sheet PFI contracts (£9.0 million).

Net cash flow from operating activities amounted to £566.3 million (£616.6 million in 2010-11), from investing activities was £1.2 million (£4.4 million in 2010-11) and from financing activities was £9.0 million (£8.6 million in 2010-11).

**Reconciliation of resource expenditure between Estimates, Accounts and Budgets**

	£000 2011-10	£000 2010-09
<b>Net Resource Outturn (Estimates)</b>	<b>591,077</b>	<b>613,317</b>
<i>Adjustments to remove non-budget elements:</i>		
Consolidated Fund Extra Receipts in the resource budget	–	(389)
<b>Total Resource Budget Outturn</b>	<b>591,077</b>	<b>612,928</b>
<i>of which:</i>		
Departmental Expenditure Limits (DEL)	585,375	625,034
Annually Managed Expenditure (AME)	5,702	(12,106)
<i>Adjustments to include:</i>		
Voted expenditure outside the budget (b)	26,784	28,328
<i>Adjustments to remove:</i>		
Non-voted expenditure in the budget (c)	(29,094)	(28,873)
<b>Net Operating Cost (Accounts)</b>	<b>588,767</b>	<b>612,383</b>

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

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

# Sustainability Report

## Summary of performance

The Crown Prosecution Service is committed to government policy to improve sustainability and is working towards meeting the Greening Government Commitment (GGC) targets which started on 1 April 2011 with a baseline period of 2009-10. The data attached reflects our present position for the financial year ending March 2012.

The CPS continues to reduce its energy emissions, part of the energy used is deemed renewable as well as coming from good quality Combined Heat and Power (CHP).

The CPS Headquarters building at Rose Court receives 100% renewable electricity and the majority of our buildings receive at least 10% renewable electricity and 15% good quality CHP.

The CPS has taken the following actions to improve sustainability:

- We have completed the replacement of outdated gas and electricity meters on the majority of our estate with new smart meters. This will reduce running costs and lead to us only paying for the energy actually used;
- We have reduced the size of our estate through estate rationalisation during this period;
- As part of our environmental management systems implemented to reduce our impact on the environment, we are in the process of completing on-site audits through our site "Green Champions". The Green Champions will be used to further spread the message to other nearby sites and their areas;
- Our HQ at Rose Court has successfully implemented the workplace standard of 8 desks per 10 person ratio, introduced Multi Function Devices (MFDs) and removed all bins from under desks. Waste is now collected at central points on each floor to encourage recycling and reduce the overall volume of waste. We expect to implement these initiatives across other parts of our estate over the coming year;
- The replacement of our IT equipment as part of a set programme of technology refreshes with equipment that uses less power continues to help us reduce energy consumption and our CO2e emissions;
- We are well on track to have a central cleaning contract across our estate which is supporting our waste data collection and we now have procedures in place to reduce office temperatures over holiday periods;
- We continue to work with our managing agents to establish our utility usage and waste generated at our sites where we do not have direct responsibility for these areas;
- We are reviewing our utility invoice-paying mechanisms with a view to making them completely electronic;
- A review of our travel and subsistence procedure has started which will support our travel data collection;
- We, along with the other Law Officers' Departments (LODs) members, have signed up to the Carbon Trust's Carbon Management Programme and have a joint LODs Carbon Management plan, which was signed off this year.
- The CPS is a member of and the secretariat to the LOD Sustainable Development Steering Group.

## Procurement

The CPS is making increasing use of mandated centralised procurement contracts where appropriate, that embed the Government buying standards within them.

We have also been in discussions with our major supplier to establish their supply chain impacts in relation to our contract.

## Governance

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

Our results against the GGC targets will be reported annually.

Performance Data (our travel data is part estimated as full data for our Fleet is not yet available for the final quarter 2012).

The tables below, which will be available on our website in due course, set out CPS's performance against the Greening Government Commitments key sustainability targets.

### **Greenhouse Gas Emissions**

Scope 1 and 2 emissions include energy used by the department and its government sub-tenants and Fleet emissions. The GGC targets require a 25% reduction on Estate and travel emissions by 2015. The CPS's electricity supply is made up of brown, renewable and good quality combined heat and power. The expenditure and emissions figures shown reflect this breakdown. The information above is from the CPS's controlled estate where it pays the utility invoices direct to the supplier. It does not show the utility use paid directly by our landlords as part of the service charges incurred. However, procedures are now in place to access this data.

These emissions are showing a reduction on 2009-10, which reflects the actions mentioned above.

The expenditure on accredited offsets for this year relates to the 2010-11 financial year which was paid this financial year.

Emissions for scope 3 relate to recorded business travel including staff-owned cars and hire cars; air travel and train travel purchased within the relevant contracts. Currently, emissions from bus, taxi and some train/tube travel, where tickets are purchased outside of our travel contract, are not quantifiable. However, following the planned introduction of a revised electronic travel expense claims form this data may be available for reporting periods in the future.

All areas of our travel emissions have risen this year. The majority is on road travel and this is possibly as a result of our estate rationalisation with fewer offices, officers are required to travel further.

The expenditure data shows all of the recorded expenditure on business travel.

The CPS currently operates a fleet of 19 vehicles. According to local needs the vehicles range from a Hybrid car with emissions of 104g/km to large vans with emissions of 191g/km. The majority of vehicles are small vans. The CPS has successfully reduced the average vehicle emissions rating from 178g/km in April 2007 to 145g/km in March 2012. The need for fleet vehicles should reduce as CPS becomes less reliant on paper files.

### **Waste**

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

The CPS produces general office waste that is currently handled in several ways. Six buildings (including the HQ at Rose Court) have general office waste collected through the national Property and FM services contract. Waste from these sites is either sent to Waste-to-Energy plants or is segregated to minimise the amount of waste sent to landfill. A further 10 sites are in the process of being moved over to the national contract. The offices due to move over to the national contract will see under-desk bins replaced with communal waste points. This facilitates easier segregation of waste and allows better use to be made of cleaners' time.

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

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

The increase in waste in 2010-11 is in part due to the relocation of CPS HQ to Rose Court, which involved disposing of the fixtures and fittings of the previous premises. The CPS has a contract in place for the removal,

re-use and recycling of redundant office furniture. In 2010-11 all furniture waste collected from CPS offices was either re-used or recycled. Office relocations have also had an impact on our waste reported in 2011-12. However, 83% of this waste was recycled.

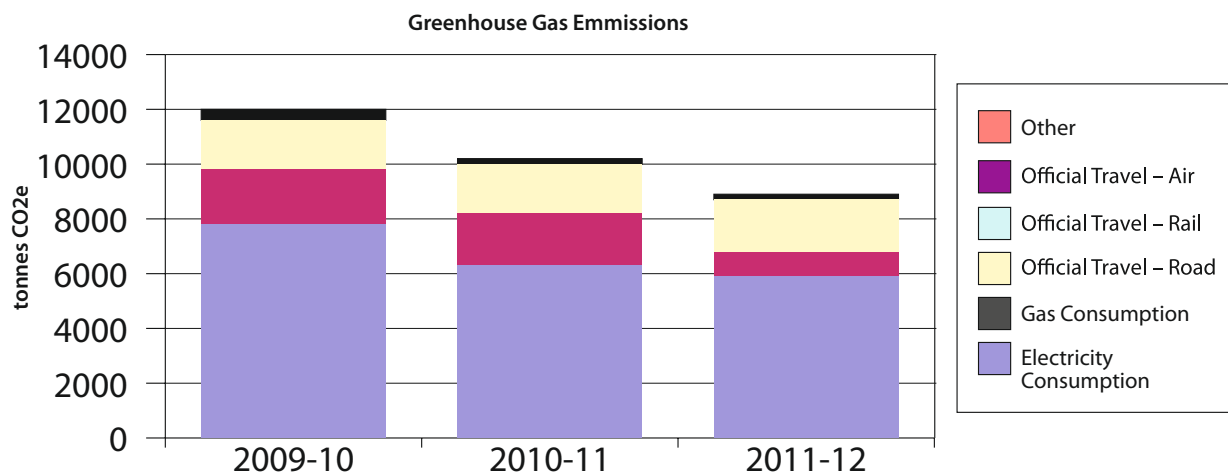
## Water

The data shown demonstrates our recorded water consumption and our water costs. The consumption figures relates to the metered water supply in m<sup>3</sup>. Consideration has been given to moving to water meters but the majority of the sites are not suitable.

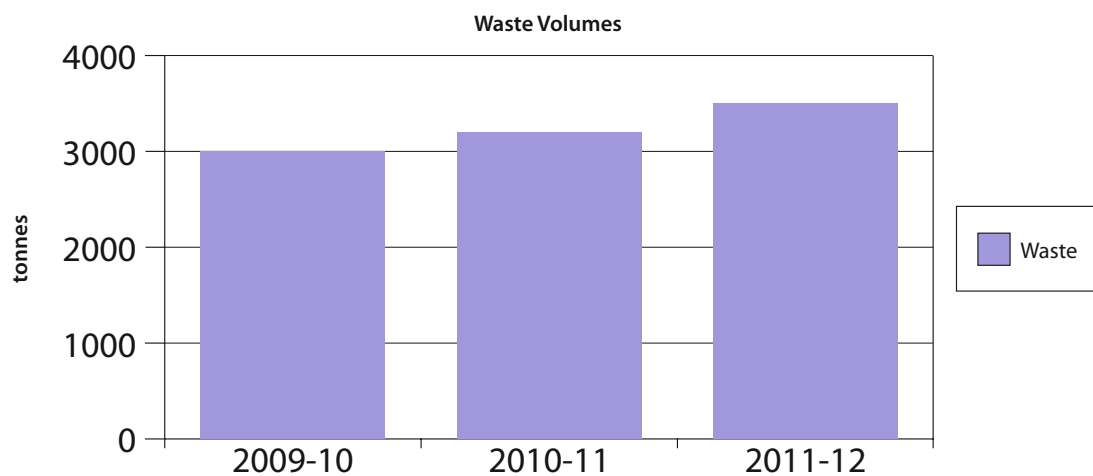
The target refers to the commitment to reduce water consumption by 2015 against a 2009-10 baseline.

Note: The CPS incorporated the Revenue and Customs Prosecution Office during 2009-10, the figures above cover the combined department.

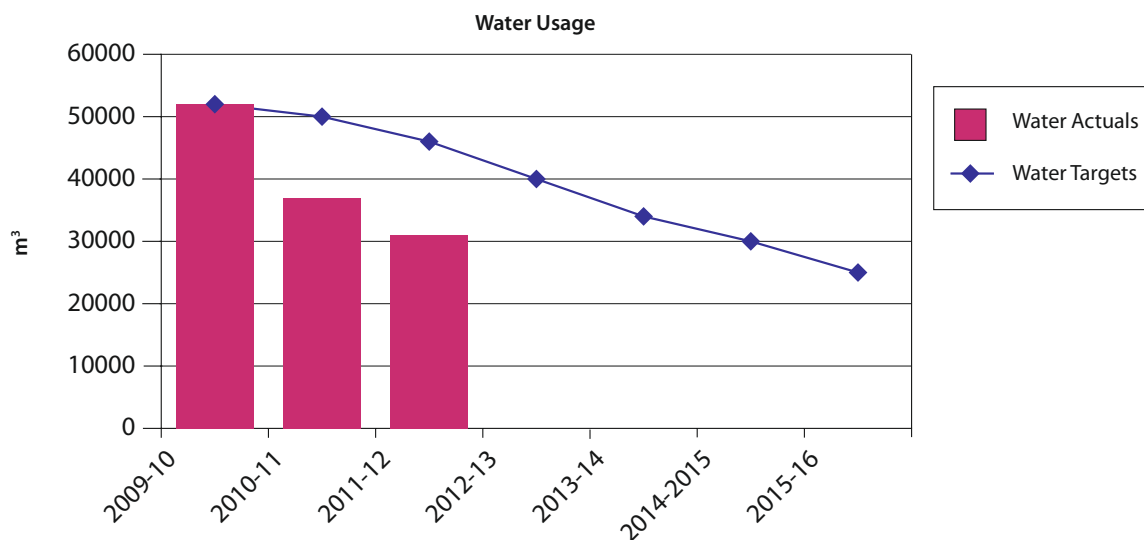
<b>Greenhouse Gas Emissions</b>		<b>2009-10</b>	<b>2010-11</b>	<b>2011-12</b>
Non-financial indicators (tCO <sub>2</sub> e)	Total Gross Emissions for Scopes 1 & 2	9,925	8,478	6,766
	Total Net Emission for Scopes 1 & 2	9,925	8,478	6,766
	Gross Emissions Scope 3 Business Travel	1,996	1,831	2,014
	Other Scope 3 Emissions Measured	–	–	–
Related Energy Consumption (kWh, 000s)	Electricity: Non Renewable	4,931	5,864	5,143
	Electricity: Renewable	9,751	6,918	5,726
	Gas	11,364	8,993	5,163
	LPG	–	–	–
	Other	–	–	–
Financial Indicators (£k)	Expenditure on Energy	2,382	1,602	–
	CRC Licence Expenditure	–	2	1
	Expenditure on Accredited Offsets	–	3	2
	Expenditure on Official Business Travel	5,427	3,707	–



Waste			2009-10	2010-11	2011-12
Non-financial indicators (t)	Hazardous Waste	Total			
	Non Hazardous Waste	Landfill	210	376	611
		Reused/Recycled	2,682	2,966	2,792
		Incinerated/Energy from waste	–	79	139
Financial Indicators (£k)	Hazardous Waste	Total Disposal Cost	–	–	–
	Non Hazardous Waste	Landfill	–	–	–
		Reused/Recycled	–	821	–
		Incinerated/Energy from waste	–	12	–



Finite Resource Consumption		2009-10	2010-11	2011-12
Non-financial indicators (m <sup>3</sup> )	Water Consumption	51,907	36,672	31,563
Financial Indicators (£k)	Water Supply Costs	166	113	



## Notes:

- i. Each year's CO<sub>2</sub>e data is presented using DEFRA's 2011 GHG tables.
- ii. 2011-12 data is shown as reported for GGC.
- iii. The fleet data is based on the best available estimates.
- iv. The GGC baseline year is 2009/10.
- v. The 2010-11 data has been updated as per SOGE reporting data.

*Keir Starmer*

Keir Starmer QC  
 Director of Public Prosecutions  
 22 June 2012



## Statement of Accounting Officer's Responsibilities

Under the Government Resources and Accounts Act 2000, HM Treasury has directed the Crown Prosecution Service to prepare for each financial year resource accounts detailing the resources acquired, held or disposed of during the year and the use of resources by the Department during the year. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the Crown Prosecution Service and of its net resource outturn, changes in taxpayers' equity and cash flows for the financial year.

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

- Observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgements and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the *Government Financial Reporting Manual* have been followed, and disclose and explain any material departures in the accounts; and
- Prepare the accounts on a going concern basis.

HM Treasury has appointed the Director of Public Prosecutions as Accounting Officer of the Department, and the Director of Public Prosecutions has appointed the Chief Executive as an Additional Accounting Officer, with responsibility for preparing the Department's accounts and for transmitting them to the Comptroller and Auditor General. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the Crown Prosecution Service's assets, are set out in *Managing Public Money* published by HM Treasury. Under the terms of the Accounting Officer's Memorandum, the relationship between the Department's principal and additional Accounting Officers, together with their respective responsibilities, is set out in writing.

# Governance Statement

## 1. Introduction

This Statement sets out for our staff and stakeholders the basis on which the Crown Prosecution Service (CPS) has been established; the way in which it is governed and managed; and how it is accountable for what it does.

The CPS was established in 1986 by the Prosecution of Offences Act 1985 as an independent authority to prosecute criminal cases investigated by the police in England and Wales.<sup>1</sup>

In undertaking its role, the CPS:

- advises the police and other investigators during the early stages of investigations;
- determines the appropriate charges in more serious or complex cases;
- keeps all cases under continuous review and decides which cases should be prosecuted;
- prepares cases for prosecution and prosecutes cases using in-house advocates, self-employed advocates or agents to present cases in court, and
- provides information and assistance to victims and prosecution witnesses.

**In discharging** its role, the CPS is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, and effectively. I have ensured that the Department has proper arrangements for the governance of its affairs and for facilitating the effective exercise of its functions, including arrangements for the management of risk.

CPS strives to secure continuous improvement in the way in which its functions are delivered and has comprehensive systems in place to monitor and manage performance.

## 2. The purpose of the governance framework

The governance framework comprises the systems and processes, culture and values, by which the CPS is directed and controlled and the activities through which it serves its stakeholders and the public. It enables the Department to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective prosecutions as part of the wider criminal justice system.

The framework is designed to drive performance, delivering efficiency and effectiveness in the delivery of a vital public service and to manage risk to a reasonable level. It cannot eliminate all risk and therefore provides a reasonable but not absolute assurance of effectiveness.

## 3. The DPP and Chief Executive

The CPS is headed by the Director of Public Prosecutions (DPP). The DPP, Keir Starmer QC, who was appointed on 1 November 2008, is the permanent secretary and Accounting Officer for the CPS.

The DPP oversees prosecutions, legal issues and sets legal policy across the organisation. The DPP is superintended by the Attorney General who is accountable to Parliament for the work of the CPS.

The Chief Executive of the CPS is Peter Lewis. He was appointed on 15 January 2007 and is an additional Accounting Officer, responsible for running the business on a day-to-day basis, and for human resources, finance, business information systems, operations, and criminal justice policy, allowing the DPP to concentrate on casework, associated legal issues and legal policy.

The Chief Operating Officer is Mike Kennedy. He has accountability for overall operational delivery, and is responsible for the performance of Areas and Casework Groups. Supported by the Head of Operations, his is the key role that links the operational and headquarters arms of the Service.

<sup>1</sup> From 1 January 2010, following the merger with Revenue and Customs Prosecutions Office, the CPS assumed prosecutorial responsibility for all cases investigated by the Serious & Organised Crime Agency, UK Border Agency and Her Majesty's Revenue & Customs. From 1 September 2011 the prosecution function of the Department for Environment, Food and Rural Affairs (DEFRA) merged with the CPS. From 1 April 2012 the prosecution functions of the Department for Work and Pensions and Department of Health were assigned to the CPS.

#### 4. The CPS Board

The CPS Board, chaired by the DPP, is collectively responsible for the delivery of the CPS's public service outcomes and the wider contribution it makes to the Criminal Justice System.

The Board meets regularly to co-ordinate activity across the organisation, driving and monitoring performance and making strategic decisions about operational, resource, communications and other administrative matters. Board members meet formally with other senior managers, corporately and in their directorates, to steer and lead on strategically important areas of work.

The role of the Board is to:

- Demonstrate visible and effective leadership across the organisation to inspire confidence in staff, CJS and other stakeholders and the public;
- Determine and communicate the Vision, strategic objectives, direction and priorities of the CPS;
- Ensure effective allocation and management of the CPS's resources;
- Set the CPS's risk appetite and have ownership of the Corporate Risk Register; and
- Ensure the CPS is a high-performing, streamlined, prosecution service focused on quality and respected for its professionalism.

In 2011-12 the Board set itself five priorities:

1. Identifying and managing the strategic challenges and risks to the organisation;
2. Delivering effective digital working across the CJS by April 2012;
3. Driving up the Employee Engagement Index (EEI);
4. Ensuring delivery against our Core Quality Standards and performance improvement across all other key indicators;
5. Ensuring effective allocation and management of the CPS's staff and financial resources.

The Board is satisfied that it achieved its priorities in all areas save the improvement in employee engagement as measured by the EEI.

In 2011-12, the CPS developed a new People Strategy to ensure the CPS recruits, retains and develops highly skilled and committed staff engaged in delivering an efficient and high quality public prosecutions service for the future. The three-year Strategy was developed by staff and managers and was launched on 2nd November 2011. The 2011 People Survey results for the CPS Employee Engagement Index (EEI) score reduced by 3% to 49%, supporting the need for the CPS to arrest and reverse this decline through the new People Strategy.

During 2011-12 the Board structure remained unchanged, with the membership comprising the DPP Chief Executive, Chief Operating Officer, Finance Director and Non-Executive Directors (NEDs).

The membership of the CPS Board and individuals' attendance during 2011-12 were as follows:

Board Member	Title	Attendance (out of 5 meetings)	Notes
Keir Starmer QC	DPP – Chair	5	
Peter Lewis	Chief Executive	5	
Mike Kennedy	Chief Operating Officer	5	
Paul Staff	Director Finance	5	
Doreen Langston	Non-executive Director – Chair of the Audit and Risk Committee	4	
Rob Sykes	Non-executive Director	5	Left after March 2012 meeting
Derek Manuel	Non-executive Director – Chair of the Nominations and Governance Committee	4 of 4	Joined the board in June 2011
Alan Jenkins	Non-executive Director	3 of 4	Joined the board in June 2011

The appointment and termination of staff who are members of the CPS Board, excluding the NEDs, who are not employed by the CPS, is undertaken in accordance with the Civil Service Management Code. Where appropriate their remuneration, details of which can be found in the Remuneration Report, is determined by reference to the Senior Salaries Review Body. In the rare event of members holding company directorships or having any significant interests that conflict with their management responsibilities, these are declared and a record kept by the secretariat. No specific action was required at Board level due to a declaration of interest in 2011-12.

## 5. Committees of the Board

The Board has four formal sub-committees, which play key roles in the governance of the CPS:

- an Audit and Risk Committee which is responsible for providing advice and assurance to the Accounting Officer and the Board on the adequacy and effectiveness of internal control and risk management. It also oversees internal and external audit arrangements which cover all areas of CPS's work, including both financial and non-financial systems. It has four members: an external Non-Executive Board member Chair appointed by the DPP through a process of fair and open competition, and three further external, non-executive members;

The membership of the Audit and Risk Committee during 2011-12 was as follows:

Member	Position/Role
Doreen Langston	Non Executive Chair
Richard Szadziwski	Non-Executive Member
Alan Jenkins	Non-Executive Member
Caroline Johnstone	Non-Executive Member
Sarah Brown (until June 2011)	Non-Executive Member

- a Nominations and Governance Committee which has delegated responsibility and authority for advising the Board on key elements of effectiveness, including ensuring that there are satisfactory systems for identifying and developing leadership and high potential, scrutinising the incentive structure and succession planning for the Board and senior leadership of the CPS, and scrutinising governance arrangements. It has specific decision making responsibility in respect of payments to executives and senior management.

The membership of the Nominations and Governance Committee during 2011-12 was as follows:

Member	Position/Role
Derek Manuel	Non Executive Chair
Keir Starmer	DPP
Peter Lewis	Chief Executive
Mike Kennedy	Chief Operations Officer
Mark Summerfield	Director of Human Resources

- the Directors' Group which is made up of the most senior members of Headquarters staff and is responsible to the CPS Board for refining and delivering the CPS strategy, collective delivery of the strategic objectives; CPS core quality standards and efficiency supporting the operational delivery of CPS business.

The membership of the DG during 2011-12 was as follows:

DG Member	Position/Role	Notes
Peter Lewis	Chief Executive – Chair	
Keir Starmer QC	DPP	
Mike Kennedy	Chief Operating Officer	
Nick Hunt	Director of Strategy & Policy	
Adrian Foster	Head of Operations	
Paul Staff	Director Finance	
David Jones	Chief Information Officer	
Alison Levitt	Principal Legal Advisor	
Mark Summerfield	Director HR	
Dale Simon	Director Equality & Diversity	
Pam Teare	Head of Communications	Last meeting April 2011
Joanna Millington	Head of Communications	First meeting September 2011

- the Chief Crown Prosecutors Group which is made up of CPS's most senior prosecutors and is responsible to the Directors' Group for operational delivery; delivery of core quality standards and efficiency in front line operations; engagement and influence of key stakeholders; and feedback to the Directors' Group, through the Chief Operating Officer, on strategic operational proposals.

The membership of the CCPG during 2011-12 was as follows:

CCPG Member	Position/Role
Mike Kennedy	Chief Operating Officer – Chair
Jim Brisbane	CCP Wales
Ken Caley	CCP Eastern
Roger Coe-Salazar	CCP South East
Adrian Foster	Head of Operations
Martin Goldman	CCP Yorkshire
Peter Swain	CCP CPS Direct
Nick Hawkins	CCP Wessex
Sue Hemming	Head of Special Crime and Counter Terrorism Division
Barry Hughes	CCP South West
Harry Ireland	CCP West Midlands
Nazir Afzal	CCP North West
Alun Milford	Head of Organised Crime Division
Greg McGill/Grace Ononwu	Legal Directors, CPS London
Alison Saunders	CCP London
Baljit Ubhey	CCP Thames & Chiltern
Sue Patten	Central Fraud Group
Judith Walker	CCP East Midlands
Paul Whittaker	CCP Merseyside & Cheshire
Wendy Williams	CCP North East
Simon Clements	Head of Welfare, Rural and Health Division

The Board met five times over the course of the year. The Directors' Group met six times. The Chief Crown Prosecutors Group met eight times. The Audit Committee<sup>2</sup> four times and the first meeting of the Nominations and Governance Committee was held in March 2012.

Agendas were commensurate with the terms of reference for each level of the corporate governance.

## 6. Account of Corporate Governance

Each year the Board conducts an annual review of its effectiveness. This year's Review highlighted the following areas where it was felt that added value to Board effectiveness could be achieved:

- Adopt the key corporate governance principles suggested in the Cabinet Office's 'Corporate Governance Code' where appropriate;
- The re-designation of the established Audit Committee to an Audit and Risk Committee inline with the 'Corporate Governance Code';
- The Audit Committee to be strengthened through the addition of one further Non-Executive Board Member;
- The Board should add to its non-executive complement, to ensure that it has the right breadth of skills to deliver the Service's agreed priorities;
- The Board should agree a standing agenda that focuses on the four transformation programmes that underpin the Vision.

Action was taken against each of these headings across the course of the year. Notably Board capability was significantly enhanced by the recruitment of two new Non-Executive Board Members in July 2011 with significant private sector experience and skills in human resources and business improvement. One of these appointments took up membership of the Audit and Risk Committee, in accordance with our internal Review of Board effectiveness.

Since the internal Review, Board agendas have been standardised along the lines suggested.

After the publication of the revised Code of Good Practice for Corporate Governance in July 2011 the CPS Board considered its level of compliance at its September meeting. The CPS is not a department of government subject to the Protocol on enhanced departmental boards but has sought to adopt the practices set out in the Code of Good Practice wherever relevant and practical.

The Board was satisfied with its compliance in the following areas:

- Frequency of meetings;
- Ratio of executives to non-executives;
- Its focus on performance and delivery as part of its strategic leadership, for example, by the use of management information and performance databank evidence; through the introduction of a corporate Scorecard and accompanying assurance report, and Area weighted Core Quality Standards Monitoring dashboard and associated escalation process for poorer performers to come before the Board to discuss performance improvement and;
- The organisation of agendas around the Service's strategic objectives: Quality, Efficiency, T3/Digital Working and People;
- Transparency in communication of outcomes and Terms Of Reference of all corporate governance groups via the CPS website and internal Infonet;
- Ownership and management of risk as a regular agenda item;
- Non-Executive Board Member expertise – commercial/public sector;
- Delivery against reporting obligations; and
- Independent scrutiny via Capability Review self-assessment in January/February 2012.

The following changes were made in order to produce compliance:

<sup>2</sup> Renamed the Audit and Risk Committee to take account of the Code of Good Practice in February 2012.

- The Audit Committee was renamed the Audit and Risk Committee;
- A Nominations and Governance Committee was established;
- The Board introduced changes to work as a single entity with less presentation from executive Board members and more presentation from staff;
- It has assumed greater focus on strategic clarity and direction setting by being engaged with issues at an earlier stage of development and conducting two planning meetings in July 2011 and January 2012;
- Board agendas now contain routine consideration of reputational issues;
- A Non-Executive Board Member section is now included in the Annual Report; and
- The Board Secretariat has created a Board Operating Framework in accordance with good practice.

The CPS does not have a Secretary of State as Board Chair as advocated by the Code of Good Practice because of the statutory arrangements in place between the Director of Public Prosecutions and the Attorney General.

As a department not subject to the Protocol on enhanced departmental boards the CPS does not have a Lead Non-Executive Board Member. Instead it delegates thematic lead responsibilities to its Non-Executive Board Members, for example, human resources, business development, quality, and audit. A Non-Executive Board Member chairs the Audit and Risk Committee and the Nominations and Governance Committee. This is a proportionate and effective way of utilising the Non-Executive Board Member cadre.

Ensuring that the police and CPS, as the prosecution team, manage unused material in accordance with the statutory disclosure requirements has presented difficulties in some instances. It has been identified as a risk to successful outcomes and a small number of cases in which failures occurred have attracted media attention. An inquiry by Sir Christopher Rose into one such case highlighted particular issues that arise when undercover police officers are deployed. Other cases have demonstrated the difficulties in complying. Training on how to manage cases involving undercover officers has been developed and is being delivered to managers and lawyers. This training, and wider training on disclosure across the service, together with the mandated use of a new regime for disclosure management documents in complex cases, will assist the management of disclosure of unused material where the volume of material is substantial, particularly by utilising the use of electronic search terms to identify relevant and disclosable material.

## 7. CPS Corporate Risks

The Corporate Risk Register is aligned with the four strategic objectives of the CPS. The risks reflect the consequences of a significant reduction in resources across the criminal justice system over the current Spending Review period, and identify how we should engage with our criminal justice partners to face these challenges. The CPS Board is responsible for ensuring that there are appropriate risk management arrangements and that corporate risks are properly managed and includes a risk management champion. The Directors' Group, on behalf of the Board, undertakes regular and detailed oversight of the risk management capability and the management of key corporate risks. All corporate risk owners are Board or Directors Group Members.

- Quality
  - ☐ Fulfilling commitments to victims and witnesses;
  - ☐ The application of Core Quality Standards;
  - ☐ Engagement with and relevance to local communities;
  - ☐ Engagement with and influence on key stakeholders;
  - ☐ Our ability to respond effectively to changing patterns of crime;
  - ☐ Our ability to protect information;
- Efficiency
  - ☐ Financial control and procurement;
  - ☐ Ability and capacity of criminal justice partners to support us in delivering change;
- Digitisation
  - ☐ Ability to continue to deliver the T3 programme, modernise processes and achieve cultural change;



- People
  - Performance management;
  - Engagement and motivation;
  - Talent management.

The Directors' Group and the Board regularly monitor the risks through the corporate risk register and take mitigating action when necessary.

During the year no ministerial directions were given to the CPS.

## 8. HMCPSI

Her Majesty's Crown Prosecution Service Inspectorate (HMCPSI) is an independent statutory body reporting to the Attorney General, whose primary function is to promote the effectiveness, efficiency and value for money of the bodies it inspects.

HMCPSI priorities for inspection are set out in an annual Business Plan and it reports annually to the Attorney on the performance of the CPS in addition to other individual and thematic inspection reports.

The CPS takes account of HMCPSI's findings and seeks to ensure that its recommendations are implemented as appropriate.

## 9. Internal Audit

CPS has an in-house Internal Audit function that carries out a programme of work across the full range of CPS's activities.

Following completion of the programme for 2011-12 the Head of Internal Audit (HIA) reported his findings to the Audit and Risk Committee and gave his opinion on the system of internal control operating in CPS during the year, taking account of the work of his team and other sources of information, such as reviews by other assurance providers, including HMCPSI, and management's own Certificates of Assurance.

The HIA concluded that, generally, there are sound arrangements in place to ensure that the aims and objectives of the CPS are achieved and that controls within the major enabling and delivery systems had been maintained.

However, he gave a limited assurance on the handling of unused material in light of Sir Christopher Rose's report into the Ratcliffe-on-Soar case, which is discussed above.

Notwithstanding this issue, he gave a positive overall assurance on the basis that:

- An appropriate governance and management structure in which roles, responsibilities are well defined, including ownership of key risks, comprehensive policies and good practice procedures is in place;
- CPS has clearly defined aims and objectives;
- Management's oversight of performance (including quality and budgets) and systems was sustained, reinforcing accountabilities and maintaining the established systems.

## 10. T3

The Government has set an ambition for the Criminal Justice System (CJS) to be able to exchange information digitally by April 2012. This target is the first stage in delivering a fully digital CJS. Digital working in the CJS will require changes in approach and culture of all those that work within it, including the police, the courts, the self employed bar and defence practitioners. The CPS is leading the transformation programme across the CJS.

Given the number of different agencies that are part of the CJS, as well as the various technologies and investment cycles governing these agencies and the different priorities and pressures for each, impressive progress has been made towards the common goal.

The CPS Board fully recognised the challenge faced by the department and the risks to effective service delivery that inevitably arose from such major innovation. The risks have been mitigated through the activities of comprehensive programme management and governance structures headed by the CPS Chief Executive. The Board has overseen the delivery of the programme and regularly reviewed and challenged progress. I am pleased that these actions have been effective, service delivery has been maintained and the programme has been successful so far.



## 11. Introduction of the Streamlined Process

The Streamlined Process was introduced in 2008 by the CPS and the Association of Chief Police Officers. It was designed to reduce the amount of paperwork and thereby police officers' time spent in the preparation of cases dealt with in magistrates' courts, by giving officers guidance on how to build case files proportionate to the needs of a case.

In November 2011 NAO published a value for money report on the introduction of the Streamlined Process. It found that although the initiative held the promise of cutting police paperwork, saving money and freeing officers up for other tasks, without reducing the effectiveness of courts, there were wide differences between individual police forces in how far they were complying with the guidance and a lack of awareness among police officers about what to include in prosecution files.

The review found although the Streamlined Process had not yet achieved its full potential value for money, it had not had a negative impact on the progression of cases through the magistrates' courts.

The report recommended that when government departments design initiatives, they must bear in mind the powers of the national and local bodies that will be driving the initiatives forward and the relationships between those bodies.

## 12. SIRO Annual Assessment of Information Risk Management

The Data Handling Review (DHR), which incorporates written input from Information Asset Owners (IAOs), provides an annual assessment of information risk. This assessment supports the SIRO's written report to the Accounting Officer which in turn forms the basis of his assessment of information risk contained in this Governance Statement.

The written input from IAOs and the SIRO's report are key components of the reporting and audit process which ensures compliance with the DHR, legislation, HMG policy and other relevant guidance on information risk management.

In June 2011 the CPS formally reported to the Cabinet Office performance against the Security Policy Framework (SPF), Information Assurance Maturity Model (IAMM) and third party supplier (Logica) for its business critical system. A further assessment against the recently updated SPF (V7.0) mandatory requirements was carried out in January – March 2012.

During the last year CPS Information Risk Management governance arrangements have been improved and embedded as follows:

- Security, Information Assurance, Information Management and Information Skills policies have been put in place;
- Personnel Vetting, IT Security, and Information Handling arrangements with the Bar have been updated;
- Protecting Information e-learning has been given to all staff, with further training for Level E and above;
- Information Management Advisors (IMA's) have received further training.

There have been three breaches of the Data Protection Act (DPA) that have been reported to the Information Commissioner's Office (ICO) during this period. In each instance the breach occurred as a result of the inadvertent disclosure of personal details to an unintended recipient. To date, the ICO has not yet made a decision on any of the reported incidents.

The breaches occurred as isolated incidents in different CPS Areas. As part of the ICO breach reporting process we provided a full account of the breach, mitigating action, details of any disciplinary action taken, full details on policies, practices and procedures in place and training undertaken by employees on the DPA.

The SIRO issued a Gateway notice (Sept 11) to Chief Crown Prosecutors (CCPs) and HQ Directors, advising them to ensure robust procedures were in place to prevent any future unauthorised disclosure of casework material, and that their staff are aware of their responsibilities.

Overall, CPS Information Risk Management within CPS is considered to be moderate. Whilst having previously been assessed as Good, it was felt that the recent breaches, whilst isolated incidents, should be reflected in the overall rating.

### 13. Reporting of Personal Data Related Incidents

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

**Table 1: Summary Of Protected Personal Data Related Incidents Formally Reported To the Information Commissioner's Office in 2011-12**

Three incidents were reported to the Information Commissioner.

TABLE 2: Summary of Other Protected Data Related Incidents In 2011–12			
1. Total Included Data Loss Incidents			
Category Types	I	Loss of inadequately protected electronic equipment, devices or paper documents from secured Government premises	2
	II	Loss of inadequately protected electronic equipment, devices or paper documents from outside secured Government premises	7
	III	Insecure disposal of inadequately protected electronic equipment, devices or paper documents	0
	IV	Unauthorised disclosure	11
	V	Other	3
	Total		23
2. Lost/Stolen Blackberries			4
3. Lost/Stolen Laptops			0
<b>Explanatory Note:</b> The CPS handles approximately a million cases each year. Each case file makes several journeys, including to external solicitors and barristers. The CPS maintains standing guidance on data handling procedures and issues Gateway notices to remind staff of their obligations.			
<b>Included – 23</b> personal data incidents have been included as losses for the purposes of this report. The majority of these incidents involved poor handling of the data leading to inadvertent unauthorised disclosure to others.			
<b>Excluded – 30</b> incidents have been excluded from the report because the loss was very minor concerning a limited amount of personal data.			
<b>Lost/Stolen Laptops/Blackberries:</b> The Laptops and Blackberries were all encrypted to the government standard.			

### 14. Summary and conclusion

The governance framework has been in place at CPS for the year ended 31 March 2012 and up to the date of approval of the Annual Report and Accounts.

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

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

Assurance on the adequacy of the governance, management and controls has been provided by:

*Independent*

- The Audit Committee through feedback by its Chair (a Board member) and by review of the minutes of Audit Committee meetings and of the Committee's Annual Report.
- The Head of Internal Audit who provides an independent opinion on the adequacy and effectiveness of the department's system of internal control, and an opinion on significant control issues;
- The HM Crown Prosecution Service Inspectorate who provide an independent review of business efficiency and effectiveness;

*Management*

- The HQ Directors and Group Chairs completing a Certificate of Assurance that provides a specific and personal assurance based on a self assessment of the reliability of their key business systems and activities throughout the year;
- The Information Assurance Maturity Model (IAMM) and Major Supplier 3rd Party Assurance assessments;

*Processes*

- The results of the CQSM assessments and validation measures being discussed in quarterly APR meetings which are led by the Chief Operating Officer and held with CCPs and ABMs;
- Case auditors who are aligned to Areas and Casework Groups to provide support, training and advice on counsel fee and prosecution cost issues;

*Alignment*

- The alignment of the CQSM and APR performance framework with that of HMCPSI;
- Validation of Certificates of Assurance (CoA) when it is determined which HMCPSI Area Effectiveness reports have been published that cover the period in question.



Keir Starmer QC

Director of Public Prosecutions

22 June 2012

## Non-Executive Director's Report

1. I have been on the Management Board of the CPS for three years now, during which time the Service has undergone significant change. I am particularly pleased to report that the CPS has successfully met the challenges of the first year of SR10, and shows every sign of meeting the challenges of the remainder. The focus this year has been on meeting its four strategic objectives – People, Quality, Digitalisation, and Efficiency – which has provided clarity to staff, stakeholders, and the public about what matters to the Service.
2. The new People Strategy has been developed to address issues highlighted in recent People Surveys. The primary goals of the strategy are that all managers will have completed the Management Development Programme by March 2013 and that any remaining issues around leadership and management are being dealt with appropriately. I am confident that this will provide the CPS with the foundations of a strong leadership cadre that can be built on, and that staff both expect and deserve.
3. The drive to improve Quality has been unrelenting – personally led and owned by the Director of Public Prosecutions. The regular, high-quality management information available to the Board has shown performance improvement across nine of the ten measures that we place the most weight on. The Board is also focused on ensuring that best practice is identified and rolled out across all areas to ensure the Service is both excellent and consistent.
4. Digital working across the CJS has been driven by the vision and ambition of the CPS to deliver a paperless system fit for the 21st Century. By 1 April 2012 nearly all police caseload was being served digitally to the CPS and onwards to the magistrates' courts. Although there is more to do, full digital working is now within the grasp of the CJS. There should not be any let up of momentum if the full benefits of digitalisation are to be realised.
5. Underpinning People, Quality, and Digitalisation, there has been a robust and determined approach to improving Efficiency. The Board has made it clear that the need to improve efficiency, and thinking creatively about how we do this, is a challenge for all those in the CPS, and the wider CJS. I am pleased to see active engagement to take this forward across all levels of the Service.
6. Finally, together with my colleague Derek Manuel, a Capability Review of the CPS was undertaken towards the end of the year. It is clear there is a widespread appetite to engage and improve, an openness to new ideas for the future, and a desire to become the Service articulated in its Vision. All of which will be key to the success of the CPS for the remainder of SR10, and beyond.

Doreen Langston

June 2012

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

I certify that I have audited the financial statements of the Crown Prosecution Service ('the Department') for the year ended 31 March 2012 under the Government Resources and Accounts Act 2000. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. I have also audited the Statement of Parliamentary Supply and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

## Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

## Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Department's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accounting Officer; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the Statement of Parliamentary Supply properly presents the outturn against Parliamentary control totals and that those totals have not been exceeded. The voted Parliamentary control totals are Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non-Budget (Resource) and Net Cash Requirement. I am also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Opinion on regularity

In my opinion, in all material respects:

- the Statement of Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2012 and shows that those totals have not been exceeded; and
- the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

## Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Department's affairs as at 31 March 2012 and of its net operating cost for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

## Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- the information given in 'Financial Review', 'Sustainability Report' and 'Governance Statement' for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

## Report

I have no observations to make on these financial statements.

**Amyas C E Morse**  
**Comptroller and Auditor General**  
National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London  
SW1W 9SP

**28 June 2012**

# Statement of Parliamentary Supply

## Summary of Resource Outturn and Capital Outturn 2011-12

£000								2011-12	2010-11
		Estimate			Outturn			Voted outturn compared with Estimate: saving/ (excess)	Restated Outturn
	Note	Voted	Non Voted	Total	Voted	Non Voted	Total		Total
Departmental Expenditure Limit									
– Resource	2a	611,640	–	611,640	585,375	–	585,375	26,265	625,423
– Capital	2b	2,620	–	2,620	51	–	51	2,569	2,234
Annually Managed Expenditure									
– Resource	2a	7,593	–	7,593	5,702	–	5,702	1,891	(12,106)
– Capital		–	–	–	–	–	–	–	–
Total Budget		621,853	–	621,853	591,128	–	591,128	30,725	615,551
Non Budget									
– Resource		–	–	–	–	–	–	–	–
Total		621,853	–	621,853	591,128	–	591,128	30,725	615,551

Total Resource	2a	619,233	–	619,233	591,077	–	591,077	28,156	613,317
Total Capital	2b	2,620	–	2,620	51	–	51	2,569	2,234
Total		621,853	–	621,853	591,128	–	591,128	30,725	615,551

## Net cash requirement 2011-12

£000	Note	2011-12 Estimate	2011-12		2010-11
			Outturn	Outturn compared with Estimate: saving/ (excess)	Outturn
	4	605,060	576,859	28,201	630,437

## Administration Costs 2011-12

	2011-12 Estimate	2011-12 Outturn	Restated 2010-11 Outturn
3b	42,574	27,967	39,183

Figures in the areas outlined in bold are voted totals or other totals subject to Parliamentary control.

Explanations of variances between Estimate and outturn are given in Note 2 and in the Financial Review on pages 14 and 15.

The notes on pages 41 to 66 form part of these accounts.

# Statement of Comprehensive Net Expenditure

for the year ended 31 March 2012

£000

		2011-12	Restated 2010-11
	<b>Note</b>		
<b>Administration costs:</b>			
Staff costs	7	18,665	23,902
Other costs	8	9,740	22,180
Income	10	(487)	(7,130)
<b>Programme expenditure:</b>			
Staff costs	7	355,663	351,476
Other costs	9	268,864	287,167
Income	10	(63,678)	(65,212)
<b>Net Operating Costs for the year ended 31 March 2012</b>	<b>3a</b>	<b>588,767</b>	<b>612,383</b>
Total expenditure		652,932	684,725
Total Income		(64,165)	(72,342)
<b>Net Operating Costs for the year ended 31 March 2012</b>	<b>3a</b>	<b>588,767</b>	<b>612,383</b>
<b>Other Comprehensive Net Expenditure</b>			
		<b>2011-12</b>	<b>2010-11</b>
Net (gain)/loss on revaluation of property, plant and equipment		(166)	3,487
Net (gain)/loss on revaluation of intangible assets		(1)	17
<b>Total Comprehensive Expenditure for the year ended 31 March 2012</b>		<b>588,600</b>	<b>615,887</b>

The notes on pages 41 to 66 form part of these accounts.



# Statement of Financial Position

as at 31 March 2012

£000	Note	2012	2011
<b>Non-current assets:</b>			
Property, plant and equipment	11	28,562	36,231
Intangible assets	12	11,742	15,676
<b>Total non-current assets</b>		<b>40,304</b>	<b>51,907</b>
<b>Receivables falling due after more than one year</b>	14	<b>69</b>	<b>19</b>
<b>Current assets:</b>			
Trade and other receivables	14	32,297	32,014
Other current assets	14	23,709	26,814
Cash and cash equivalents	15	28,590	13,106
<b>Total current assets</b>		<b>84,596</b>	<b>71,934</b>
<b>Total assets</b>		<b>124,969</b>	<b>123,860</b>
<b>Current liabilities</b>			
Trade and other payables	16	(14,727)	(16,857)
Provisions	17	(5,417)	(7,810)
Other liabilities	16	(93,216)	(69,351)
<b>Total current liabilities</b>		<b>(113,360)</b>	<b>(94,018)</b>
<b>Non-current assets plus/less net current assets/liabilities</b>		<b>11,609</b>	<b>29,842</b>
<b>Non-current liabilities</b>			
Provisions	17	(10,895)	(8,109)
Other payables	16	(20,223)	(29,596)
<b>Total non-current liabilities</b>		<b>(31,118)</b>	<b>(37,705)</b>
<b>Total assets less liabilities</b>		<b>(19,509)</b>	<b>(7,863)</b>
<b>Taxpayers' equity and other reserves:</b>			
General fund		(23,543)	(12,288)
Revaluation reserve		4,034	4,425
<b>Total equity</b>		<b>(19,509)</b>	<b>(7,863)</b>



Keir Starmer QC  
Accounting Officer

22 June 2012

The notes on pages 41 to 66 form part of these accounts.

# Statement of Cash Flows

for the year ended 31 March 2012

	Note	2011-12 £000	2010-11 £000
<b>Cash flows from operating activities</b>			
Net operating cost		<b>(588,767)</b>	<b>(612,383)</b>
Adjustments for non-cash transactions	8 and 9	18,559	11,245
(Increase)/decrease in trade and other receivables		2,391	(932)
Increase/(decrease) in trade and other payables		21,735	(20,744)
<i>less movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure</i>		(15,044)	13,747
Use of provisions	17	(5,131)	(7,737)
<b>Net cash outflow from operating activities</b>		<b>(566,257)</b>	<b>(616,624)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment		(1,195)	(4,339)
Purchase of intangible assets		–	(41)
Proceeds of disposal of property, plant and equipment		1	–
<b>Net cash outflow from investing activities</b>	11	<b>(1,194)</b>	<b>(4,380)</b>
<b>Cash flows from financing activities</b>			
From the Consolidated Fund (Supply) – current year		592,112	619,581
Capital element of payments in respect of finance leases and on-balance sheet (SoFP) PFI contracts		(9,019)	(8,580)
<b>Net financing</b>		<b>583,093</b>	<b>611,001</b>
<b>Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund</b>		<b>15,642</b>	<b>(10,003)</b>
Payments of amounts due to the Consolidated Fund		(158)	(1,463)
<b>Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund</b>		<b>15,484</b>	<b>(11,466)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	15	<b>13,106</b>	<b>24,572</b>
<b>Cash and cash equivalents at the end of the period</b>	15	<b>28,590</b>	<b>13,106</b>

The notes on pages 41 to 66 form part of these accounts.

# Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2012

	Note	General Fund £000	Revaluation Reserve £000	Total Reserves £000
<b>Balance at 1 April 2010</b>		<b>(31,503)</b>	<b>8,116</b>	<b>(23,387)</b>
Net Parliamentary Funding – drawn down		619,581	–	619,581
Net Parliamentary Funding – deemed		23,804	–	23,804
Supply payable adjustment	16	(12,948)	–	(12,948)
Amounts payable to the Consolidated Fund		(1,242)	–	(1,242)
Comprehensive Net Expenditure for the year		(612,383)	(3,504)	(615,887)
Non-cash charges – auditor's remuneration	8	93	–	93
Transfers between reserves		187	(187)	–
Adjustment in respect of movements in the revaluation reserve		2,123	–	2,123
<b>Balance at 31 March 2011</b>		<b>(12,288)</b>	<b>4,425</b>	<b>(7,863)</b>
Net Parliamentary Funding – drawn down		592,112	–	592,112
Net Parliamentary Funding – deemed		12,948	–	12,948
Supply payable adjustment	16	(28,202)	–	(28,202)
Comprehensive Net Expenditure for the year		(588,767)	167	(588,600)
Non-cash charges – auditor's remuneration	8	96	–	96
Transfers between reserves		558	(558)	–
<b>Balance at 31 March 2012</b>		<b>(23,543)</b>	<b>4,034</b>	<b>(19,509)</b>

The notes on pages 41 to 66 form part of these accounts.

# Notes to the Departmental Resource Accounts

## 1. Statement of Accounting Policies

### *Basis of preparation*

The financial statements have been prepared in accordance with the 2011-12 *Government Financial Reporting Manual (FReM)* issued by HM Treasury. The accounting policies contained in the *FReM* apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the *FReM* permits a choice of accounting policy, the accounting policy which is judged to be the most appropriate to the particular circumstances of the Crown Prosecution Service for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Crown Prosecution Service are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

In addition to the primary statements prepared under IFRS, the *FReM* also requires the Department to prepare an additional primary statement. The *Statement of Parliamentary Supply* and supporting notes show outturn against Estimate in terms of the net resource requirement and the net cash requirement.

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

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

### 1.1 Accounting Convention

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

### 1.2 Non-current Assets

#### *Property, plant and equipment*

Property, plant and equipment which are capable of being used for a period which exceeds one year and individually have a cost equal to or greater than £2,000 are capitalised, including leasehold improvements. Assets are stated at the lower of replacement cost and recoverable amount. On initial recognition they are measured at cost (for leased assets, fair value) including any costs such as installation directly attributable to bringing them into working condition.

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

Land and buildings are restated at fair value using professional valuations, in accordance with guidance set out in the *FReM*, every five years. In the intervening years land and buildings are restated at fair value by the use of published indices appropriate to the type of land or building. The Investment Property Databank supplies the indices used.

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

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

#### *Intangible non-current assets*

On initial recognition intangible non-current assets are measured at cost including any costs such as installation directly attributable to bringing them into working condition. Intangible non-current assets are stated at the lower of replacement cost and recoverable amount. All expenditure on intangible non-current assets which are capable of being used for a period which exceeds one year and individually have a cost equal to or greater than £2,000 is capitalised.

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

### 1.3 Depreciation, Amortisation and Impairment

#### *Property, plant and equipment*

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

Freehold buildings	At least 20 years
Furniture and fittings	3 to 10 years
Information technology	4 years
Assets under PFI contracts	9 to 13 years.

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

Leasehold improvements are written off over the shorter of:

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

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

#### *Intangible non-current assets*

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

CMS is amortised from the date of the initial software release, over the 12 years of the contract, on a straight-line basis.

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

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

### 1.4 Leases

Where substantially all risks and rewards of ownership of leased assets are borne by the Department, the assets are recorded as non-current assets (either property, plant and equipment or intangible assets, depending upon the nature of the underlying assets). The assets are valued at the minimum lease rentals payable to the lessor over the life of the lease less the estimated service element inherent in the lease, discounted at HM Treasury's standard interest rate adjusted for inflation, and a debt of corresponding value is recorded to the lessor. The interest element of the lease payment is charged to the Statement of Comprehensive Net Expenditure over the period of the lease at a constant rate in relation to the balance outstanding.

Rentals due under operating leases are charged to the Statement of Comprehensive Net Expenditure over the lease term on a straight-line basis, or on the basis of actual rentals payable where this fairly reflects the usage. Future payments, disclosed at Note 19, "Commitments under Leases", are not discounted.

## **1.5 Cash**

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

## **1.6 Financial Assets**

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

## **1.7 Financial Liabilities**

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

## **1.8 Operating Income**

Operating income is income which relates directly to the operating activities of the Department, and consists of administration and programme income. Operating income is stated net of VAT.

### *Administration income*

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

### *Programme income*

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

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

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

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

Income is also received from the Home Office to fund the Regional Asset Recovery Teams working in the CPS and is recognised quarterly in arrears.

## **1.9 Administration and Programme Expenditure**

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

### *Administration costs*

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

*Programme costs*

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

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

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

**1.10 Pensions**

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS). This is a defined benefit scheme and is unfunded and non-contributory except in respect of dependants' benefits. The CPS recognises the expected cost of providing pensions on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution scheme, the Department recognises the contributions payable for the year.

**1.11 Private Finance Initiative (PFI) Transactions***IT Infrastructure Managed Service and CMS Software*

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

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

The infrastructure asset has been recognised as property, plant and equipment, and has been capitalised at the minimum lease payments less the best estimate of the supplier's service charges within those payments. The valuation of the asset has been informed by data provided by the supplier including the estimated costs of technological refreshment or updating which is a condition of the contract and the asset is being depreciated over the life of the contract on a straight line basis.

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

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

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

### *Communications Managed Service*

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

This has been accounted for in accordance with IFRIC 12, Service Concession Arrangements, as required by the *FReM*. The infrastructure asset provided for use by the Department has been treated as property, plant and equipment, and has been capitalised at the minimum lease payments less the best estimate of the supplier's service charges within those payments, and the asset is being depreciated over the life of the contract on a straight line basis. The assets are not considered to have any residual value at the end of the primary lease period.

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

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

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

### **1.12 Provisions**

The Department provides for legal or constructive obligations, which are of uncertain timing or amount, at the date of the Statement of Financial Position on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the real rate set by HM Treasury, 2.8 per cent with effect from 31 March 2012.

### **1.13 Bad Debt Provision**

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

### **1.14 Contingent Liabilities**

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

- items over £250,000 (or lower, where required by specific statute) that do not arise in the normal course of business and which are reported to Parliament by departmental Minute prior to the Department entering into the arrangement; and
- all items (whether or not they arise in the normal course of business) over £250,000 (or lower, where required by specific statute or where material in the context of annual accounts), which are required by the *FReM* to be noted in the accounts.



### 1.15 Employee benefits

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

### 1.16 Value Added Tax

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

### 1.17 Accounting Standards and other FReM changes issued and effective in 2011-12 for the first time

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

#### *IAS 24 Related Party Disclosures (amendment)*

The FReM interpretation of IAS 24 clarifies the definition of a related party.

This is interpreted as the name of the person occupying the position of the permanent head of the Department, Keir Starmer QC, and the composition of the management board (including advisory and non-executive members) having authority or responsibility for directing or controlling the major activities of the CPS during the year. There are no advisory members of the CPS Board.

#### *Parliamentary Accountability*

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

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

The budgeting treatment results in £2,310k higher costs than the accounting treatment in 2011-12 due to timing differences in the treatment of PFI contracts, and an estimated £2,298k higher in 2012-13.

#### *Income and Expenditure*

The treatment of income in the Estimates has changed, whereby voted totals are net of income and the concept of 'appropriations-in-aid' no longer applies.

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

### 1.18 New or amended standards issued but not yet effective and not adopted early

#### *IAS 1 Presentation of financial statements (Other Comprehensive Income)*

Items of other comprehensive income are to be grouped on the basis of whether they might at some point be reclassified from other comprehensive income to profit, for example, cash flow hedges, or where they will not, for example, gains on property revaluation. CPS Other Comprehensive Net Expenditure comprises only net gains and losses on revaluation.

#### *IFRS 13 Fair Value Measurement*

IFRS 13 has been prepared to provide consistent guidance on fair value measurement for all relevant balances and transactions covered by IFRS (except where IFRS 13 explicitly states otherwise). The standard defines fair value, provides guidance on fair value measurement techniques and sets out the disclosure requirements. The standard requires fair value to be measured using the most reliable data and inputs available to determine the

exit price for an asset or liability. This exit price is taken to be the price that two market participants (a buyer and seller) would settle on. The application of IFRS 13 is subject to further review by HM Treasury and the other Relevant Authorities before due process consultation.

Currently, CPS restates Property, plant and equipment at fair value each year using indices published by the Office for National Statistics. Land and Buildings are restated at fair value using professional valuations every five years and by using indices supplied by IPD in the intervening years. Intangible assets, other than the case management software, are also restated to fair value each year using indices published by the Office for National Statistics. Trade receivables, other current assets, trade payables and other current liabilities are all initially recognised at fair value.

### **1.19 Areas of judgement and key sources of estimation uncertainty**

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

#### *Graduated Fees System (GFS) accruals*

The system for managing and paying counsel fees in Areas and Casework Divisions is complex and there is a lengthy chain between case initiation and fees payment which involves many individuals. This means that generating an accurate counsel fee accrual relies on data sent from a number of financial and non financial sources and calls on both judgement and a degree of skill.

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

The carrying amount of the GFS accrual at 31 March 2012 was £14.782 million.

#### *PFI liabilities*

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

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

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

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

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

The total obligations of the capitalised elements of the PFI contracts at 31 March 2012 was £83.987 million.

*Provisions**Allowance for Receivables – Cost Awards*

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

A number of these costs awarded may never be collected, for example when the individual is imprisoned, has left the country or has died. HMCTS writes off irrecoverable debts as and when they become apparent and informs the CPS of the amounts written off.

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

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

The carrying amount of the allowance for cost award receivables at 31 March 2012 was £19.651 million.

*Early retirements*

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

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

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

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

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

The carrying amount of the provision for early retirements at 31 March 2012 was £7.375 million.

*Other liabilities*

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

Dilapidation claims are provided for when a claim is made by a landlord or when it is anticipated that a claim will be forthcoming. The value of anticipated claims is estimated by the CPS by extrapolating from costs actually incurred on previously expired leases.

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

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

The carrying amount of other liabilities at 31 March 2012 was £8.937 million.

*Employee Benefits Accrual*

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

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

The carrying amount of the holiday pay accrual at 31 March 2012 was £5.101 million.

## 2. Net Outturn

### 2(a). Analysis of net resource outturn by section

2011 – 12									Restated 2010-11 Outturn
Outturn							Estimate		
Administration			Programme					Net Total compared to Estimate	Total
Gross	Income	Net	Gross	Income	Net				

Spending in Departmental Expenditure Limit

Voted:

#### A. Administration Costs in Headquarters and on Central Services

28,454	(487)	27,967	–	–	–	27,967	42,574	14,607	39,183
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#### B. Crown Prosecutions and Legal Services

–	–	–	621,086	(63,678)	557,408	557,408	569,066	11,658	586,240
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Annually Managed Expenditure:

Voted:

#### C. CPS Voted AME Charges (Note a)

–	–	–	5,702	–	5,702	5,702	7,593	1,891	(12,106)
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**Total**      **28,454**      **(487)**      **27,967**      **626,788**      **(63,678)**      **563,110**      **591,077**      **619,233**      **28,156**      **613,317**

**Note a** – Annually Managed Expenditure comprises the following items charged to the Statement of Comprehensive Net Expenditure; holiday pay accrual, new provisions for staff early departure costs and claims made against the CPS, cost awards written off and changes to bad debt provisions made during the year. AME is credited with the value of provisions utilised in the year for staff early departure costs and claims made against the CPS.

### 2(b). Analysis of net capital outturn by section

2011 – 12					Restated 2010-11 Outturn
Outturn			Estimate		
Gross	Income	Net	Net Total	Net Total compared to Estimate	Total

Spending in Departmental Expenditure Limit

Voted:

#### B. Crown Prosecutions and Legal Services

788	(737)	51	2,620	2,569	2,234
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**Total**      **788**      **(737)**      **51**      **2,620**      **2,569**      **2,234**

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

DEL Administration expenditure was £14.607 million below the Estimate. This was due to widespread reductions in most categories of spending in administration, especially staff salaries, information technology, accommodation, professional services, ex gratia payments, training and travel and subsistence.

DEL Programme expenditure was £11.658 million below the Estimate. This was due to reductions in advocates' fees, expert and ordinary witness fees, interpretation costs and court costs awarded against the CPS.

AME expenditure was £1.891 million below the Estimate due to write back and use of provisions in respect of early retirements and employment tribunal and personal injury cases.

DEL Capital expenditure was £2.569 million below the Estimate due to reductions in the CPS estate and disposal of assets with a carrying value of £0.737 million.

Detailed explanations of the variances are given in the Financial Review on pages 14 and 15.

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

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

			<b>2011-12</b>	<b>Restated</b>
			<b>£000</b>	<b>2010-11</b>
		<b>Note</b>	<b>Outturn</b>	<b>Outturn</b>
Total resource outturn in Statement of Parliamentary Supply	Budget	2a	591,077	613,317
	Non-budget		–	–
Add: PFI accounting treatment adjustment (Note a)			26,784	28,328
Less: Income payable to Consolidated Fund		5	–	(389)
PFI budgeting treatment adjustment (Note a)			(29,094)	(28,873)
Net Operating Costs in Statement of Comprehensive Net Expenditure			<u>588,767</u>	<u>612,383</u>

**Note a** – Under Clear Line of Sight, the budgeting and accounting treatment of PFI expenditure are different. PFI costs are included in the Statement of Parliamentary Supply on the basis of ESA 95 (the National Accounts basis), but are included in the Statement of Comprehensive Net Expenditure on an IFRS basis.

#### 3(b). Outturn against final Administration Budget and Administration net operating cost

			<b>2011-12</b>	<b>Restated</b>
			<b>£000</b>	<b>2010-11</b>
		<b>Note</b>		<b>£000</b>
Estimate – Administration costs limit		2a	42,574	48,003
Outturn – Gross Administration costs		2a	28,454	46,313
Outturn – Gross Income relating to Administration costs		2a	(487)	(7,130)
Outturn – Net Administration costs			<u>27,967</u>	<u>39,183</u>
Reconciliation to operating costs:				
Less: Holiday pay accrual classed as AME			(49)	(231)
Administration Net Operating Costs			<u>27,918</u>	<u>38,952</u>

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

			<b>2011-12</b>	<b>2010-11</b>
			<b>£000</b>	<b>£000</b>
		<b>Note</b>		
Net cash requirement			(576,859)	(630,437)
From the Consolidated Fund (Supply) – current year			592,112	619,581
Amounts due to the Consolidated Fund received in a prior year and paid over			(158)	(768)
Amounts due to the Consolidated Fund received and not paid over		16	389	158
Net increase/(decrease) in cash			<u>15,484</u>	<u>(11,466)</u>

## 5. Analysis of income payable to the Consolidated Fund

In addition to income retained by the Department, the following income relates to the Department and is payable to the Consolidated Fund (cash receipts being shown in italics).

	Outturn 2011-12 £000		Restated Outturn 2010-11 £000	
	Income	Receipts	Income	Receipts
Excess cash surrenderable to the Consolidated Fund (Note a)	–	389	389	–
Total income payable to the Consolidated Fund	–	389	389	–

**Note a** – Excess cash surrenderable to the Consolidated Fund comprises £389k excess Appropriation in Aid income recognised in 2010-11 and collected in 2011-12.

Under HM Treasury's Clear Line of Sight, the budgeting and Estimates treatment for some income streams has changed, permitting departments to retain income that might previously have been surrendered to the Consolidated Fund as a Consolidated Fund Extra Receipt (CFER). Income which is outside the ambit of the Estimate must be surrendered to the Consolidated Fund. The CPS retained all income streams in 2011-12. Refunds of overpayments and rebates are netted off expenditure and all other unexpected income, which is within the ambit of the Estimate, is treated as miscellaneous income.

## 6. Statement of Operating Costs by Operating Segment

Detailed segmental information is not reported to the Board. The Board receives financial performance reports which are not disaggregated, but which show the CPS as a single unit. As such, no segmental information is disclosed.

### 7(a). Staff numbers and related costs

Staff costs comprise:

	2011-12 £000		Restated 2010-11 £000	
	Permanently employed staff		Others	Total
Wages and salaries (Note a)	298,152	294,864	3,288	295,878
Social security costs	23,316	23,316	–	23,511
Other pension costs	52,860	52,860	–	55,989
<b>Sub Total</b>	<b>374,328</b>	<b>371,040</b>	<b>3,288</b>	<b>375,378</b>
Less recoveries in respect of outward secondments	(1,701)	(1,701)	–	(1,711)
<b>Total net costs</b>	<b>372,627</b>	<b>369,339</b>	<b>3,288</b>	<b>373,667</b>

£355.663 million of staff costs were attributed to programme expenditure (2010-11: £351.476 million).

**Note a** – In 2011-12, the cost of pension administration was reclassified as a non staff cost. The prior year has been restated on this basis.

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

For 2011-12, employers' contributions of £52,713,557 were payable to the PCSPS (2010-11: £55,787,885) at one of four rates in the range 16.7 to 24.3 per cent of pensionable pay, based on salary bands. The Scheme Actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2011-12 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a **partnership** pension account, a stakeholder pension with an employer contribution. Employers' contributions of £134,881 (2010-11: £186,795) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 3 to 12.5 per cent (2010-11: 3 to 12.5 per cent) of pensionable pay.

Employers also match employee contributions up to 3 per cent of pensionable pay. In addition, employer contributions of £11,896, 0.8 per cent (2010-11: £13,936, 0.8 per cent) of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Contributions due to the **partnership** pension providers at the balance sheet date were £12,096. Contributions prepaid at that date were £Nil.

9 individuals (2010-11: 16 individuals) retired early on ill health grounds; the total additional accrued pension liabilities in the year amounted to £91,551 (2010-11: £140,645).

### Average number of persons employed

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

	<b>Permanent</b>		<b>2011-12 Number</b>	<b>2010-11 Number</b>
	<b>Total</b>	<b>staff</b>	<b>Others</b>	<b>Total</b>
	7,464	7,394	70	8,094
Total	<b>7,464</b>	<b>7,394</b>	<b>70</b>	<b>8,094</b>

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

The figures shown are for 2011-12. Figures in brackets are for the prior year, 2010-11.

<b>Exit package cost band</b>	<b>Number of compulsory redundancies</b>		<b>Number of other departures agreed</b>		<b>Total number of exit packages by cost band</b>	
< £10,000	–	(–)	22	(2)	22	(2)
£10,000 – £25,000	–	(–)	125	(27)	125	(27)
£25,000 – £50,000	–	(–)	178	(32)	178	(32)
£50,000 – £100,000	–	(–)	106	(38)	106	(38)
£100,000 – £150,000	–	(–)	36	(18)	36	(18)
> £150,000	–	(–)	2	(9)	2	(9)
Total number of exit packages	–	(–)	469	(126)	469	(126)
Total resource cost 2011-12 (£'000)	–		20,711		20,711	
Total resource cost 2010-11 (£'000)	–		8,740		8,740	

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



**8. Other Administration Costs**

	<b>2011-12 £000</b>	<b>Restated 2010-11 £000</b>
<b>Rentals under operating leases:</b>		
Hire of office equipment	6	55
Other operating leases	788	3,747
	794	3,802
<b>Non cash items</b>		
Auditors' remuneration (Note a)	96	93
<b>Other expenditure</b>		
Other staff costs (Note b)	1,790	1,579
Consultancy and professional charges	1,563	3,140
Non PFI contract IT costs	946	1,331
Information Technology	816	626
Travel and subsistence	814	919
Training	638	1,341
Facilities management	528	1,713
Printing and stationery	346	889
Shared Services	340	–
File storage	223	253
Postage and carriage	177	505
Recruitment costs	173	108
Permanent transfer costs	137	163
Books, reports and newspapers	132	167
Communications	58	229
Accommodation and associated costs (Note c)	(118)	4,757
Other expenditure	287	565
	8,850	18,285
	<b>9,740</b>	<b>22,180</b>

**Note a** – There has been no auditors' remuneration for non-audit work. The audit fee comprises £96k for the audit of the CPS 2011-12 accounts. The audit fee for 2010-11 comprised £93k for the audit of the 2010-11 accounts.

**Note b** – In 2011-12, the cost of pension administration was re-classified as a non staff cost. The prior year has been restated on this basis.

**Note c** – During the year, the CPS received a £1.496 million rates refund due to an adjustment in the rateable value of Ludgate Hill, a property vacated by the CPS in May 2010. The refund was netted off accommodation expenditure.



**9. Programme Costs**

			<b>2011-12 £000</b>	<b>2010-11 £000</b>
	Note			
<b>Rentals under operating leases:</b>				
Hire of office equipment		1,169	370	
Other operating leases		22,654	21,593	
			23,823	21,963
<b>Interest Charges on imputed finance leases</b>			1,677	2,120
<b>PFI service charges</b>			18,294	17,833
<b>Non cash items</b>				
Depreciation	11	7,705	8,757	
Amortisation	12	3,935	4,108	
Loss on disposal of property, plant and equipment	11, 12	737	795	
Loss on revaluation of property, plant and equipment		181	1,793	
Change in bad debt provision		381	1,142	
<b>Provisions:</b>				
Provided in year	17	7,702	7,270	
Unrequired provision written back	17	(2,178)	(12,818)	
Borrowing costs on provisions	17	–	285	
			18,463	11,332
<b>Other expenditure</b>				
Advocate fees		111,041	134,195	
Information Technology		23,422	26,152	
Accommodation and associated costs		21,404	22,140	
Expert witness fees		6,722	6,328	
Non-expert witness expenses		5,889	6,385	
Printing and stationery		5,484	6,343	
Postage and carriage		5,252	5,574	
Costs awarded to the CPS written off	23	4,389	2,673	
Travel and subsistence		4,091	4,003	
Prosecution transcripts and translations		3,568	3,642	
Communications		3,536	2,723	
Prosecution presentational equipment		2,354	1,667	
Consultancy and professional charges		1,722	2,350	
Interpreters and translators		1,584	1,720	
Facilities Management		1,099	178	
File storage		867	947	
Permanent transfer costs		615	521	
Books, reports and newspapers		608	898	
Costs awarded against the CPS		385	1,548	
Training		346	447	
Other expenditure		2,229	3,485	
			206,607	233,919
			268,864	287,167
Less: programme income	10		(63,678)	(65,212)
			<b>205,186</b>	<b>221,955</b>

**10. Income**

	<b>2011-12 £000 Total</b>	<b>2010-11 £000 Total</b>
Administration income:		
Rental receivable from other departments	904	2,664
Rent netted-off gross expenditure	(904)	(2,664)
Rental receivable from external tenants	234	857
Reverse premium for vacation of property	–	5,722
Other	253	551
	<b>487</b>	<b>7,130</b>
Programme income:		
Costs awarded to the CPS	42,299	44,627
Recovered Assets Incentivisation Fund	14,905	14,718
Rental receivable from other departments	1,967	882
Rent netted-off gross expenditure	(1,967)	(882)
Rental receivable from external tenants	1,303	908
Income in respect of letting, disposal, vacation or occupation of property or accommodation	–	2
Local Criminal Justice Board and other secondments	1,517	55
Other	3,654	4,902
	<b>63,678</b>	<b>65,212</b>
<b>Total</b>	<b>64,165</b>	<b>72,342</b>

**11. Property, plant and equipment****2011-12**

	<b>Land £000</b>	<b>Buildings £000</b>	<b>Leasehold Improve- ments £000</b>	<b>Furniture and Fittings £000</b>	<b>Information Technology £000</b>	<b>Total £000</b>
<b>Cost or valuation</b>						
At 1 April 2011	1,003	3,934	5,816	35,037	36,397	82,187
Additions	–	–	–	778	10	788
Disposals	–	–	(944)	(6,509)	(135)	(7,588)
Revaluation	(46)	(182)	(18)	421	40	215
<b>At 31 March 2012</b>	<b>957</b>	<b>3,752</b>	<b>4,854</b>	<b>29,727</b>	<b>36,312</b>	<b>75,602</b>
<b>Depreciation</b>						
At 1 April 2011	–	53	2,648	19,346	23,909	45,956
Charged in year	–	50	677	3,603	3,375	7,705
Disposals	–	–	(715)	(6,011)	(125)	(6,851)
Revaluation	–	(2)	(9)	216	25	230
<b>At 31 March 2012</b>	<b>–</b>	<b>101</b>	<b>2,601</b>	<b>17,154</b>	<b>27,184</b>	<b>47,040</b>
<b>Carrying amount at 31 March 2011</b>	<b>1,003</b>	<b>3,881</b>	<b>3,168</b>	<b>15,691</b>	<b>12,488</b>	<b>36,231</b>
<b>Carrying amount at 31 March 2012</b>	<b>957</b>	<b>3,651</b>	<b>2,253</b>	<b>12,573</b>	<b>9,128</b>	<b>28,562</b>

**2011-12**

	Land £000	Buildings £000	Leasehold Improve- ments £000	Furniture and Fittings £000	Information Technology £000	Total £000
<b>Asset financing:</b>						
Owned	957	3,651	2,253	12,573	402	19,836
Finance Leased	–	–	–	–	–	–
On-balance sheet PFI contracts	–	–	–	–	8,726	8,726
<b>Carrying amount at 31 March 2012</b>	<b>957</b>	<b>3,651</b>	<b>2,253</b>	<b>12,573</b>	<b>9,128</b>	<b>28,562</b>

**2010-11**

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

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

	Note	2011-12 £000	2010-11 £000
Additions of property, plant and equipment	10	788	3,908
Additions of intangible assets	11	–	41
Accruals adjustment		–	(881)
Movement in capital creditors		(109)	104
Movement in capital accruals		516	1,245
Less: Proceeds of disposal		(1)	–
Less: additions of PFI contract assets		–	(37)
<b>Net cash outflow from investing activities</b>		<b>1,194</b>	<b>4,380</b>

Freehold land and buildings were valued at 31 December 2009 at £4,975,000 on the basis of existing use value by an independent firm of Chartered Surveyors, DTZ. The registered office is 125 Old Broad Street, London, EC2N 2BQ. The valuations were undertaken in accordance with the UK Practice Statement 1.3 of the Royal Institution of Chartered Surveyors (RICS) Appraisal and Valuation Standards published 1 May 2003. At 31 March 2012 land and buildings were further revalued using indices calculated by the Investment Property Databank and are consistent with those used in previous years. The Accounting Officer is not aware of any material changes in the carrying value of freehold land and buildings.

Other property, plant and equipment are revalued using the Producer Price indices published by the Office for National Statistics on 15 March 2012.

The majority of IT assets in use in the business are held under a PFI contract as detailed in Notes 1.11 and 21.

## 12. Intangible assets

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

Software licences were revalued using the Services Producer Price indices published by the Office for National Statistics on 22 February 2012.

CMS is the CPS case management system and the intangible asset is the system software. As at 31 March the carrying amount of the asset was £11.714 million and the asset's remaining amortisation period was three years. The CMS is stated at cost less accumulated amortisation, as detailed in Notes 1.11 and 21.

### 2011-12

	<b>CMS £000</b>	<b>Software Licences £000</b>	<b>Total £000</b>
<b>Cost or valuation</b>			
At 1 April 2011	55,598	92	55,690
Additions	–	–	–
Disposals	–	(51)	(51)
Revaluation	–	1	1
<b>At 31 March 2012</b>	<b>55,598</b>	<b>42</b>	<b>55,640</b>
<b>Amortisation</b>			
At 1 April 2011	39,979	35	40,014
Charged in year	3,905	30	3,935
Disposals	–	(51)	(51)
Revaluation	–	–	–
<b>At 31 March 2012</b>	<b>43,884</b>	<b>14</b>	<b>43,898</b>
<b>Carrying amount at 31 March 2011</b>	<b>15,619</b>	<b>57</b>	<b>15,676</b>
<b>Carrying amount at 31 March 2012</b>	<b>11,714</b>	<b>28</b>	<b>11,742</b>
<b>Asset financing:</b>			
Owned	–	28	28
Finance Leased	–	–	–
On-balance sheet PFI contracts	11,714	–	11,714
<b>Carrying amount at 31 March 2012</b>	<b>11,714</b>	<b>28</b>	<b>11,742</b>

**2010-11**

	<b>CMS £000</b>	<b>Software Licences £000</b>	<b>Total £000</b>
<b>Cost or valuation</b>			
At 1 April 2010	55,598	1,092	56,690
Additions	–	41	41
Disposals	–	(909)	(909)
Revaluation	–	(132)	(132)
<b>At 31 March 2011</b>	<b>55,598</b>	<b>92</b>	<b>56,690</b>
<b>Amortisation</b>			
At 1 April 2010	36,075	854	36,929
Charged in year	3,904	204	4,108
Disposals	–	(909)	(909)
Revaluation	–	(114)	(114)
<b>At 31 March 2011</b>	<b>39,979</b>	<b>35</b>	<b>40,014</b>
<b>Carrying amount at 31 March 2010</b>	<b>19,523</b>	<b>238</b>	<b>19,761</b>
<b>Carrying amount at 31 March 2011</b>	<b>15,619</b>	<b>57</b>	<b>15,676</b>
<b>Asset financing:</b>			
Owned	–	238	238
Finance Leased	–	–	–
On-balance sheet PFI contracts	19,523	–	19,523
<b>Carrying amount at 31 March 2011</b>	<b>19,523</b>	<b>238</b>	<b>19,761</b>

**13. Financial Instruments**

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

*Liquidity risk*

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

*Interest rate and foreign currency risk*

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

*Credit risk*

The Department does not consider that any credit risk arises from trading with other government departments. In trading with commercial concerns, the Department undertakes regular investigation of creditworthiness and employs robust systems to ensure that monies due are collected on time.

As stated in Note 1.8, the CPS receives awards of costs made against convicted defendants at the discretion of the judge or magistrates.

Magistrates' courts are responsible for recording, enforcing and collecting these costs and forwarding collected monies to the CPS. As a result, the Department is not in a position to perform any checks on creditworthiness in advance, and has to rely on systems employed at magistrates' courts to ensure overdue balances are minimised and collected. There remains a significant risk that balances will not be collected in full and on time, and therefore bad debts are provided for on the basis of the historical relationship between costs awarded and cash collected.

As a result the Department considers that credit risk in respect of cost award debtors is adequately provided against.

#### *Fair values*

The following statement is a comparison by category of original cost and fair values of the Department's financial assets and liabilities at 31 March 2012.

	2011-12 £000		2010-11 £000		
	Original cost	Fair value	Original cost	Fair value	Basis of fair valuation
<b>Financial assets:</b>					
Loans and receivables	66,263	46,612	69,422	50,152	Note a
Cash at bank and in hand	28,590	28,590	13,106	13,106	
	<b>94,853</b>	<b>75,202</b>	<b>82,528</b>	<b>63,258</b>	
<b>Financial liabilities:</b>					
Other financial liabilities	(86,563)	(86,563)	(89,034)	(89,034)	
	<b>(86,563)</b>	<b>(86,563)</b>	<b>(89,034)</b>	<b>(89,034)</b>	

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

**14. Trade receivables and other current assets**

	<b>2011-12 £000</b>	<b>2010-11 £000</b>
<b>Amounts falling due within one year:</b>		
VAT (Note a)	1,989	–
Trade receivables (Note b)	51,029	50,684
Doubtful debt provision (Note c)	(19,651)	(19,270)
Deposits and advances	512	492
Other receivables	919	600
Prepayments	7,468	8,676
Accrued income (Note d)	13,740	17,646
	<b>56,006</b>	<b>58,828</b>
<b>Amounts falling due after more than one year:</b>		
Trade receivables	63	–
Prepayments	6	19
	<b>56,075</b>	<b>58,847</b>

**Note a** – From 1 April 2011, the CPS reclaimed VAT under HM Treasury's "Contracting-Out Direction". This provision allows Government departments to recover VAT on certain services contracted out to the private sector, specified in the Direction.

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

**Note c** – The CPS provides against the risk of default on payment of costs awarded against convicted defendants, £19.651 million (2010-11: £19.053 million) and against default on payment of rental income by sub tenants in buildings occupied by the CPS, £Nil (2010-11: £217k).

**Note d** – Included within accrued income is £Nil (2010-11: 389k) representing excess Appropriations in Aid that will be due to the Consolidated Fund once the debts are collected.

**14(a). Intra-Government Balances**

	<b>Amounts falling due within one year £000</b>		<b>Amounts falling due after more than one year £000</b>	
	<b>2011-12</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2010-11</b>
Balances with other central government bodies	6,877	7,714	–	–
Balances with local authorities	43	159	–	–
Balances with NHS bodies	–	–	–	–
Balances with public corporations and trading funds	4	3	–	–
Subtotal: intra-government balances	6,924	7,876	–	–
Balances with bodies external to government	49,082	50,952	69	19
<b>Total receivables at 31 March</b>	<b>56,006</b>	<b>58,828</b>	<b>69</b>	<b>19</b>

**15. Cash and cash equivalents**

	<b>2011-12</b>	<b>2010-11</b>
	<b>£000</b>	<b>£000</b>
Balance at 1 April	13,106	24,572
Net change in cash and cash equivalent balances	15,484	(11,466)
<b>Balance at 31 March</b>	<b>28,590</b>	<b>13,106</b>
The following balances at 31 March were held at:		
Government Banking Service	28,589	13,105
Commercial banks and cash in hand	1	1
<b>Balance at 31 March</b>	<b>28,590</b>	<b>13,106</b>

**16. Trade payables and other current liabilities**

	<b>Note</b>	<b>2011-12</b>	<b>2010-11</b>
		<b>£000</b>	<b>£000</b>
<b>Amounts falling due within one year:</b>			
VAT		–	111
Other taxation and social security		7,998	7,830
Trade payables		9,713	11,523
Other payables		5,014	5,334
Accruals and deferred income		46,906	38,549
Current part of imputed finance lease element of on balance sheet (SoFP) PFI contracts		9,721	9,366
		79,352	72,713
Amounts issued from the Consolidated Fund for supply but not spent at year end		28,202	12,948
Amounts payable to the Consolidated Fund received	4	389	158
receivable		–	389
		<b>107,943</b>	<b>86,208</b>
<b>Amounts falling due after more than one year:</b>			
Imputed finance lease element of on balance sheet (SoFP) PFI contracts		20,223	29,596
		<b>128,166</b>	<b>115,804</b>

**16(a). Intra-Government Balances**

	<b>Amounts falling due within one year</b>		<b>Amounts falling due after more than one year</b>	
	<b>£000</b>		<b>£000</b>	
	<b>2011-12</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2010-11</b>
Balances with other central government bodies	42,935	26,901	–	–
Balances with local authorities	1,990	140	–	–
Balances with NHS bodies	–	–	–	–
Balances with public corporations and trading funds	–	1	–	–
Subtotal: intra-government balances	44,925	27,042	–	–
Balances with bodies external to government	63,018	59,166	20,223	29,596
<b>Total payables at 31 March</b>	<b>107,943</b>	<b>86,208</b>	<b>20,223</b>	<b>29,596</b>



**17. Provisions for liabilities and charges**

	<b>Early departure costs</b>	<b>Other</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balance at 1 April 2011	10,798	5,121	15,919
Provided in the year	186	7,516	7,702
Provisions not required written back	(315)	(1,863)	(2,178)
Provisions utilised in the year	(3,294)	(1,837)	(5,131)
Borrowing costs	–	–	–
<b>Balance at 31 March 2012 (Note a)</b>	<b>7,375</b>	<b>8,937</b>	<b>16,312</b>
Balance at 1 April 2010	24,830	4,089	28,919
Provided in the year	3,655	3,615	7,270
Provisions not required written back	(11,320)	(1,498)	(12,818)
Provisions utilised in the year	(6,652)	(1,085)	(7,737)
Borrowing costs	285	–	285
<b>Balance at 31 March 2011</b>	<b>10,798</b>	<b>5,121</b>	<b>15,919</b>
<i>Analysis of expected timing of discounted flows 2011-12</i>			
Not later than one year	2,250	3,167	5,417
Later than one year and not later than five years	4,507	3,838	8,345
Later than five years	618	1,932	2,550
<b>Balance at 31 March 2012</b>	<b>7,375</b>	<b>8,937</b>	<b>16,312</b>
<i>Analysis of expected timing of discounted flows 2010-11</i>			
Not later than one year	3,328	4,482	7,810
Later than one year and not later than five years	6,145	639	6,784
Later than five years	1,325	–	1,325
<b>Balance at 31 March 2011</b>	<b>10,798</b>	<b>5,121</b>	<b>15,919</b>

**Note a** – The balance comprises £5.417 million current liabilities and £10.895 million non current liabilities.

*Early departure costs*

The CPS meets the additional costs of benefits beyond the normal PCSPS benefits in respect of employees who retire early by paying the required amounts annually to the PCSPS over the period between early departure and normal retirement date. The CPS provides for this in full when the early retirement programme becomes binding on the CPS by establishing a provision for the estimated payments discounted by the HM Treasury discount rate of 2.8 (2010-11: 2.9) per cent in real terms with effect from 31 March 2012.

*Other provisions*

Other provisions comprise outstanding compensation claims for personal injury, employment tribunal, civil legal claims and dilapidation claims served by landlords at the expiry of a lease on a property occupied by the CPS. In respect of compensation claims, provision has been made for the litigation against the Department. The provision reflects all known legal claims where legal advice indicates that it is more than 50 per cent probable that the claim will be successful and the amount of the claim can be reliably estimated. Expenditure on employment tribunal claims is likely to be incurred within one year and on personal injury claims within two years. Dilapidations claims are analysed as payable within one year, between two and five years and later than five years. Legal claims which may succeed but are less likely to do so or cannot be estimated are disclosed as contingent liabilities in Note 22. A provision is made against all anticipated dilapidation claims at a rate per square metre which reflects actual dilapidations discounted to reflect the time value of money. Other provisions are assessed quarterly. The balances for “provided in year” and “written back” therefore reflect the quarterly movements in provision.

**18. Capital commitments**

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

	<b>2011-12</b>	<b>2010-11</b>
	<b>£000</b>	<b>£000</b>
Property, plant and equipment	57	283

**19. Commitments under leases***Operating Leases*

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

**Obligations under operating leases for the following periods comprise:**

	<b>2011-12</b>	<b>2010-11</b>
	<b>£000</b>	<b>£000</b>
<b>Land</b>		
Not later than one year	48	48
Later than one year and not later than five years	192	192
Later than five years	56	104
	<u>296</u>	<u>344</u>
<b>Buildings</b>		
Not later than one year	21,586	23,763
Later than one year and not later than five years	64,969	68,402
Later than five years	35,840	48,657
	<u>122,395</u>	<u>140,822</u>
<b>Other</b>		
Not later than one year	49	75
Later than one year and not later than five years	52	69
Later than five years	–	–
	<u>101</u>	<u>144</u>

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

The total future minimum sublease payments expected to be received under non-cancellable subleases as at 31 March 2012 is £3.896 million (2010-11: £8.122 million).

## 20. Commitments under PFI contracts

The Department has entered into two PFI contracts.

### *Information Technology (IT) managed service*

The Department's IT service is provided through a managed service contract which was originally for a term of 10 years from 1 April 2002 with an option to extend. During 2009-10 the Department exercised its option and the contract now runs until 31 March 2015. The extension has included some renegotiation of terms, but none that materially affect the service concession arrangements.

### *Communications managed service*

The Department's communications are provided through a managed service contract which was originally for a term of 6 years from 1 April 2006, with an option to extend. During 2009-10 the Department exercised its option and the contract now runs until 31 March 2015. The extension has included some renegotiation of terms, but none that materially affect the service concession arrangements.

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

The imputed finance lease obligation is as follows:

*Total obligations under on-balance sheet (SoFP) PFI contracts for the following periods comprise:*

	<b>2011-12</b>	<b>2010-11</b>
	<b>£000</b>	<b>£000</b>
Not later than one year	28,964	28,990
Later than one year and not later than five years	55,023	81,147
Later than five years	–	–
	<b>83,987</b>	<b>110,137</b>
<i>Less interest element</i>	<i>(2,276)</i>	<i>(3,899)</i>
<b>Present value of obligations</b>	<b>81,711</b>	<b>106,238</b>

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

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

The contracts covering these managed services allow for a number of improvements and enhancements to systems over the lifetime of the projects. As such changes are successfully introduced there may be increases in the charges levied by the Service Providers.

These increases will only be recognised in the accounts once the relevant changes have been properly tested and fully accepted as fit for purpose by the CPS.

## 21. Other financial commitments

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

	<b>2011-12</b>	<b>2010-11</b>
	<b>£000</b>	<b>£000</b>
Not later than one year	471	518
Later than one year and not later than five years	383	532
Later than five years	–	–
	<b>854</b>	<b>1,050</b>

## 22. Contingent Liabilities

### 22(a). Contingent Liabilities disclosed under IAS 37

As at 31 March 2012 the CPS was involved in 10 personal injury claims. Eight claims may result in settlements totalling £249,550. It is not possible to estimate the value of the remaining two claims. The CPS was also involved in 20 Employment Tribunal cases. Two cases have subsequently been dismissed and a further two cases have been withdrawn by the claimant. Of the remaining 16 cases, 11 cases may result in settlements totalling £155,000. It is not possible to estimate the value of the remaining five cases.

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

### 22(b). Contingent Liabilities reported to Parliament in accordance with Annex 5.5 of Managing Public Money

There were no such contingent liabilities as at 31 March 2012 (2010-11: £Nil).

## 23. Losses and special payments

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

	2011-12		2010-11	
	Number of cases	£000	Number of cases	£000
<b>23(a) Losses Statement</b>				
Cash losses	29	21	63	43
Administrative write offs	59,609	4,389	49,456	2,673
Losses of accountable stores	–	–	1	18
Fruitless payments	1	7	–	–
Claims waived or abandoned	1	112	–	–
<b>23(b) Special Payments</b>				
Ex gratia	29	764	46	1,464
<b>Total of losses</b>	<b>59,669</b>	<b>5,293</b>	<b>49,566</b>	<b>4,198</b>

Cash losses are overpayments of pay and allowances paid to CPS staff and to suppliers which have not been recovered because it is not cost effective to pursue recovery. Cash losses include £10k of outstanding rent due from a subtenant. This amount was written off as part of a repayment agreement to recover the outstanding overdue balance of £111k.

Administrative write offs are cases relating to costs awarded to the CPS which the magistrates' courts are responsible for collecting. Between 1 April 2011 and 31 March 2012 the magistrates' courts wrote off 59,609 cases with a value of £4.389 million under their delegated powers.

A fruitless payment was made to a supplier for printed stationery stock which became obsolete due to digital working.

A claim to recover a payment from a subtenant for property repairs was abandoned on legal advice.

Ex gratia payments reported are payments made in settlement of Employment Tribunal, personal injury and other civil litigation claims made against the Department. Included within ex gratia payments are 12 payments the CPS had provided for (see note 17).

### Details of cases over £250,000

Included in ex gratia payments is a payment of £290k which was made in respect of a personal injury claim.

## 24. Related-party transactions

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

In response to the recommendations of the Glidewell review in a number of locations the CPS and the Police have combined the administration of case files through the co-location of Criminal Justice Units.

More recently Integrated Prosecution Teams (IPTs) now merge the Police and CPS teams together to manage an integrated single file and administrative process. By reducing duplication, IPTs deliver significant efficiencies and improvements in the criminal justice service, including timeliness, quality and readiness of files for court.

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

The declarations advised no material transactions had taken place.

## 25. Third-party assets

There are no third-party assets as at 31 March 2012 (2010-11: £Nil).

## 26. Events after the reporting period

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

Extensions to two of the contracts disclosed in Note 21 were signed after 31 March 2012, one for the Department's finance system and one for the Department's HR system. Below is Note 21 revised, detailing the payments to which the Department is committed during the year following the year of these accounts, analysed by the period during which the commitment expires.

	<b>2011-12</b>	<b>2010-11</b>
	<b>£000</b>	<b>£000</b>
Not later than one year	1,085	518
Later than one year and not later than five years	877	532
Later than five years	–	–
	<u>1,962</u>	<u>1,050</u>

From 1 April 2012 the prosecution functions of the Department for Work and Pensions and the Department of Health were assigned to the CPS.

## Departmental Remuneration Report

### *Remuneration Policy*

The Remuneration Committee comprises:

Keir Starmer QC	(Director of Public Prosecutions)
Peter Lewis	(Chief Executive)
Mark Summerfield	(Director of HR)

There are no independent members of the Committee.

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

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

In reaching its recommendations, the Review Body is required to have regard to the following considerations:

- the need to recruit, retain and motivate suitably able and qualified people to exercise their different responsibilities;
- regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- Government policies for improving the public services including the requirement on departments to meet the output targets for the delivery of departmental services;
- the funds available to departments as set out in the Government's departmental expenditure limits; and
- the Government's inflation target.

The Review Body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations.

Further information about the work of the Review Body can be found at [www.ome.uk.com](http://www.ome.uk.com).

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

Following Cabinet Office advice, a pay freeze applied to SCS staff in 2010-11, so no increase was paid in relation to base pay for either the cost of living or performance. The pay freeze is still in operation in 2011-12 and therefore the same arrangements apply.

In respect of the awarding of non-consolidated performance related pay, a scheme operated in 2011-12, authorised by the Cabinet Office. A performance related payment averaging 5 per cent of the total eligible SCS pay bill is available to the top 25 per cent of eligible staff. Performance related payments will be in the region of 10 per cent of pay.

### *Service Contracts*

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

Further information about the work of the Civil Service Commission can be found at [www.civilservicecommission.org.uk](http://www.civilservicecommission.org.uk).

The contract for the DPP, Keir Starmer QC, covers a period of five years from 1 November 2008 to 31 October 2013. The Director of the Central Fraud Group, David Green QC, was on a fixed term contract, which ended on 8 April 2011 when he left the CPS.

With the exception of Non-executive Directors, all other officials covered by this report hold appointments which are open-ended.

Notice periods are set according to guidance provided by the Cabinet Office.

Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

#### *Non-executive Directors*

All the Non-executive Directors have fixed term contracts covering a period of three years as follows:

Rob Sykes	31 March 2009 to 31 March 2012
Doreen Langston	15 June 2009 to 14 June 2012
Derek Manuel	6 July 2011 to 5 July 2014
Alan Jenkins	6 July 2011 to 5 July 2014

Either party may terminate the contract for any reason before the expiry of the fixed period by providing one month's written notice. If the appointment is terminated early by mutual consent no notice will be given by the CPS. No compensation is payable to Non-executive Directors for early termination of their contract.

#### *Salary Entitlements*

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

#### Remuneration (audited)

Officials	2011-12			Restated 2010-11		
	Salary £'000	Bonus Payments £'000	Benefits in kind (to nearest £100)	Salary £'000	Bonus Payments £'000	Benefits in kind (to nearest £100)
Keir Starmer QC <i>Director of Public Prosecutions</i>	195 – 200	–	Nil	195 – 200	–	Nil
Peter Lewis <i>Chief Executive</i>	160 – 165	15 – 20	Nil	160 – 165	–	Nil
Paul Staff <i>Director Finance</i>	90 – 95	10 – 15	Nil	90 – 95	5 – 10	Nil
David Green QC (a) <i>Director Central Fraud Group</i> <i>(to 8 April 2011)</i>	0 – 5 (fye 210 – 215)	–	Nil	210 – 215	–	Nil
Mike Kennedy <i>Chief Operating Officer</i>	145 – 150	–	Nil	145 – 150	5 – 10	Nil
Rob Sykes (b) <i>Non-executive Director</i>	10 – 15	–	1,000	10 – 15	–	600
Doreen Langston (b) <i>Non-executive Director</i>	10 – 15	–	400	10 – 15	–	300
Derek Manuel (b) <i>Non-executive Director</i> <i>(from 6 July 2011)</i>	5 – 10 (fye 10 – 15)	–	200	–	–	–
Alan Jenkins (b) <i>Non-executive Director</i> <i>(from 6 July 2011)</i>	5 – 10 (fye 10 – 15)	–	Nil	–	–	–
Band of highest paid Director's total remuneration (£'000)		290 – 295			210 – 215	
Median total remuneration		29,648			28,321	
Ratio		9.9:1			7.5:1	

fye = full year equivalent salary

- a) David Green QC left under Voluntary Exit terms on 8 April 2011. He received a compensation payment of £75 – 80k, compensation in lieu of notice of £65 – 70k and a payment for untaken annual leave of £5 – 10k.
- b) Non-executive Directors are paid £13,044 per annum. Expenses are paid to all Non-executive Directors. Where the expense is for home to office travel, this is assessed by HM Revenue & Customs as constituting a benefit in kind. The tax and National Insurance contributions due on the benefits in kind are paid by the CPS.

### *Salary*

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances; and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by the Department and thus recorded in these accounts.

### *Benefits in kind*

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

### *Bonuses*

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2011-12 relate to performance in 2010-11 and the comparative bonuses reported for 2010-11 relate to performance in 2009-10.

### *Pay Multiples*

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in the Crown Prosecution Service in the financial year 2011-12 was £290 – 295k (2010-11: £210 – 215k). This was 9.9 times (2010-11: 7.5) the median remuneration of the workforce, which was £29,648 (2010-11: £28,321). The banded remuneration of the Director of Public Prosecutions in the financial year 2011-12 was £195–200k (2010-11: £200-205k). This was 6.7 times (2010-11: 7.2) the median remuneration of the workforce, which was £29,648 (2010-11: £28,321).

In 2011-12, no (2010-11: no) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £14 to £295k (2010-11: £14 – £215k).

Following the reduction in budgets as a result of the Spending Review, the median increased in part due to the workforce structure, payment of contractual pay progression increases and payment of the statutory minimum increase. The majority of CPS employees have not received a pay increase in 2011-12.

The highest paid salary for 2011-12 includes the compensation payment detailed at Note (a). The salary element of £210 – 215k did not increase from 2010-11.

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

### *Pension Benefits*

#### *Civil Service Pensions*

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

Employee contributions are set at the rate of 1.5% of pensionable earnings for **classic** and 3.5% for **premium**, **classic plus** and **nuvos**. Increases to employee contributions will apply from 1 April 2012. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' initial pension is payable on retirement. For **premium**, benefits accrue at the rate of



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

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

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

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

#### Cash Equivalent Transfer Values

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

Pension benefits (audited):

Officials	Accrued pension at pension age as at 31 March 2012 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31 March 2012	CETV at 31 March 2011 (a)	Real increase in CETV
	£000	£000	£000	£000	£000
Keir Starmer QC <i>Director of Public Prosecutions</i>	pension 15 – 20 lump sum 35 – 40	pension 2.5 – 5 lump sum 20 – 22.5	216	135	77
Peter Lewis <i>Chief Executive</i>	pension 70 – 75 lump sum 210 – 215	no increase no increase	1,408	1,325	no increase
Paul Staff <i>Director Finance</i>	pension 40 – 45 lump sum 125 – 130	no increase no increase	877	819	no increase
David Green QC <i>Director Central Fraud Group (to 8 April 2011)</i>	pension 10 – 15 no lump sum	pension 0 – 2.5 no lump sum	248	235	13
Mike Kennedy <i>Chief Operating Officer</i>	pension 50 – 55 lump sum 160 – 165	no increase no increase	1,144	1,072	no increase

(a) The actuarial factors used to calculate CETVs were changed in 2011-12. The CETVs at 31 March 2011 and 31 March 2012 have both been calculated using new factors for consistency. The CETV at 31 March 2011 therefore differs from the corresponding figure in last year's report which was calculated using the previous factors.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do

not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

*Real increase in CETV*

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

*Pension for the Director of Public Prosecutions*

*Keir Starmer QC*

Pension benefits are provided through a pension scheme which has the DPP as its only member. The Scheme is unfunded and the cost of benefits will be met by monies voted by Parliament each year. The pension will be increased annually in the same way as other public service pensions. The pension scheme provides benefits which broadly match the benefits provided under the Judicial Pension Scheme.



Keir Starmer QC  
Accounting Officer

22 June 2012

## Annex A – Code for Crown Prosecutors

### Introduction

- 1.1 The Crown Prosecution Service (CPS) is the principal public prosecution service for England and Wales. In January 2010, it merged with the Revenue and Customs Prosecutions Office (RCPO). The service is headed by the Director of Public Prosecutions (DPP) who is also the Director of Revenue and Customs Prosecutions. The DPP exercises his functions independently, subject to the superintendence of the Attorney General who is accountable to Parliament for the work of the prosecution service.
- 1.2 The DPP is responsible for issuing the Code for Crown Prosecutors (the Code) under section 10 of the Prosecution of Offences Act 1985. The Code gives guidance to prosecutors on the general principles to be applied when making decisions about prosecutions. This is the sixth edition of the Code and replaces all earlier versions.
- 1.3 In this Code, the term “prosecutors” is used to describe members of the prosecution service who are designated as Crown Prosecutors; prosecutors who are members of the RCPO; Associate Prosecutors who are designated under section 7A of the Prosecution of Offences Act 1985 and who exercise their powers in accordance with the instructions issued by the DPP; and other members of the RCPO who are designated by the DPP in his capacity as the Director of the Revenue and Customs Prosecutions under section 39 of the Commissioners for Revenue and Customs Act 2005.
- 1.4 In this Code, the expression “police or other investigators” is used to describe members of all those investigative agencies, including the Serious Organised Crime Agency and the UK Border Agency, who prepare and present cases to the prosecution service.
- 1.5 Although the prosecution service works closely with the police and other investigators, it is independent of them. The independence of prosecutors is of fundamental constitutional importance.
- 1.6 The prosecution service co-operates with the investigating and prosecuting agencies of other jurisdictions to facilitate enquiries and prosecutions both in England and Wales and abroad.
- 1.7 In accordance with section 36(2) of the Commissioners for Revenue and Customs Act 2005, prosecutors from the RCPO who are acting in that capacity must have regard to the Code for Crown Prosecutors issued by the DPP.
- 1.8 In this Code, the term “suspect” is used to describe a person who is not yet the subject of formal criminal proceedings; the term “defendant” is used to describe a person who has been charged or summonsed; and the term “offender” is used to describe a person who has admitted his or her guilt to a police officer or other investigator or prosecutor, or who has been found guilty in a court of law.
- 1.9 The Code is one of two key published and publicly available documents that explain the purpose and work of the prosecution service. The second is the Core Quality Standards booklet. Only the Code is issued by law.
- 1.10 Together, they let the public know what prosecutors do; how they take their decisions; and the level of service that the prosecution service is committed to providing in every key aspect of its work.
- 1.11 The Code and the Core Quality Standards booklet are available from the contact points listed on the back cover of this booklet.

### General Principles

- 2.1 The decision to prosecute or to offer an individual an out-of-court disposal is a serious step. Fair and effective prosecution is essential to the maintenance of law and order. It is the duty of prosecutors to make sure that the right person is prosecuted for the right offence and to bring offenders to justice wherever possible. Casework decisions taken fairly, impartially and with integrity help to deliver justice for victims, witnesses, defendants and the public.
- 2.2 It is the duty of prosecutors to review, to advise on and to prosecute cases or to offer an appropriate out-of-court disposal to the offender. Prosecutors must ensure that the law is properly applied; that all relevant evidence is put before the court; and that obligations of disclosure are complied with, in accordance with the principles set out in this Code.

- 2.3 Although each case must be considered on its own facts and on its own merits, there are general principles that apply to the way in which prosecutors must approach every case.
- 2.4 Prosecutors must be fair, independent and objective. They must not let any personal views about the ethnic or national origin, gender, disability, age, religion or belief, political views, sexual orientation, or gender identity of the suspect, victim or any witness influence their decisions. Neither must prosecutors be affected by improper or undue pressure from any source. Prosecutors must always act in the interests of justice and not solely for the purpose of obtaining a conviction.
- 2.5 The prosecution service is a public authority for the purposes of current, relevant equality legislation. Prosecutors are bound by the duties set out in this legislation.
- 2.6 The prosecution service is also a public authority for the purposes of the Human Rights Act 1998. Prosecutors must apply the principles of the European Convention on Human Rights, in accordance with the Human Rights Act, at each stage of a case. Prosecutors must also comply with any guidelines issued by the Attorney General and with the policies of the prosecution service issued on behalf of the DPP. They must also comply with the Criminal Procedure Rules currently in force.

### The Decision Whether to Prosecute

- 3.1 In more serious or complex cases, prosecutors decide whether a person should be charged with a criminal offence, and, if so, what that offence should be. They make their decisions in accordance with this Code and the DPP's Guidance on Charging. The police apply the same principles in deciding whether to charge or summons a person in those cases for which they are responsible.
- 3.2 The police and other investigators are responsible for conducting enquiries into an allegation that a crime may have been committed. Every case that prosecutors receive from the police or other investigators is reviewed. Prosecutors must ensure that they have all the information they need to make an informed decision about how best to deal with the case. This will often involve prosecutors providing guidance and advice to the police and other investigators about lines of inquiry, evidential requirements, and assistance in any pre-charge procedures throughout the investigative and prosecuting process. However, prosecutors cannot direct the police or other investigators.
- 3.3 Prosecutors should identify and, where possible, seek to rectify evidential weaknesses, but, subject to the Threshold Test (see section 5), they should swiftly stop cases which do not meet the evidential stage of the Full Code Test (see section 4) and which cannot be strengthened by further investigation, or where the public interest clearly does not require a prosecution (see section 4). Although the prosecutor primarily considers the evidence and information supplied by the police and other investigators, the suspect or those acting on his or her behalf may also submit evidence or information to the prosecutor via the police or other investigators, prior to charge, to help to inform the prosecutor's decision.
- 3.4 Prosecutors must only start or continue a prosecution when the case has passed both stages of the Full Code Test (see section 4). The exception is when the Threshold Test (see section 5) may be applied where it is proposed to apply to the court to keep the suspect in custody after charge, and the evidence required to apply the Full Code Test is not yet available.
- 3.5 Prosecutors must make sure that they do not allow a prosecution to start or continue where to do so would be seen by the courts as oppressive or unfair so as to amount to an abuse of the process of the court.
- 3.6 Review is a continuing process and prosecutors must take account of any change in circumstances that occurs as the case develops. Wherever possible, they should talk to the investigator first if they are thinking about changing the charges or stopping the case. Prosecutors and investigators work closely together, but the final responsibility for the decision whether or not a case should go ahead rests with the prosecution service.
- 3.7 Parliament has decided that a limited number of very serious or sensitive offences should only be taken to court with the agreement of the DPP. These are called "consent" cases. In such cases, the DPP or prosecutors acting on his behalf apply the Code in deciding whether to give consent to a prosecution.

## The Full Code Test

- 4.1 The Full Code Test has two stages: (i) the evidential stage; followed by (ii) the public interest stage.
- 4.2 In the vast majority of cases, prosecutors should only decide whether to prosecute after the investigation has been completed and after all the available evidence has been reviewed. However, there will be cases where it is clear, prior to the collection and consideration of all the likely evidence, that the public interest does not require a prosecution. In these rare instances, prosecutors may decide that the case should not proceed further.
- 4.3 Prosecutors should only take such a decision when they are satisfied that the broad extent of the criminality has been determined and that they are able to make a fully informed assessment of the public interest. If prosecutors do not have sufficient information to take such a decision, the investigation should proceed and a decision taken later in accordance with the Full Code Test set out in this section.
- 4.4 Prosecutors must follow any guidance issued by the DPP to ensure that decisions in these cases are appropriate and correct.

### *The Evidential Stage*

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

### *Can the evidence be used in court?*

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

### *Is the evidence reliable?*

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

- j) Does any witness have a relevant previous conviction or out-of-court disposal which may affect his or her credibility?
  - k) Is there any further evidence that could be obtained that would support the integrity of evidence already obtained?
- 4.8 Where it is considered that it would be helpful in assessing the reliability of a witness' evidence or in better understanding complex evidence, an appropriately trained and authorised prosecutor should conduct a pretrial interview with the witness in accordance with the relevant Code of Practice.
- 4.9 Prosecutors should not ignore evidence because they are not sure that it can be used or is reliable. But they should look closely at it when deciding if there is a realistic prospect of conviction.

#### *The Public Interest Stage*

- 4.10 In 1951, Sir Hartley Shawcross, who was then Attorney General, made the classic statement on public interest: "it has never been the rule in this country – I hope it never will be – that suspected criminal offences must automatically be the subject of prosecution". He added that there should be a prosecution: "wherever it appears that the offence or the circumstances of its commission is or are of such a character that a prosecution in respect thereof is required in the public interest" (House of Commons Debates, Volume 483, 29 January 1951). This approach has been endorsed by Attorneys General ever since.
- 4.11 Accordingly, where there is sufficient evidence to justify a prosecution or to offer an out-of-court disposal, prosecutors must go on to consider whether a prosecution is required in the public interest.
- 4.12 A prosecution will usually take place unless the prosecutor is sure that there are public interest factors tending against prosecution which outweigh those tending in favour, or unless the prosecutor is satisfied that the public interest may be properly served, in the first instance, by offering the offender the opportunity to have the matter dealt with by an out-of-court disposal (see section 7). The more serious the offence or the offender's record of criminal behaviour, the more likely it is that a prosecution will be required in the public interest.
- 4.13 Assessing the public interest is not simply a matter of adding up the number of factors on each side and seeing which side has the greater number. Each case must be considered on its own facts and on its own merits. Prosecutors must decide the importance of each public interest factor in the circumstances of each case and go on to make an overall assessment. It is quite possible that one factor alone may outweigh a number of other factors which tend in the opposite direction. Although there may be public interest factors tending against prosecution in a particular case, prosecutors should consider whether nonetheless a prosecution should go ahead and for those factors to be put to the court for consideration when sentence is passed.
- 4.14 The absence of a factor does not necessarily mean that it should be taken as a factor tending in the opposite direction. For example, just because the offence was not "carried out by a group" does not transform the "factor tending in favour of a prosecution" into a "factor tending against prosecution".
- 4.15 Some common public interest factors which should be considered when deciding on the most appropriate course of action to take are listed below. The following lists of public interest factors are not exhaustive and each case must be considered on its own facts and on its own merits.

#### *Some common public interest factors tending in favour of prosecution*

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



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

*Some common public interest factors tending against prosecution*

4.17 A prosecution is less likely to be required if:

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

mental or physical ill health with the need to safeguard the public or those providing care services to such persons;

- k) a prosecution may require details to be made public that could harm sources of information, international relations or national security.

#### *The views of victims or their families*

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

### The Threshold Test

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

#### *When the Threshold Test may be applied*

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

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

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



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

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

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

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

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

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

*Reviewing the Threshold Test*

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

## Selection of Charges

6.1 Prosecutors should select charges which:

- a) reflect the seriousness and extent of the offending supported by the evidence;
- b) give the court adequate powers to sentence and impose appropriate post-conviction orders; and
- c) enable the case to be presented in a clear and simple way.

6.2 This means that prosecutors may not always choose or continue with the most serious charge where there is a choice.

6.3 Prosecutors should never go ahead with more charges than are necessary just to encourage a defendant to plead guilty to a few. In the same way, they should never go ahead with a more serious charge just to encourage a defendant to plead guilty to a less serious one.

6.4 Prosecutors should not change the charge simply because of the decision made by the court or the defendant about where the case will be heard.

6.5 Prosecutors must take account of any relevant change in circumstances as the case progresses after charge.

## Out-of-Court Disposals

7.1 The prosecution service is responsible for deciding whether to offer an offender a conditional caution in certain cases. In such cases, the Full Code Test must be met. Prosecutors will offer a conditional caution where it is a proportionate response to the seriousness and the consequences of the offending and where the conditions offered meet the aims of rehabilitation, reparation or punishment within the terms of the Criminal Justice Act 2003.

7.2 A conditional caution is not a criminal conviction but it forms part of the offender's criminal record and may be cited in court in any subsequent proceedings. It may also be taken into consideration by prosecutors if the offender re-offends. Prosecutors may offer a conditional caution where, having taken into account the views of the victim, they consider that it is in the interests of the suspect, victim or community to do so.

7.3 Prosecutors must follow the relevant Code of Practice and the DPP's Guidance on Conditional Cautioning when deciding whether to offer an offender a conditional caution.

7.4 The offer of a conditional caution which is accepted and complied with takes the place of a prosecution. If the offer of a conditional caution is refused or the suspect does not make the required admission of guilt to the

person who seeks to administer the conditional caution, a prosecution must follow for the original offence. If the terms of the conditional caution are not complied with, the prosecutor will reconsider the public interest and decide whether to charge the offender. Usually, a prosecution should be brought for the original offence.

- 7.5 Only prosecutors can decide whether to authorise the offer of a simple caution to an offender for an offence that may only be heard in the Crown Court. The occasions when this will be an appropriate disposal will be exceptional.
- 7.6 In all other cases, prosecutors may direct that a simple caution be offered in accordance with CPS and Home Office Guidance, or suggest, for example, the issue of a Penalty Notice for Disorder. The issue of a Penalty Notice for Disorder is, however, a decision for the police.
- 7.7 Prosecutors must be satisfied that the Full Code Test is met and that there is a clear admission of guilt by the offender in any case in which they authorise or direct a simple caution to be offered by the police.
- 7.8 The acceptance of a simple caution or other out-of-court disposal which is complied with takes the place of a prosecution. If the offer of a simple caution is refused, a prosecution must follow for the original offence. If any other out-of-court disposal is not accepted, prosecutors will apply the Full Code Test, upon receipt of the case from the police or other investigators, and decide whether to prosecute the offender.

## Youths

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

## Mode of Trial

- 9.1 Prosecutors must have regard to the current Magistrates' Court Sentencing Guidelines and the relevant Practice Direction when making submissions to the court about where the defendant should be tried.
- 9.2 Speed must never be the only reason for asking for a case to stay in the magistrates' courts. But prosecutors should consider the effect of any likely delay if a case is committed or sent to the Crown Court, and the possible effect on any victim or witness if the case is delayed.

### *Venue for trial in cases involving youths*

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

## Accepting Guilty Pleas

- 10.1 Defendants may want to plead guilty to some, but not all, of the charges. Alternatively, they may want to plead guilty to a different, possibly less serious, charge because they are admitting only part of the crime.
- 10.2 Prosecutors should only accept the defendant's plea if they think the court is able to pass a sentence that matches the seriousness of the offending, particularly where there are aggravating features. Prosecutors must never accept a guilty plea just because it is convenient.

- 10.3 In considering whether the pleas offered are acceptable, prosecutors should ensure that the interests and, where possible, the views of the victim, or in appropriate cases the views of the victim's family, are taken into account when deciding whether it is in the public interest to accept the plea. However, the decision rests with the prosecutor.
- 10.4 It must be made clear to the court on what basis any plea is advanced and accepted. In cases where a defendant pleads guilty to the charges but on the basis of facts that are different from the prosecution case, and where this may significantly affect sentence, the court should be invited to hear evidence to determine what happened, and then sentence on that basis.
- 10.5 Where a defendant has previously indicated that he or she will ask the court to take an offence into consideration when sentencing, but then declines to admit that offence at court, prosecutors will consider whether a prosecution is required for that offence. Prosecutors should explain to the defence advocate and the court that the prosecution of that offence may be subject to further review.
- 10.6 Particular care must be taken when considering pleas which would enable the defendant to avoid the imposition of a mandatory minimum sentence. When pleas are offered, prosecutors also must bear in mind the fact that ancillary orders can be made with some offences but not with others.
- 10.7 Prosecutors must comply with the "Attorney General's Guidelines on the Acceptance of Pleas and the Prosecutor's Role in the Sentencing Exercise" which set out in greater detail the extent of prosecutors' duties and role in the acceptance of guilty pleas.

## The Prosecutor's Role in Sentencing

- 11.1 Sentencing is a decision for the court, but prosecutors have a duty to offer assistance to the sentencing court in reaching its decision as to the appropriate sentence by drawing the court's attention to the following factors:
- a) any aggravating or mitigating factors disclosed by the prosecution case;
  - b) any Victim Personal Statement;
  - c) where appropriate, evidence of the impact of the offending on a community;
  - d) any statutory provisions, sentencing guidelines, or guideline cases which may assist; and
  - e) any relevant statutory provisions relating to ancillary orders (such as anti-social behaviour orders).
- 11.2 Prosecutors may also offer assistance to the court by making submissions, in the light of all the above factors, as to the sentencing range within which the current offence falls.
- 11.3 In all complex cases or where there is the potential for misunderstanding, the prosecutor must set out in writing the aggravating and mitigating factors that he or she will outline when informing the court of the case in the sentencing hearing. In all other cases, this approach should be considered and undertaken if it will be of benefit to the court or the public to understand the case.
- 11.4 It is the duty of the prosecutor to apply for compensation and ancillary orders, such as anti-social behaviour orders and confiscation orders, in all appropriate cases. When considering which ancillary orders to apply for, the prosecutor must always have regard to the victim's needs, including the question of their future protection.
- 11.5 Prosecutors should challenge any assertion made by the defence in mitigation that is inaccurate, misleading or derogatory. If the defence persist in the assertion, and it appears relevant to the sentence, the court should be invited to hear evidence to determine the facts and sentence accordingly.
- 11.6 Prosecutors must comply with the "Attorney General's Guidelines on the Acceptance of Pleas and the Prosecutor's Role in the Sentencing Exercise" which set out in greater detail the extent of prosecutors' duties and role in the sentencing process.

## Reconsidering a Prosecution Decision

- 12.1 People should be able to rely on decisions taken by the prosecution service. Normally, if the prosecution service tells a suspect or defendant that there will not be a prosecution, or that the prosecution has been stopped, the case will not start again. But occasionally there are special reasons why the prosecution service

will overturn a decision not to prosecute or to deal with the case by way of an out-of-court disposal or when it will restart the prosecution, particularly if the case is serious.

12.2 These reasons include:

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

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

## Annex B – Casework Statistics

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

The figures comprise defendants dealt with by the 13 Areas of the Service, but do not include the specialised casework handled by the central Casework Divisions. The central Casework Divisions, including prosecutions handled by the former Revenue and Customs Prosecutions Office, prosecuted 1,705 defendants in the period and handled 7,305 defendant appeals against conviction and/or sentence or Extradition.

**Table 1: Magistrates' courts: caseload**

Table 1 shows the number of cases dealt with by the CPS in 2011-12 and in the two preceding years.

The number of defendants prosecuted by the CPS fell by 6.4% during the year. Several factors may affect this figure, including the number of arrests, the impact of the early involvement of prosecutors, the number of offences cleared up by the police, and the number of offenders cautioned by the police. The present fall in caseload may also be related to lower levels of recorded crime, and to the increased number of comparatively minor offences now dealt with by way of a fixed penalty without CPS involvement.

	2009-10	2010-11	2011-12
Pre-charge decisions	477,522	466,611	367,067
Out of court disposals	19,462	15,894	10,743
Prosecuted by CPS	872,585	840,983	787,547
Other proceedings	3,302	2,501	1,937

Pre-charge decisions:	in around one third of cases, Crown Prosecutors are responsible for deciding whether a person should be charged with a criminal offence and, if so, what that offence should be in accordance with the Director's Guidelines. The figures shown here comprise all such decisions, regardless of whether the decision was to prosecute or not. Many pre-charge decisions will have been made in cases subsequently prosecuted by the CPS;
Out of court disposals:	a simple caution, conditional caution, reprimand, final warning or TIC (taken into consideration) issued by the CPS at pre-charge stage;
Prosecuted by the CPS:	this figure comprises all defendants charged or summonsed whose case was completed in magistrates' courts during the period, including those proceeding to a trial or guilty plea, those discontinued, and those which could not proceed. Cases committed or sent for trial in the Crown Court are not included in magistrates' caseload data. Further information on the type of finalisations is shown at chart 3;
Other proceedings:	non-criminal matters, such as forfeiture proceedings under the Obscene Publications Acts.

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

**Table 2: Magistrates' courts: types of cases**

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

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

	2009-10	%	2010-11	%	2011-12	%
Summary	565,572	57.3	523,556	54.9	477,561	53.6
Indictable only/either way	421,321	42.7	429,592	45.1	414,155	46.4
Total	986,893		953,148		891,716	

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

**Table 3 Magistrates' courts: case outcomes**

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

- Discontinuances: Consideration of the evidence and of the public interest may lead the CPS to discontinue proceedings at any time before the start of the trial. The figures include both cases discontinued in advance of the hearing and those withdrawn at court. Also included are cases in which the defendant was bound over to keep the peace.
- Warrants etc: when the prosecution cannot proceed because the defendant has failed to appear at court and a Bench Warrant has been issued for his or her arrest; or the defendant has died; or where proceedings are adjourned indefinitely.
- Discharges: committal proceedings in which the defendant is discharged;
- Dismissals no case to answer: cases in which the defendant pleads not guilty and prosecution evidence is heard, but proceedings are dismissed by the magistrates without hearing the defence case;
- Dismissals after trial: cases in which the defendant pleads not guilty and proceedings are dismissed by the magistrates after hearing the defence case – a not guilty verdict;
- Proofs in absence: these are mostly minor motoring matters which are heard by the court in the absence of the defendant;
- Guilty pleas: where the defendant pleads guilty;
- Convictions after trial: cases in which the defendant pleads not guilty but is convicted after the evidence is heard.

	2009-10	%	2010-11	%	2011-12	%
Discontinuances (including bind overs)	78,901	9.0	80,911	9.6	75,579	9.6
Warrants etc	12,156	1.4	9,849	1.2	9,094	1.2
Discharges	2,252	0.3	1,690	0.2	1,308	0.2
Dismissals no case to answer	1,605	0.2	1,525	0.2	1,362	0.2
Dismissals after trial	20,322	2.3	19,517	2.3	17,681	2.3
Proofs in absence	133,844	15.3	124,573	14.8	112,094	14.2
Guilty pleas	589,789	67.6	570,073	67.8	538,568	68.4
Convictions after trial	33,716	3.9	32,845	3.9	31,861	4.1
Total	872,585		840,983		787,547	

The rate of discontinuance rose slightly from 9.0% in 2009-10 to 9.6% in 2011-12.

Convictions rose from 76.4% in 2001-02 to 86.7% in 2011-12.

During 2011-12, a total of 7,536 defendants pleaded guilty to some charges, and were either convicted or dismissed after trial of other charges. To avoid double counting, and to ensure consistency with figures for previous years, the outcome for these defendants is shown as a guilty plea.

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

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

	2009-10	2010-11	2011-12
committals for trial	114,341	112,185	104,204

#### Table 5: Crown Court caseload

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

Prosecuted by the CPS:	This figure comprises all cases proceeding to trial or guilty plea in the Crown Court, together with those discontinued or dropped by the CPS after having been committed or sent for trial. The outcome of these proceedings is shown at chart 7;
appeals:	defendants tried in magistrates' courts may appeal to the Crown Court against their conviction and/or sentence;
committals for sentence:	some defendants tried and convicted by the magistrates are committed to the Crown Court for sentence, if the magistrates decide that greater punishment is needed than they can impose.

	2009-10	2010-11	2011-12
Prosecuted by the CPS	110,146	116,898	107,244
Appeals	14,221	13,961	12,244
Committals for sentence	18,920	19,857	21,944

The number of defendants prosecuted decreased by 8.3% during 2011-12.

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

#### Table 6: Crown Court: source of committals for trial

magistrates' direction:	these are either way proceedings which the magistrates thought were serious enough to call for trial in the Crown Court;
defendants' elections:	these are either way proceedings in which the defendant chose Crown Court trial;
indictable only:	these are more serious cases which can only be tried in the Crown Court.

	2009-10	%	2010-11	%	2011-12	%
Magistrates' directions	59,624	54.4	63,771	54.9	59,703	56.0
Defendants' elections	9,170	8.4	10,427	9.0	7,777	7.3
Indictable only	40,754	37.2	42,019	36.2	39,209	36.8
Total:	109,548		116,217		106,689	



Table 7: Crown Court: case outcomes

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

Judge ordered acquittals:	These are cases where problems are identified after a case is committed or sent to the Crown Court. The prosecution offers no evidence, and the judge orders a formal acquittal of the defendant. These include cases where an evidential deficiency has been identified, where the defendant has serious medical problems; or has already been dealt with for other offences; or when witnesses are missing. Cases sent to the Crown Court under s51 Crime and Disorder Act 1998 and subsequently discontinued are also included in this total. Also included are cases in which charges do not proceed to a trial, and the defendant is bound over to keep the peace;
Warrants etc:	when the prosecution cannot proceed because the defendant fails to attend court and a Bench Warrant has been issued for his or her arrest; or the defendant has died; or is found unfit to plead. If the police trace a missing defendant, then proceedings can continue;
Judge directed acquittals:	these are cases where, at the close of the prosecution case against the defendant, a successful submission of 'no case' or 'unsafe' is made on behalf of the defendant, and the judge directs an acquittal rather than allow the case to be determined by the jury;
Acquittals after trial:	when the defendant pleads not guilty and, following a trial, is acquitted by the jury;
Guilty pleas:	where the defendant pleads guilty;
Convictions after trial:	cases in which the defendant pleads not guilty but, following a trial, is convicted by the jury.

	2009-10	%	2010-11	%	2011-12	%
judge ordered acquittals (including bind overs)	12,930	11.7	14,958	12.8	12,527	11.7
warrants etc	980	0.9	923	0.8	841	0.8
judge directed acquittals	1,048	1.0	1,101	0.9	857	0.8
acquittals after trial	6,316	5.7	6,810	5.8	6,290	5.9
guilty pleas	81,000	73.5	84,742	72.5	78,106	72.8
convictions after trial	7,872	7.2	8,364	7.2	8,623	8.0
Total	110,146		116,898		107,244	

Convictions rose from 73.2% in 2001-02 to 2011-12 to 80.8%.

During 2011-12, a total of 2,543 defendants pleaded guilty to some charges, and were either convicted or acquitted after trial of other charges. To avoid double counting, and to ensure consistency with figures for previous years, the outcome for these defendants is shown as a guilty plea.

#### AGENT USAGE

The proportion of half day sessions in magistrates' courts covered by lawyers in private practice acting as agents in 2011-12 was 8.8% compared with 9.7% in 2010-11.



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

### 1. Introduction

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

### 2. The Statutory powers under section 7A

- 2.1 Subject to any exceptions or limitations contained within these instructions, Section 7A, as amended, confers on APs the powers and rights of audience of a Crown Prosecutor in relation to:
  - (i) bail applications;
  - (ii) The conduct of criminal proceedings in the magistrates' courts (including the youth court) other than trials of either way offences tried summarily or offences punishable with a term of imprisonment;
  - (iii) The conduct of applications or other proceedings relating to preventative civil orders;
  - (iv) The conduct of proceedings (other than criminal proceedings) in connection with the discharge of the functions assigned to the Director by the Attorney General; and
  - (v) Any other powers of a Crown Prosecutor not involving the exercise of rights of audience in relation to the conduct of proceedings falling within (ii), (iii) and (iv) above.
- 2.2 Section 7A does not give APs power to institute or commence criminal proceedings.

### 3. Powers and rights of audience

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

#### *Bail applications (paragraph 2.1 (i) above)*

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

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

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

*Preventative Civil Orders (paragraph 2.1 (iii) above)*

- 3.7 APs are designated to conduct applications or other proceedings relating to those Preventative Civil Orders (PCOs) set out in paragraph 3.8 below. The conduct of proceedings that APs may undertake varies according to the legislative requirements of the particular PCO. This gives APs, where the legislation applies, authority to conduct an application for an order, or adduce further evidence, or apply for the variation or discharge of an order.
- 3.8 PCOs relate only to the following:
  - (i) Anti-Social Behaviour Order – the conduct of applications for orders made after a verdict or finding; variation and discharge of such orders.
  - (ii) Football Banning Order – the conduct of applications on complaint or after a verdict or finding; to adduce and lead further evidence where appropriate; and to appeal against the refusal of a court to impose such an order.
  - (iii) Drinking Banning Order (to come into force on a day to be appointed) – the conduct of applications for orders made after a verdict or finding; variation and discharge of such orders.
  - (iv) Parenting Orders – a duty to assist the court on request.
  - (v) Restraining Orders – in relation to orders made after a verdict or finding to adduce and lead further evidence; and to apply for a variation or discharge of such an order. In relation to orders on acquittal to adduce and lead further evidence; and to apply for a variation or discharge of such an order.
- 3.9 A breach of a PCO is a criminal offence. Each PCO carries a different penalty. APs have power to deal with breaches subject to Schedule 2 and 4 below.
- 3.10 APs shall only exercise the powers and rights of audience as specified in Schedule 3.

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

- 3.11 The Attorney General has assigned to the Director the following functions:
  - (i) applications for warrants of further detention under section 43(1) of the Police and Criminal Evidence Act 1984 and their extension under section 44 of that Act;
  - (ii) applications by other countries for extradition of persons in the UK;
  - (iii) conduct of proceedings relating to case stated and Habeas Corpus;
  - (iv) conduct of proceedings under section 2 of the Dogs Act 1871 instituted by a police force (dangerous dogs that may be destroyed); and
  - (v) applications for removal of driving disqualifications under section 42 Road Traffic Offenders Act 1988.
- 3.12 APs are designated to conduct proceedings only in relation to paragraphs 3.11 (iv) and (v) above, (proceedings under section 2 of the Dogs Act 1871 and those under section 42 of the Road Traffic Offenders Act 1988).

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

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

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

## Schedule 1

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

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

## Schedule 2

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

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

## Schedule 3

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

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

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

## Schedule 4

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

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

A guilty plea may reasonably be expected where:

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

Or

- b. Though the suspect has made no admission in interview, the commission of the offence and the identification of the offender can be established by good quality evidence (e.g. of a police officer or another reliable independent witness) or the suspect can be seen clearly committing the offence on a good quality visual recording.

2. To amend a charge or summons where the amendment is minor, for example:

- An error as to the value of any property;
- The date upon which an offence took place;
- The venue for the offence;
- The description of any relevant object.

3. To withdraw a charge or summons where:

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

## Schedule 5

1. The following provisions of these instructions do not apply to those members of staff designated under Section 7A (1) of the Prosecution of Offences Act 1985 who have been appointed as Level 2 Associate Prosecutors:
  - i. Schedule 2, paragraph 1 (Trials relating to summary only non-imprisonable offences).
  - ii. Schedule 2, paragraph 2 (Newton Hearings in relation to summary only non-imprisonable offences only).
  - iii. Schedule 2, paragraph 4 ('special reasons hearings').
  - iv. Schedule 3, paragraph (ii) (thus allowing Level 2 Associate Prosecutors to conduct contested PCOs).
2. Level 2 Associate Prosecutors will be able to exercise the powers contained in Schedule 4 (2) and (3) to amend a charge or summons, or to withdraw a road traffic offence requiring the production of documents during the course of a trial.
3. Level 2 Associate Prosecutors have the following additional powers also exercisable during the course of prosecuting a trial:
  - i. To withdraw or offer no evidence or no further evidence in relation to any charge where:
    - They form the opinion that there is no longer sufficient evidence to support the charge and the trial will continue in relation to other charge(s) which are before the court

## Schedule 6

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

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

## Annex D – Associate Prosecutors Training and Selection

### Criteria for designation

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

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

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

### Training

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

The training equips the applicant with the knowledge and advocacy skills to undertake a review and presentational role in the magistrates’ courts in accordance with the Instructions issued by the Director, under section 7A (3) and (4) of the Prosecution of Offences Act 1985. Applicants attending this training will only be designated as an AP where they have passed an independent assessment of competence at its conclusion. After successfully completing the advocacy course, APs have to complete a face-to-face training course dealing with bail applications. It is recommended that this is completed no longer than three to four months after the Advocacy assessment.

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

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

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

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

### Continuing professional development

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

## Annex E – Director’s Guidance

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

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

## Annex F – Common Core Tables

	<b>Title</b>	<b>Description</b>	<b>Period Covered</b>
<b>Table 1</b>	Total Departmental Spending	A summary of the department's total expenditure by Treasury budgetary control total and expenditure type	2007-08 to 2014-15
<b>Table 2</b>	Public Spending Controls	Current year expenditure against initial and final budgetary provision	2011-12
<b>Table 3</b>	Capital employed	Capital employed by the department in meeting its objectives	2007-08 to 2014-15
<b>Table 4</b>	Administration budgets	Administration expenditure related to the running of the department	2007-08 to 2014-15
<b>Table 5</b>	Staff in Post	Average staffing numbers for the department	2008-09 to 2014-15
<b>Table 6</b>	Total Spending by Country and Region (over spread of years)	Analysis of spending in each UK country and nine regions of England	2005-06 to 2010-11
<b>Table 7</b>	Total Spending per Head by Country and Region	Analysis of spending per head of population in each UK country and nine regions of England	2005-06 to 2010-11
<b>Table 8</b>	Total Spending by function of programme, by Country and Region	Analysis of spending by function of programme in each UK country and nine regions of England	2005-06 to 2010-11

**Table 1: Total departmental spending**

	2007-08 Outturn	2008-09 Outturn	2009-10 Outturn	2010-11 Outturn	2011-12 Estimated outturn	2012-13 Plans	2013-14 Plans	£'000 2014-15 Plans
<b>Resource DEL</b>								
Section A: Administration Costs in HQ and on Central Services	52,395	51,763	54,271	39,184	27,918	47,793	43,221	38,321
Section B: Crown Prosecutions and Legal Services	600,315	599,841	603,538	585,503	558,353	545,627	518,419	480,158
Use of Provisions	2,420	4,203	–	–	–	–	–	–
<b>Total Resource DEL</b>	<b>655,130</b>	<b>655,807</b>	<b>657,809</b>	<b>624,687</b>	<b>586,271</b>	<b>593,420</b>	<b>561,640</b>	<b>518,479</b>
<i>Of which:</i>								
– Pay	365,574	376,428	382,583	381,345	379,459	338,417	319,523	295,267
– Net current procurement <sup>1</sup>	283,933	273,588	267,700	236,173	200,972	246,103	235,717	219,412
– Current grants and subsidies to the private sector and abroad	–	–	–	–	–	–	–	–
– Current grants to local government	–	–	–	–	–	–	–	–
– Depreciation <sup>2</sup>	5,463	5,623	7,384	7,076	5,744	8,900	6,400	3,800
– Other	160	168	142	93	96	–	–	–
<b>Resource AME</b>								
Section C: CPS voted AME Charges	10,210	13,339	14,483	-12,106	5,599	8,471	6,092	5,264
CPS non voted AME Charges	-2,420	-4,203	–	–	–	–	–	–
<b>Total Resource AME</b>	<b>7,790</b>	<b>9,136</b>	<b>14,483</b>	<b>-12,106</b>	<b>5,599</b>	<b>8,471</b>	<b>6,092</b>	<b>5,264</b>
<i>Of which:</i>								
– Pay	–	–	–	-2,920	540	–	–	–
– Net current procurement <sup>1</sup>	–	–	–	–	–	–	–	–
– Current grants and subsidies to the private sector and abroad	–	–	–	–	–	–	–	–
– Current grants to local government	–	–	–	–	–	–	–	–
– Net public service pensions <sup>3</sup>	–	–	–	–	–	–	–	–
– Take up of provisions	10,210	13,339	18,646	-4,122	5,803	8,199	5,333	4,505
– Release of provisions	-2,420	-4,203	-4,163	-7,737	-5,132	-2,728	-2,241	-2,241
– Depreciation <sup>2</sup>	–	–	–	–	–	–	–	–
– Other	–	–	–	2,673	4,388	3,000	3,000	3,000
<b>Total Resource Budget</b>	<b>662,920</b>	<b>664,943</b>	<b>672,292</b>	<b>612,581</b>	<b>590,370</b>	<b>601,891</b>	<b>567,732</b>	<b>523,743</b>
<i>Of which:</i>								
– Depreciation <sup>2</sup>	5,463	5,623	7,384	7,076	5,744	8,900	6,400	3,800
<b>Capital DEL</b>								
Section B: Crown Prosecutions and Legal Services	4,134	5,506	6,112	3,031	788	2,700	2,260	3,280
<b>Total Capital DEL</b>	<b>4,134</b>	<b>5,506</b>	<b>6,112</b>	<b>3,031</b>	<b>788</b>	<b>2,700</b>	<b>2,260</b>	<b>3,280</b>



	2007-08 Outturn	2008-09 Outturn	2009-10 Outturn	2010-11 Outturn	2011-12 Estimated outturn	2012-13 Plans	2013-14 Plans	£'000 2014-15 Plans
<i>Of which:</i>								
– Net capital procurement <sup>4</sup>	4,134	5,506	6,112	3,031	788	2,700	2,260	3,280
– Capital grants to the private sector and abroad	–	–	–	–	–	–	–	–
– Capital support for local government	–	–	–	–	–	–	–	–
– Capital support for public corporations	–	–	–	–	–	–	–	–
– Other	–	–	–	–	–	–	–	–
<b>Capital AME</b>								
<b>Total Capital AME</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>
<i>Of which:</i>								
– Capital grants to the private sector and abroad	–	–	–	–	–	–	–	–
– Net lending to the private sector and abroad	–	–	–	–	–	–	–	–
– Capital support for public corporations	–	–	–	–	–	–	–	–
– Other	–	–	–	–	–	–	–	–
<b>Total Capital Budget</b>	<b>4,134</b>	<b>5,506</b>	<b>6,112</b>	<b>3,031</b>	<b>788</b>	<b>2,700</b>	<b>2,260</b>	<b>3,280</b>
<b>Total departmental spending<sup>5</sup></b>	<b>661,591</b>	<b>664,826</b>	<b>671,020</b>	<b>608,536</b>	<b>586,914</b>	<b>595,691</b>	<b>563,592</b>	<b>523,223</b>
<i>of which:</i>								
– Total DEL	659,264	661,313	663,921	627,718	587,059	596,120	563,900	521,759
– Total AME	7,790	9,136	14,483	-12,106	5,599	8,471	6,092	5,264

<sup>1</sup> Net of income from sales of goods and services

<sup>2</sup> Includes impairments

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

<sup>4</sup> Expenditure on tangible and intangible fixed assets net of sales

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

**Table 2: Public spending control**

	<b>2011-12 Initial Budgetary Limit</b>	<b>2011-12 Final Budgetary Limit</b>	<b>£'000 2011-12 Projected outturn</b>
<b>Resource DEL</b>			
Section A: Administration Costs in headquarters and on Central Services	42,574	42,574	27,918
Section B: Crown Prosecutions and Legal Services	567,411	565,611	555,448
Use of Provisions	3,455	3,455	5,132
<b>Total Resource DEL</b>	<b>613,440</b>	<b>611,640</b>	<b>588,497</b>
of which:			
Pay	351,567	350,346	379,459
Net current procurement <sup>1</sup>	252,673	252,094	203,198
Current grants and subsidies to the private sector and abroad	–	–	–
Current grants to local government	–	–	–
Depreciation <sup>2</sup>	9,200	9,200	5,744
Other	–	–	96
<b>Resource AME</b>			
Section C: CPS voted AME Charges	7,593	7,593	5,599
<b>Total Resource AME</b>	<b>7,593</b>	<b>7,593</b>	<b>5,599</b>
of which:			
Pay	–	–	540
Net current procurement <sup>1</sup>	–	–	–
Current grants and subsidies to the private sector and abroad	–	–	–
Current grants to local government	–	–	–
Net public service pensions <sup>3</sup>	–	–	–
Take up of provisions	8,048	8,048	5,803
Release of provisions	-3,455	-3,455	-5,132
Depreciation <sup>2</sup>	–	–	–
Other	–	–	4,388
<b>Total Resource Budget</b>	<b>621,033</b>	<b>619,233</b>	<b>594,096</b>
<b>Capital DEL</b>			
Section B: Crown Prosecutions and Legal Services	2,620	2,620	788
<b>Total Capital DEL</b>	<b>2,620</b>	<b>2,620</b>	<b>788</b>
of which:			
Net capital procurement <sup>4</sup>	2,620	2,620	788
Capital grants to the private sector and abroad	–	–	–
Capital support for local government	–	–	–
Capital support for public corporations	–	–	–
Other	–	–	–
<b>Capital AME</b>	–	–	–
<b>Total Capital AME</b>	<b>–</b>	<b>–</b>	<b>–</b>

**Table 2: Public spending control (continued)**

	<b>2011-12 Initial Budgetary Limit</b>	<b>2011-12 Final Budgetary Limit</b>	<b>£'000 2011-12 Projected outturn</b>
of which:			
Capital grants to the private sector and abroad	–	–	–
Net lending to the private sector and abroad	–	–	–
Capital support for public corporations	–	–	–
Other	–	–	–
<b>Total Capital Budget</b>	<b>2,620</b>	<b>2,620</b>	<b>788</b>
<b>Total departmental spending<sup>5</sup></b>	<b>614,453</b>	<b>612,653</b>	<b>589,140</b>
of which:			
Total DEL	606,860	605,060	583,541
Total AME	7,593	7,593	5,599

<sup>1</sup> Net of income from sales of goods and services<sup>2</sup> Includes impairments<sup>3</sup> Pension schemes report under FRS 17 accounting requirements. These figures therefore include cash payments made and contributions received, as well as certain non-cash items<sup>4</sup> Expenditure on tangible and intangible fixed assets net of sales<sup>5</sup> Total departmental spending is the sum of the resource budget and the capital budget less depreciation. Similarly, total DEL is the sum of the resource budget DEL and capital budget DEL less depreciation in DEL, and total AME is the sum of resource budget AME and capital budget AME less depreciation in AME

**Table 3: Capital Employed**

	2007-08 Outturn	2008-09 Outturn	2009-10 Outturn	2010-11 Outturn	2011-12 Projected Outturn	2012-13 Plans	2013-14 Plans	£000s 2014-15 Plans
<b>Assets and Liabilities on the Statement of Financial Position at end of year:</b>								
<b>Assets</b>								
Non-Current assets								
Intangible	27,428	24,594	19,761	15,676	11,741	9,000	6,000	3,000
Tangible	47,002	41,798	45,907	36,231	28,565	30,000	27,500	25,000
<i>of which:</i>								
Land and buildings	5,896	4,307	5,065	4,884	4,608	4,000	3,500	3,000
Plant and machinery	22,218	37,491	40,842	31,347	23,954	26,000	24,000	22,000
Etc								
Investments	0	0	0	0	0	0	0	0
Current assets	83,074	60,853	83,629	71,953	84,018	75,000	75,000	75,000
<b>Liabilities</b>								
Payables (< 1 year)	-111,758	-93,679	-120,046	-94,018	-112,699	-100,000	-100,000	-100,000
Payables (> 1 year)	-40,538	-39,861	-36,813	-29,596	-20,223	-23,000	-20,000	-17,000
Provisions	-8,114	-11,612	-15,825	-8,109	-10,804	-5,000	-4,000	-3,000
<b>Capital employed within core department</b>								
ALB net assets	-2,906	-17,907	-23,387	-7,863	-19,402	-14,000	-15,500	-17,000
<b>Total capital employed in departmental group</b>								
	-2,906	-17,907	-23,387	-7,863	-19,402	-14,000	-15,500	-17,000

<sup>1</sup> These figures are not subject to audit by NAO.

**Table 4: Administration budget**

	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	£'000 2014-15
	Outturn	Outturn	Outturn	Outturn	Estimated outturn	Plans	Plans	Plans
Section A: Administration Costs in HQ and on Central Services	52,395	51,763	54,271	39,184	27,918	47,793	43,221	38,321
<b>Total administration budget</b>	<b>52,395</b>	<b>51,763</b>	<b>54,271</b>	<b>39,184</b>	<b>26,418</b>	<b>47,793</b>	<b>43,221</b>	<b>38,321</b>
<i>Of which:</i>								
Paybill	25,230	25,897	25,280	23,961	18,663	25,466	23,667	17,362
Expenditure	28,815	27,687	31,036	22,353	9,742	23,963	21,190	22,595
Income	-1,650	-1,821	-2,045	-7,130	-487	-1,636	-1,636	-1,636

<sup>1</sup> These figures are not subject to audit by the NAO.

**Table 5: Staff in Post**

	2008-09 Actual	2009-10 Actual	2010-11 Actual	2011-12 Actual	2012-13 Plans	2013-14 Plans	2014-15 Plans
<b>Crown Prosecution Services:</b>							
Civil Service FTEs	8,554	8,390	7,978	7,394	7,031	6,606	6,378
Other	201	172	116	70	60	50	40
<b>Total</b>	<b>8,755</b>	<b>8,562</b>	<b>8,094</b>	<b>7,464</b>	<b>7,091</b>	<b>6,656</b>	<b>6,418</b>

<sup>1</sup> These figures are not subject to audit by NAO.

**Table 6: Total spending by country and region (over spread of years)**

	National Statistics					£ million
	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn
North East	33	33	34	33	33	32
North West	96	99	100	95	93	91
Yorkshire and the Humber	57	57	56	58	62	55
East Midlands	43	41	43	44	43	40
West Midlands	65	66	67	67	63	59
East	48	50	54	51	52	48
London	140	145	142	149	152	143
South East	74	76	80	82	80	77
South West	41	41	41	41	40	39
England	597	608	616	619	619	584
Scotland	0	0	0	0	0	0
Wales	35	37	37	37	37	34
Northern Ireland	0	0	0	0	0	0
<b>UK identifiable expenditure</b>	<b>632</b>	<b>645</b>	<b>654</b>	<b>656</b>	<b>656</b>	<b>618</b>
Outside UK	0	0	0	0	0	0
<b>Total identifiable expenditure</b>	<b>632</b>	<b>645</b>	<b>654</b>	<b>656</b>	<b>656</b>	<b>618</b>
Non-identifiable expenditure	0	0	0	0	0	0
<b>Total expenditure on services</b>	<b>632</b>	<b>645</b>	<b>654</b>	<b>656</b>	<b>656</b>	<b>618</b>

<sup>1</sup> These figures are not subject to audit by the NAO.

**Table 7: Total spending per head by country and region (over spread of years)**

	National Statistics				£ per head	
	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn
North East	13	13	13	13	13	12
North West	14	15	15	14	14	13
Yorkshire and the Humber	11	11	11	11	12	10
East Midlands	10	9	10	10	10	9
West Midlands	12	12	12	12	12	11
East	9	9	10	9	9	8
London	19	19	19	19	20	18
South East	9	9	10	10	10	9
South West	8	8	8	8	8	7
England	12	12	12	12	12	11
Scotland	0	0	0	0	0	0
Wales	12	12	13	12	12	11
Northern Ireland	0	0	0	0	0	0
<b>UK identifiable expenditure</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>11</b>	<b>10</b>

<sup>1</sup> These figures are not subject to audit by the NAO.

**Table 8: Spending by function of programme, by country and region**

	National Statistics				£ million	
	2005-06 outturn	2006-07 outturn	2007-08 outturn	2008-09 outturn	2009-10 outturn	2010-11 outturn
North East	33	33	34	33	33	32
North West	96	99	101	95	93	91
Yorkshire and the Humber	57	57	56	58	62	55
East Midlands	43	41	43	44	43	40
West Midlands	65	66	67	67	63	59
East	48	50	54	52	52	48
London	140	145	142	149	152	143
South East	74	77	80	82	80	77
South West	42	41	41	41	40	39
England	598	609	618	621	618	584
Scotland	0	0	0	0	0	0
Wales	35	37	37	37	37	34
Northern Ireland	0	0	0	0	0	0
<b>UK identifiable expenditure</b>	<b>633</b>	<b>646</b>	<b>655</b>	<b>658</b>	<b>655</b>	<b>618</b>
Outside UK	0	0	0	0	0	0
<b>Total identifiable expenditure</b>	<b>633</b>	<b>646</b>	<b>655</b>	<b>658</b>	<b>655</b>	<b>618</b>
Non identifiable expenditure	0	0	0	0	0	0
<b>Total expenditure by function of programme</b>	<b>633</b>	<b>646</b>	<b>655</b>	<b>658</b>	<b>655</b>	<b>618</b>

<sup>1</sup> These figures are not subject to audit by the NAO.



## Annex G – Complaints to the Parliamentary Ombudsman

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

## Annex H – CPS Area/Police Force Boundary Map



## Annex I – Glossary

<b>ABM</b>	Area Business Manager
<b>ACPO</b>	Association of Chief Police Officers
<b>AGO</b>	Attorney General's Office
<b>CA</b>	Crown Advocate
<b>CCP</b>	Chief Crown Prosecutor
<b>CJS</b>	Criminal Justice System
<b>CPS</b>	Crown Prosecution Service
<b>CQS</b>	Core Quality Standards
<b>DPP</b>	Director of Public Prosecutions
<b>DV</b>	Domestic Violence
<b>FReM</b>	Financial Reporting Manual
<b>GFS</b>	Graduated Fee Scheme
<b>HMCPsi</b>	Her Majesty's Crown Prosecution Service Inspectorate
<b>HMCS</b>	Her Majesty's Court Service
<b>HMIC</b>	Her Majesty's Inspectorate of Constabulary
<b>HMICA</b>	Her Majesty's Inspectorate of Court Administration
<b>HMRC</b>	Her Majesty's Revenue & Customs
<b>HQ</b>	Headquarters
<b>MoJ</b>	Ministry of Justice
<b>NAO</b>	National Audit Office
<b>NED</b>	Non-executive Director
<b>OBM</b>	Optimum Business Model
<b>QC</b>	Queen's Counsel
<b>RCPO</b>	Revenue and Customs Prosecutions Office
<b>SOCA</b>	Serious and Organised Crime Agency
<b>T3</b>	Transforming Through Technology
<b>UKBA</b>	UK Border Agency
<b>VAW</b>	Violence Against Women





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