

**Nottinghamshire
Probation Trust**



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Annual Report and Financial Statements 2012–2013

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Vision, Mission & Values

Our Vision – where we aim to be

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

Our Mission – what we do

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

Our Values

Everything we do is built on our desire to support victims, protect the public, and enforce sentences.

- We believe that by engaging with offenders we can change their thinking and behaviour.
- We are accountable to the public so will be responsive to your needs to inspire confidence in our service.
- We will use resources efficiently and offer value for money.
- We will work with partners to deliver the best service we can.
- We will accept and learn from justifiable criticism and strive for continuous improvement.
- We will be open, honest and transparent in our actions and decision-making.
- We value difference and diversity and strive for a culture of equality and respect for others.

Foreword

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

2012–13 has seen us continue to work efficiently and effectively to rehabilitate offenders and reduce reoffending, consequently decreasing the amount of people affected by crime.

Nottinghamshire ends the year among the top performing Probation Trusts in England and Wales for reducing reoffending based upon the actual rates versus predicted rates. Our overall level of performance for 2012–13 using the Probation Trust Rating System has been assessed as good.

With challenging times ahead we are supported by the expertise and professionalism of our staff, strategic direction from our Trust Board, and extremely productive relationships with our partners.

All of this is instrumental to our success and will allow us to continue to improve and provide an excellent service throughout testing times.

We are passionate about achieving the highest standards, in protecting our communities, delivering our contract with the Secretary of State and supporting our staff. Throughout 2013 and beyond we will continue to strive for excellence in reducing the number of victims and reoffending, to make Nottinghamshire a safer place for all.



Christine Goldstraw
Trust Board Chair



Jane Geraghty
Chief Executive

1. Operational & Performance Review

Nottinghamshire Probation Trust (NPT) is made up of five Directorates focusing on Offender Management (City and County), Projects, Interventions and Corporate Services. Key achievements for each Directorate during 2012–13 are highlighted as follows:

Offender Management (County) – led by Mark Taylor Director

Area-wide responsibilities for this Directorate include the Safer Nottinghamshire Board, Youth Offending Service, Safeguarding and Multi Agency Public Protection Arrangements (MAPPA).

Key achievements for 2012–13 were:

- meeting performance targets, including for drugs treatment
- achieving a planned underspend in the County Local Delivery Unit budget
- building on strong relationships with the three Community Safety Partnerships in the county and contributing to community hubs
- developing community projects such as the Kirkby in Ashfield boxing club and market garden projects in Mansfield and Bassetlaw
- continuing to contribute Probation staff to the three public sector prisons in Nottinghamshire and
- Quality Development Officer installed in teams, supporting improvement in professional practice.

Offender Management (City) – led by Nigel Hill Director

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

Key achievements in 2012–13 were:

- positive work carried out with street drug users – 35% currently abstinent from use
- continued collaborative work with Nottingham Women’s Centre in ensuring the delivery of specific services to women offenders
- working closely with HMP Nottingham, the Crown Prosecution Service, Police and Victim Support in the delivery of the restorative justice REBUILD initiative
- working with partner colleagues in reducing crime at a local level through involvement in locality board meetings
- working with Youth Offending Team partners in improving ‘transition’ management for the Youth Offending Team to the Probation Trust
- delivery of the I-CAN community programme within the guns and gangs partnership agenda as part of Vanguard Plus
- launch of refreshed Probation Trust Domestic Abuse Policy, Procedure and Protocol and
- delivering a comprehensive training programme for Approved Premises staff to ensure continued development of skills regarding the management of high risk of harm offenders.

A key challenge has been the remodelling of staffing arrangements in Approved Premises. These have been introduced into two of the three premises during 2012/13, at Trent House and Raleigh Street. It is planned that these will be implemented at Hucknall during 2013/14.

Projects – led by Alan Goode Director

Area wide responsibilities for this Directorate are; Professional Judgment, Quality Assurance, Offender Engagement, Young Adults, High Risk Domestic Abuse management, Payment by Results, Business Planning and mentoring/volunteering.

Key achievements for 2012–13 were:

- Revised National Standards for the supervision of offenders were adopted across the Trust, enhanced by the appointment of specific Quality Development staff supporting the professional development of Offender Managers.
- Court report writing practices were reviewed and revised leading to a significant reduction in the time taken to provide reports to the Court. Over 70% of reports were presented on either the first Court appearance day or within five working days compared with an equivalent figure for 2011/12 of 57%
- Specialist teams, focusing upon High Risk of Harm and Domestic Violence cases have been established building on joint approaches with the Police.
- A semi-specialist team of staff focusing upon the particular needs of young adults, those aged 18 – 21 has been established and these staff will be developing approaches to this group alongside colleagues for the Youth Offending Team (city) and Youth Offending Service (county)
- A robust Quality Assurance Framework has been established. NPT has been piloting approaches to Quality Assurance work together with two other Probation Trusts and this is being implemented across the County in 2013/14.
- The use of Mentors across the County has been enhanced with the support of the Safer Nottinghamshire Board and five Mentors are now engaged in working directly with offenders in the priority area in the county.
- Service User Groups have been established across the Trust providing a vehicle to review our provision and to take feedback from those experiencing it directly to enhance provision.
- During the course of the year the Supervision and Appraisal policy for staff was revised and the Trust obtained Investors in People Bronze Award in recognition of its work in the development of the staff groups
- The Trust has taken a leading role in contributing to national development in pursuing mutualisation with some staff groups, and in responding to initiatives in Payment by Results.

Interventions – led by Sheila Wright Director

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

Key achievements for 2012–13:

- The Programmes team achieved their target in respect of risk programmes for sex offenders and domestic violence completions. They also started a programme of activity aimed at improving the quality of delivery.
- The Community Payback team achieved target and increased the diversity of work placements. 247,624 hours of community payback were delivered compared with 292,117 in 2011/12.
- The Fit for Work team continued to provide a wide range of activities, such as gym sessions, climbing, canoeing, orienteering, box-fit and hiking. Interest and referrals from across the county have increased as have the range of activities.
- The Accommodation Benefits and Advice Team (ABA) merged with the Access Team (Employment Training and Education) to provide an integrated approach supporting three of the reducing re-offending pathways – employment, accommodation and finance:

Employment

- Sustained employment target was exceeded with 385 offenders supported into employment against a target of 350.
- The REACH project (NOMS European Social Fund co-financing) exceeded all targets and received good feedback from the prime contractor and NOMS. The project is due to continue to December 2014.
Employer engagement work has shown significant outcomes – recruitment programmes for offenders with Boots, Greggs and Traffix.
- Effective partnership work with numerous community organisations; significant referrals and outcomes through close partnerships with Platform 51, NCS (National Career Service), Potential for

Skills, DC Education, National Association for the Care and Resettlement of Offender and The Learning Zone.

- Contracting our specialist services to work programme providers has generated £11K for the Trust.
- 33 Volunteer Mentors were trained and matched with over 70 offenders, Peer Mentors were trained and are engaging with Service User groups. Peer Health Workers trained and placed with the NHS.
- 'Through the Gate' activity has shown a substantial increase in engagement if a 3-way visit is completed prior to release. A pilot project is planned with Ranby and Nottingham prisons.

Accommodation

- 36 Offenders assisted into accommodation through direct intervention.
- 9 Bonds provided via the Pathways Bond Scheme.
- 307 Accommodation issues resolved from enquiries.

Finance

- £540,156 of benefits gained via casework
- £117,665 debt resolved via casework
- 83 charity payments
- £1,799 paid from the Small Emergency Fund

Corporate Services – led by Rob Moore Director

The Corporate Services Directorate encompasses Human Resources, Finance, Learning and Development, Business Development, Communications, Management Information Systems, and Health and Safety.

The Director is also responsible for external awards, offender complaints, estates, Freedom of Information, Data Protection / information security, business continuity and organisational risk.

Key achievements for 2012–13 were:

- introduction of a new Trust wide supervision and appraisal scheme;
- an assessment centre for existing and new/aspiring managers;
- retaining our Investors in People accreditation, moving up to Bronze status;
- retaining Royal Society for the Prevention of Accidents (RoSPA) Gold status for health and safety;
- retaining European Foundation for Quality Management (EFQM) Recognised for Excellence; accreditation, moving to 5-star status
- all internal audits achieving the top two ratings;
- completing the implementation of an electronic human resources self service system;
- supporting colleagues in relation to balancing the budget;
- Corporate Services underspent against its budget and
- sickness absence rate was 3.4 days per person in the year.

A key challenge has been the implementation of N Delius a national information system replacing the Trust's Case Record and Management System (CRAMS). The Trust was due to go "live" by migrating to N Delius at the end of March 2013 but this will probably take place in June.

Performance Review

The Probation Trust Rating System (PTRS) is the performance national rating framework for Probation Trusts. The targets within this framework link to our contracted measures which are monitored in our local performance dashboard.

The PTRS gives us a national performance rating on a quarterly basis. The Trust aims to be in band 4 which is classified as exceptional. 2012/13 results demonstrate we have achieved band 3 which is classed as good performance. There are 3 main sections that cover Public Protection, Reduce Reoffending and Sentence Delivery; the Trust was assessed as bands 3,3 and 4 respectively.

Every year targets are set in agreement with our NOMS commissioners. These targets are created to meet service need and increase the quality of service delivery. These targets include the measures that contribute to the PTRS rating. The table below outlines performance against each of these targets.

Contract targets and performance

	Target 12/13	Actual 12/13	Actual 11/12
Reducing Reoffending Rate (quarterly)	11.12	10.86	11.09
OASys termination assessments for all offenders	90%	90%	90%
Timeliness of Indeterminate Parole reports	80%	96%	82%
Licence recall requests reaching NOMS within 24hrs of the Offender Managers decision to recall	90%	96%	96%
OASys Quality audit rated at sufficient or above	90%	90%	90%
Percentage of court reports completed within the required timescale (excluding Remand in Custody [RIC] PSR)	90%	96%	97%
Number Community Payback completions	1,400	1,416	1,596
Initiation of breach proceedings within 10 working days	90%	93%	91%
Orders and licences successfully completed	72%	74%	72%
The number of General Offender Behaviour programmes completions	284	210	220
The number of Domestic Violence programmes completions	110	120	110
The number of Sex Offenders programmes completions	40	45	50

B2 Customer Results

Customer Results	Target 12/13	Actual 12/13	Actual 11/12
Victim feedback, to evaluate quality of service	90%	95%	96%
Offender Feedback	67%	85%	78%
Offenders under supervision sustaining employment for 4 weeks	350	391	401
Offenders in employment at the end of their order or licence	44%	48%	46%
Offenders living in settled and suitable accommodation at the end of their order or licence	80%	86%	87%

In 2012/13, there has been a 15% reduction in all Pre Sentence Reports. The number of Standard reports and Fast Track reports has reduced whilst seeing an increase in the number of Oral reports being completed.

The overall NPT caseload has decreased by 16% from 2011/12 to 2012/13. The table below outlines the reduction in intake and caseload figures over the past 12 months.

Workload and Activity Statistics

New Cases	2008–09	2009–10	2010–11	2011–12	2012–13
Generic Community Sentences	3,474	3,505	3,280	3,112	2,630
Suspended Sentences	1,026	1,062	1,175	1,185	1,296
Unpaid work hours ordered	245,556	261,320	285,868	266,368	218,594
Unpaid work hours worked	259,105	272,366	270,761	292,117	247,624
Pre-Release < 12 months	186	216	154	228	173
Pre-Release 12+ months	781	865	891	819	863
Post-Release	1,186	1,285	1,268	1,362	1,149

In 2012/13 the Trust locally set a target of 70% of all court reports to be completed as Oral or Fast Delivery reports. This target was successfully achieved.

Reports	2008–09	2009–10	2010–11	2011–12	2012–13
Pre-Sentence / Standard Reports	4,324	3,269	2,730	2,308	1,213
Short Format / Fast Reports	1,155	1,825	2,074	2,209	1,954
Specific Sentence / Oral Reports	240	506	795	837	1,366

Caseload as at 31 st March	2009	2010	2011	2012	2013
Generic Community Sentences	2,392	2,903	2,103	2,027	1,621
Suspended Sentence Supervision Orders	892	860	881	916	812
Supervision Requirements	2,622	3,091	2,269	2,304	1,874
Unpaid Work Requirements	985	1,257	1,465	979	1,044
Programme Requirements	770	845	792	657	640
Alcohol Treatment Requirements	159	158	236	128	160
Specified Activity Requirements	358	477	406	349	324
Drug Treatment and Testing Orders / Drug Rehabilitation Requirements	220	299	229	160	176
Pre-Release	2,298	2,447	2,374	2,318	1,612
Post-Release	1,037	870	951	960	974
Life Sentences (pre and post-release)	244	258	173	290	249

2. Management Commentary

Statutory background

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

These financial statements have been prepared in accordance with the Government Financial Reporting Manual (FRM) issued by HM Treasury (HMT) and in accordance with the Accounts Direction issued, on page 53, by the Secretary of State under the OM Act.

Principal activities and objectives

These cover:

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

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

Operational Performance

An analysis of performance outcomes is summarised in the Annual Report on pages 4 to 8. The Trust achieved a surplus of £17k against total income of £20.7m before including the deficit on pensions of £1.98m as assessed by the Actuary.

Results for the year

The Statement of Comprehensive Net Expenditure (SoCNE) for the year is shown on page 28. The Statement of Changes in Taxpayers' Equity is shown on page 31.

Operating costs

The net operating cost before tax for 2012–13 stands at £1.962m compared to £1.162m for 2011–12. The reason for the increase is primarily due to the pension costs as specified by the Actuary.

Statement of Financial Position and Statement of Cash Flows

The Statement of Financial Position and Statement of Cash Flows are on pages 29 and 30.

The net liability's position has increased from £33.927m at March 2012 to £34.756m at March 2013. The main reason for the movement of £829k is due to the increase in the pension liability as specified by the Actuary and this is met by an increase in Taxpayers Equity.

Payment of creditors

In the year to 31 March 2013, the Trust paid 4,783 trade invoices with a value of £2.460m including VAT. The percentage of undisputed invoices paid within 30 days by the Trust was 97% compared to 97% in 2011–12.

Treatment of Pension Liabilities

Past and present employees of the Probation Trusts are covered by the provisions of the Local Government Pension Scheme (LGPS). This is a funded defined benefit scheme meaning that retirement benefits are determined independently of the investments of the scheme, and employers are obliged to make additional contributions where assets are insufficient to meet retirement benefits. Further information can be found in **Note 4** to these Financial Statements.

Sickness absence data

The average levels of absence due to staff sickness were 9.1 days per employee across the Trust (2011–12 8.9 days).

Personal data related incidents

There were no significant personal data related incidents in 2012–13 which were formally reported to the Information Commissioner's Office (ICO).

A risk assessment would have been carried out, if any had occurred, to evaluate who, if anyone should be notified and to ensure measures were in place to mitigate risk to individuals and prevent recurrence of the incident. All staff undertake an awareness programme about Information Assurance when joining the Trust and an annual refresher course is to be implemented this year

Events after the reporting period

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

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

The results of the "Transforming Rehabilitation" consultation paper were published on 9 May 2013, by the Secretary of State for Justice, which announced the future requirements for the provision of probation services. The recommendations will change the way in which probation services are commissioned and delivered. A new National Probation Service will be created to protect the public from the most dangerous offenders and manage the provision of probation services. England and Wales will be divided into 21 contract areas which align closely with local authorities and Police and Crime Commissioner areas. MoJ/NOMS will be responsible for commissioning rehabilitation services. Probation service local delivery units will support the gathering of intelligence on needs and priorities at a local level, including from key partners (e.g. local authority needs assessments) to feed into the MoJ/NOMS commissioning process. It is expected that the detail will be finalised over the coming months. None of the Trust's assets, liabilities or functions had been transferred at the date the accounts were authorised for issue.

Sustainable development

The Trust falls within the scope of reporting under the Greening Government commitment. As such we have produced a separate sustainability report showing performance against sustainability targets for greenhouse gas emissions, waste minimisation and management and the use of finite resources and their related expenditure. The Sustainability Report is shown on pages 55 to 59.

Future developments

The Trust's Business Plan for 2013/14 sets out details of specific service developments planned to take place. These include developments in Joint working with partners to deliver the strategy for ending Gang and Youth violence in Nottingham, for women offenders, Community Payback together with implementing the recommendations from the Government's review of Probation services.

Communications and employee involvement

The Trust communicates with staff through a variety of ways that include one to one discussions, team meetings staff conferences and the use of an Intranet.

Staff diversity

The Board is committed to ensuring that equality is embedded in all of its work and that staff feel respected and valued. The Trust's single equality scheme and action plan promote these objectives through recruitment, employment, retention training and development practices. The achievement of externally validated awards such as Investors in People is a measure of success. The Trust also uses the annual staff survey as another way of assessing progress.

Going Concern

In March 2012 the Secretary of State announced the start of consultation exercises on the future of probation services in England and Wales and on planned reforms to community sentences. This consultation ended at the end of June 2012. A further consultation commenced in January 2013 building on the previous consultation last year which set out plans to contract out probation services more widely and increase the use of Payment by Results. The consultation period ended on 22 February 2013 and the results of these consultations were published in "Transforming Rehabilitation: A strategy for Reform", on 9 May 2013 by the Secretary of State for Justice.

The recommendations of the report will change the way in which probation services are commissioned and delivered. A new National Probation Service will be created to protect the public from the most dangerous offenders and manage the provision of probation services. England and Wales will be divided into 21 contract areas which align closely with local authorities and Police and Crime Commissioner areas. MoJ/NOMS will be responsible for commissioning rehabilitation services. Probation service local delivery units will support the gathering of intelligence on needs and priorities at a local level, including from key partners (e.g. local authority needs assessments) to feed into the MoJ/NOMS commissioning process. The implications of the new arrangements for individual Trusts are not provided in the consultation announcement at this stage. Specifically, the announcement does not provide sufficient detail to form a judgement on whether the material functions, assets and liabilities will be transferred for continuing use in the public sector in the context of the FReM paragraph 2.2.15. This is likely to become clearer during 2013–14 as the proposals are further developed and implemented.

Implementation of the new arrangements will require a Statutory Instrument to be issued by the Secretary of State under the Offender Management Act 2007, subject to negative affirmation. This had not been drafted at the date the Annual Report and Accounts were approved. Senior management has concluded therefore that, having reviewed the results of the consultation within the context of the Financial Reporting Manual (FReM), it is appropriate for the Trust to prepare the 2012–13 Annual Report and Accounts on a going concern basis, with disclosure of a 'material uncertainty' around going concern, arising from the recommendations of the report, Transforming Rehabilitation: A strategy for Reform.

Audit

In accordance with the direction given by the Secretary of State, these Financial Statements have been prepared in accordance with the FReM. With effect from 1 April 2012, the external Auditor changed from the Audit Commission to the National Audit Office. This change of the external Auditors was driven by a DCLG decision to disband the Audit Commission and was made by HMT via a 2012 order to the Government Resource Accounts Act 2000. The Comptroller and Auditor General is appointed by statute to audit the Trust and reports on the truth and fairness of the annual financial statements and the regularity of income and expenditure. The Audit Certificate of the Comptroller and Auditor General is attached to the Financial Statements on pages 26 and 27.

Total audit fees reported in the Financial Statements are £46,780. The audit fees for 2011–12 relate to the previous audit arrangements. The audit fees for 2012–13 are made up of:

- Internal Audit £19,200 and
- External Audit £27,580

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

- so far as I am aware, there is no relevant audit information of which the entity’s auditors are unaware and
- I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the entity’s auditors are aware of that information. “Relevant audit information” means information needed by the entity’s auditor in connection with preparing the audit report.

The Nottinghamshire Probation Trust Management Board

The governance arrangements within the Trust for the period April 2012 to March 2013, included the following:

- Trust Board
- Audit Committee
- Practice Assurance Group incorporating Serious Further Offences Committee
- Equality and Diversity Committee
- Change Management Committee
- Health and Safety Committee
- Remuneration Committee

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

The Chair and other members of the Board were all appointed by the Secretary of State.

Details of the remuneration of the Management Board are set out in the Remuneration Report on pages 13 to 15.

Membership of the Board is set out below:

Position	Name	Date appointment commenced / ended (during 2012–13) where appropriate
Chief Executive	Jane Geraghty	
Chair	Christine Goldstraw	
Non Executive	Kamaljit Sandhu	
Non Executive	Jeffrey Grant	
Non Executive	Paul Grant	
Non Executive	Bonnie Jones	
Non Executive	Catherine McLaughlin	
Non Executive	Keith Sudbury	
Non Executive	Jane Thompson	Appointment ended 31 March 2013
Non Executive	David Ward	

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

Jane Geraghty Chief Executive and Accountable Officer

17th June 2013

3. Remuneration Report

Appointments

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

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

The salary and pension entitlements of the Board of Nottinghamshire Probation Trust were as follows:

A) REMUNERATION – AUDITED

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

	2012/13			2011/12		
	Salary (as defined below) £000s	Bonus £000s	Benefits in kind (rounded to the nearest £100) £	Salary (as defined below) £000s	Bonus £000s	Benefits in kind (rounded to the nearest £100) £
Board Members						
Jane Geraghty – Chief Exec	85–90	0–5	0–5	85–90	0–5	0–5
Christine Goldstraw – Chair	15–20	0	0	15–20	0	0
Kamaljit Sandhu – Non Exec.	0–5	0	0	0–5	0	0
Jeffrey Grant – Non Exec.	0–5	0	0	0–5	0	0
Paul Grant – Non Exec.	0–5	0	0	0–5	0	0
Bonnie Jones – Non Exec.	0–5	0	0	0–5	0	0
Catherine McLaughlin – Non Exec.	0–5	0	0	0–5	0	0
Keith Sudbury – Non Exec.	0–5	0	0	0–5	0	0
Jane Thompson – Non Exec.	0–5	0	0	0–5	0	0
David Ward – Non Exec	0–5	0	0	0–5	0	0

Terry Needham is a co-opted member of the Audit Committee who receives payment within the banding of £0–£5k (2011/12 £0–£5k).

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

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

	Total Full-time Equivalent Remuneration	
	2012–13	2011–12
Chief Executive (pay band)	£90–£95k	£90–£95k
Median for all other staff	£23,841	£23,842
Pay multiple ratio	3.9	3.9

Information is included in the Annual Report for 2012/13 setting out the relationship between remuneration of the highest paid and the median employees. This is shown above, is based on guidance from the Financial Reporting Manual (FREM), about the methodology used for this calculation and shows a ratio of 3.9 which is the same as in 2011/12. The banding of the highest paid employee is that for the Chief Executive; the Trust employed 557 people at the 31st March 2013 and so the median employee,

calculated on the basis of their annual full time equivalent salary, was £23,841. The same methodology was used in calculating information for 2011/12 with 589 employees in post at the 31st March 2012.

Salary

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

Benefits in kind

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

B) PENSION BENEFITS – AUDITED

	Total accrued pension as at 31 March 2013 & related lump sum	Real increase/ (decrease) in pension and related lump sum at pension age	CETV at 31 March 2013	CETV at 31 March 2012	Real increase/ (decrease) in CETV after adjustment for inflation and changes in market investment factors
	£000s	£000s	£000s	£000s	£000s
Chief Executive	Pension 40–45 Lump sum (100–105)	Pension (2.5–5) Lump sum (5–7.5)	944	975	(52)

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

Cash Equivalent Transfer Value (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service Pension arrangements and for which the Civil Service Vote has received a transfer payment commensurate to the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries, and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn.

Real increase in CETV

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

Chief Executive and Accountable Officer

17th June 2013

4. Statement of Accountable Officer's Responsibilities

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

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

- observe the Accounts Direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgments and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain material departures in the financial statements; and
- prepare the financial statements on a going concern basis.

The Secretary of State has appointed the Chief Executive as the Accounting Officer of the Trust. The responsibilities of the 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 Trust's assets, are set out in Managing Public Money published by HM Treasury.

5. Governance Statement

Introduction

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

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

The Trust’s annual Business Plan for 2012/13, approved by the Board, set out the key strategic priorities, objectives and performance targets for NPT. These are set out in more detail in the section below on Vision, Priorities and Objectives.

Regular monitoring of financial performance against budgets and operational performance against performance targets agreed with the National Offender Management Service (NOMS), as part of the Contract for 2012/13, took place both within the Trust and externally at regional and national levels. The objectives and priorities in the Business Plan form the basis of setting objectives for Directors and other key staff within the Trust; there is a performance appraisal system that monitors the achievement of all staff against these objectives. This system is currently under review and a revised approach is being introduced to strengthen the Trust’s approach.

The purpose of the system of internal control

The Trust’s system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of departmental policies, aims and objectives, to evaluate the likelihood of those risk being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Nottinghamshire Probation Trust for the year ended 31st March 2013 and will continue up to the date of the approval of the Annual Report and Financial Statements.

Internal Audit undertook reviews of all aspects of the internal control system in accordance with the overall plan approved by the Trust’s Audit Committee. Specific areas reviewed by Internal Audit during 2012/13 have included the Financial Control Framework, National Standards, Offender Management in Courts and also management of multiple orders, and the process for monitoring serious further offences. These assessments of the Trust’s systems and procedures have all been classified as either well controlled (green) or not requiring significant improvement to manage risks (amber/green).

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

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

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

Vision, Priorities and Objectives

The Trust's vision and priorities are set out in the Annual Plan for 2012/13 which is reviewed and updated each year. All Departments have objectives which link to this Annual Plan and these have been reviewed on a regular basis.

The Trust's vision of where it aims to be is that Nottinghamshire Probation will be recognised nationally as a Probation Trust that provides local delivery of excellent quality, leading-edge services to protect the public of Nottinghamshire.

The Trust's values are that everything we do is based on a desire to support victims, protect the public and enforce sentences.

- We believe that by engaging with offenders we can change their thinking and behaviour.
- We are accountable to the public so will be responsive to their needs to inspire confidence in our service.
- We will use resources efficiently and offer value for money.
- We will work with partners to deliver the best service we can.
- We will accept and learn from justifiable criticism and strive for continuous improvement.
- We will be open, honest and transparent in our actions and decision-making.
- We value difference and diversity and strive for a culture of equality and respect for others.

There were six main priorities for 2012/13 as follows;

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

Quality of Services

There are a number of areas where the Trust has sought to improve the quality of services that it provides. These included the development of services for female offenders, joint work with partners to reduce violence and reoffending rates, improving offenders' access to services such as accommodation, employment and training and education and working closely with the Courts through sentencer liaison. The Trust continues to review its processes in order to improve quality and value for money. In addition the Trust has Customer Service Excellence as part of the European Foundation for Quality (5 star), Investors in People (Bronze status) and the Royal Society for Prevention of Accidents (Gold award).

Code of Conduct

The Trust has a Code of Conduct that is based on the seven Nolan principles of public service. These cover selflessness, integrity, objectivity, accountability, openness, honesty and leadership. In addition it has policies on whistle-blowing, fraud and corruption and gifts and hospitality that set out clearly what is acceptable and unacceptable behaviour. Any matters that arise from any of the policies are fully investigated. Non Executive members of the Board, together with Directors and other senior management staff are asked to declare each year any information about related party transactions for their family or themselves. The Code, as well as other policies, is brought to the attention of all new staff. They are used by managers and staff, if appropriate, for dealing with particular instances as part of any disciplinary and grievance procedure.

Independent Advice

The Board has access to and receives independent advice from the Secretary and the Treasurer. In addition specialist legal and advice is commissioned by the Trust, if required, for matters such as employment issues.

Complaints Procedure

There were 22 complaints received from 15 complainants during the year and all of these were fully investigated. The Board's Appeals Panel met twice to consider appeals against the Trust's findings. One complainant took their complaint to the Prison and Probation Ombudsman.

Board and Committee Structure

The Board met seven times during 2012/13 to ensure, through the Chief Executive, that arrangements were in place to meet the Trust's accountabilities to the Director of Probation and Contracted Services, NOMS, the Secretary of State and Parliament. It considered its plans and strategic direction within the financial parameters made available through the National Directorate's funding formula for budget allocation. All Board meetings were quorate. The following table summarises attendance by Board members during 2012/13.

Board member	Attendance
Christine Goldstraw	7
Jane Geraghty	7
Kamaljit Sandhu	5
Jeff Grant	7
Paul Grant	7
Bonnie Jones	7
Kate McLaughlin	5
Keith Sudbury	6
Dave Ward	4
Jane Thompson	5
Total number of meetings	7

A number of these meetings were allocated for planning and review with the Chief Executive Team. The Board approved the Business Plan and monitored its performance throughout the year. It also received financial monitoring reports from the Treasurer.

The Standing Committees of the Board that scrutinise performance and identify and seek assurance on the management of organisational risk are the Audit Committee, the Practice Assurance Group, the Equality and Diversity Forum and the Change Management Committee. Minutes are taken for all meetings of the Trust's Board and main committees and parts of these are available for information and public scrutiny.

A range of policies has been adopted to promote sound governance and set the standards of operation and ethics against which the Trust operates. Key aspects of these include:

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

Members of the Board during 2012/13 were, Christine Goldstraw (Chair), Jane Geraghty (Chief Executive), Bonnie Jones, David Ward, Jeff Grant, Paul Grant, Kamaljit Sandhu, Kate McLaughlin, Keith Sudbury, Jane Thompson all of whom were Non Executives. Senior managers and officers in regular attendance were Sheila Wright, Rob Moore, Mark Taylor, Nigel Hill, Alan Goode (all Executive Directors), Ralph Tingle (Board Treasurer) and Andrew Cooper (Board Secretary).

Audit Committee

This Committee met three times during the year. The following table summarises attendance by Committee members during 2012/13.

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

Terry Needham, who was a co-opted member of the Committee, attended 2 meetings during 2012/13.

It helps to promote:

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

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

- The adequacy and appropriateness of strategic and assurance processes for risk control and governance and the Annual Governance Statement
- The underlying assurance processes that indicate the degree of achievement of corporate objectives, the effectiveness of the management of principal risks and the appropriateness of the disclosure statements
- The processes for ensuring internal policy compliance with relevant regulatory, legal and code of conduct requirements, including periodic assurance from or review with the relevant responsible officers
- The policies and procedures for all work related to fraud, corruption, gifts and bribery
- The accounting policies, the integrity of annual Financial Statements, the annual report of the organisation (including the process for review of the Financial Statements prior to submission for audit), levels of error identified following audit and the management's letter of representation to the external auditors
- The planned activity for and results of both internal and external audit
- Management response to issues identified by audit activity, including external audit's management letter
- Policies in connection with the Trust's role as employer and such other policies and documents of a similar nature as the Trust may determine
- Policies and procedures in relation to breaches of information security and their avoidance
- Such other matters as the Trust Board may from time to time require.

The Chair of the Committee, Bonnie Jones, is also a member of the Probation Board, as are a number of other members of the Committee. The Chair and Chief Executive of the Trust are not members of the Committee but attend meetings by invitation as observers. The Audit Committee includes an independent co-opted member who has particular financial expertise.

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

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

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

Practice Assurance Group

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

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

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

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

Equality and Diversity Committee

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

- Work towards eliminating unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic covering race, age, gender, sexuality, religion, diversity, transgender and those who do not.

- Ensure that policies, procedures, and practices (including Service Level Agreements, commissioning and placement) take into account the nine protected characteristics and that relevant analysis, and consultation is undertaken at the earliest opportunity.
- Act as a co-ordinating leadership and advocacy body to ensure that Human Resources, Learning and Development and Operational groups are working in accordance with the agreed Equality and Diversity objectives of the Trust, in identifying and addressing risks.
- Request and receive periodic process updates and action plans from relevant Operational and Finance & Resource Directors as required (including minutes or notes of relevant LDU sub-committees) in order to provide an active steer on Equality Objectives and the Trust's compliance with the Equality Act.

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

Change Management Committee

The Committee was set up in 2010 by the Trust Board to oversee and give assurance on the necessary service implications as a consequence of potential budget reductions of between 25%–40% of current expenditure over 2009/10 – 2013/14. The role of the Committee has (with the authority of the Trust Board) evolved since 2010 to relate to a wider set of objectives and topics.

The Committee met quarterly to oversee and give assurance to the Trust Board on the necessary service implications of meeting financial targets. It:

- Tracked the Benefits Realisation and Business Plan targets
- Tracked the achievability of quantitative and qualitative impacts of LEAN.
- Supported the Directors in accelerating the devolved decision making process.
- Tracked decisions agreed at Board
- Took necessary delegated decisions on behalf of the Board.
- Led the Board's work on specific issues such as social enterprises and/or “bidding” for additional business
- Acted as advisors to the Executive officers
- Responded to national initiatives / policy changes.

The Chair, Jeff Grant, is also a member of the Board, as are a number of other members of the Committee. The minutes of all meetings of the Committee are received by the Board. All of its meetings during the year were quorate.

Other Committees include Remuneration, Complaints Appeal Panels, Disciplinary Appeals Panels and Grievance Appeals Panels and also a Health and Safety Committee. These are not part of the formal governance structure but are panels constituted under the relevant policy.

Remuneration Committee

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

- to provide advice and a sounding board to the Chair in preparedness for the formal appraisal process with the Chief Executive.
- to receive a state of the nation report from the Chief Executive, to cover a broad assessment on achievements of the organisation against objectives outlined in the Strategic Business Plan and any other supporting documents. It will be important to highlight areas of exemplary practice, high performance and strategic actions that have brought kudos and increased reputation. It will also be necessary to draw attention to areas where performance has not been robust and to highlight areas that have led to significant incidents e.g. staffing tribunals and serious service failures e.g. serious further incidents and contract delivery matters. Also, to highlight any issues where there have been learning points and implications for the Trust.

- the Chief Executive is to give a heads up on forthcoming strategic areas that she wants to highlight, given that the Probation Review may need to alter some of these (not as yet received). The report will include a broad brush assessment on how the Chief Executive has viewed the performance of her immediate team of Directors, both collectively and on an individual basis, particularly in order that the Remuneration Committee can add any wider perspective.

The Risk and Control Framework

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

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

The organisational risk management process formed part of the system of internal control and a developed framework had been in place all year. The structure and information on the risk register was reviewed by the Audit Committee and both the past and expected future movements in assessed risks are shown.

The assessment of risks from the Trust's register has been integrated with the performance review reporting.

The Audit Committee approved the annual Internal Audit Plan, including considering emerging national risks in respect of any high profile cases.

The profile of information security has been raised nationally. However there were no lapses in data security that needed to be reported to the Information Commissioner's Office. Information security is reviewed quarterly via the Information Security Forum at which at least one Executive Director attends. A review of Information Assurance has been undertaken by Internal Audit this year and this has resulted in an overall rating of amber/green; this means that although there were some weaknesses in controls they did not require significant improvement in order to manage risks.

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

The Staff Learning and Development Plan, which is approved annually, is designed to support the work of the Trust and its priorities are taken from the Business Plan. The training plan included elements of mandatory training for some aspects of our work. NPT works jointly with other Trusts in common areas for training. Managers also ensured that other development opportunities such as coaching, mentoring, job shadowing, e-Learning and self instruction were offered and supported where appropriate.

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

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

Compliance with Corporate Governance Code 2011

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

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

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

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

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

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

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

The Board has begun a programme of periodic review of the skills and qualities of Non Executive members to evaluate and improve on its effectiveness. These are carried out annually by the Chair in accordance with the Code of Good Practice.

The Board has a Board Secretary who is responsible for developing and agreeing Board and Committee agendas, developing and agreeing Committee Terms of Reference, ensuring the good flow of information between the Board and its Committees based on the quality and timeliness of Board papers, and providing advice on due process including compliance with governance requirements.

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

Review of effectiveness

The annual Governance Statement has been discussed with and approved by the Board on the 13th June 2013. The Chief Executive, as Accountable officer, has responsibility for the effectiveness of the system of internal control and the effectiveness of the system of internal control is informed by the work of Internal Audit and the Executive Directors. They have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letter and other reports.

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

The Audit Committee reviews the organisational risk register regularly during the year. This ensures that the issue of risk assessment remains current and keeps pace with changes in the environment and changes in the organisational performance of the Trust. The Audit Committee reports to the Board on any significant risk and governance issues that may arise.

Significant Governance Issues

The Board, supported by the relevant Committees, has reviewed the Trust's financial, procurement and operational areas and there were none during 2012/13.

Audit Opinion

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

The Trust has been given an unqualified opinion by the External Auditor on the financial statements for 2012/13.

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

I am satisfied that the Trust's approach to governance and internal control for 2012/13, as set out in this statement, is robust. It provides the Board and I with the appropriate level of assurance and this has been confirmed through the work of the Audit Committee during the year.

Jane Geraghty on behalf of the Board
Chief Executive and Accountable Officer

17th June 2013

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

I certify that I have audited the financial statements of Nottinghamshire Probation Trust for the year ended 31 March 2013 under the Offender Management Act 2007. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

Respective responsibilities of the Chief Executive and auditor

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

Scope of the audit of the financial statements

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

Opinion on regularity

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

Opinion on financial statements

In my opinion, the financial statements give a true and fair view of the state of Nottinghamshire Probation Trust's affairs as at 31 March 2013 and of the net operating cost after taxation for the year then ended; and the financial statements have been properly prepared in accordance with the Offender Management Act 2007 and Secretary of State directions issued there under.

Emphasis of Matter – Material uncertainty in respect of going concern

Without qualifying my opinion, I have considered the adequacy of the disclosures made in Note 1.3 of the financial statements, concerning management's consideration of a material uncertainty around the going concern status of the Trust. This arises from an announcement by the Secretary of State for Justice on 9 May 2013, regarding the future of the probation service.

Opinion on other matters

In my opinion, the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions made under the Offender Management Act 2007; and the information given in the Operational and Performance Review, Management Commentary and Sustainability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

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

Report

I have no observations to make on these financial statements.

Amyas C E Morse
Comptroller and Auditor General

2 July 2013

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

7. Financial Statements

Statement of Comprehensive Net Expenditure

For the year ended 31 March 2013

	Notes	2012–13 £000	2011–12 £000
Administration costs			
Staff costs	3(a)	16,425	16,683
Other administration costs	6(a)	4,992	4,658
Income	7(a)	(20,317)	(20,458)
Net administration costs		1,100	883
Programme costs			
Staff costs	3(a)	302	293
Other programme costs	6(b)	60	42
Income	7(b)	(362)	(350)
Net programme costs		0	(15)
Net operating costs		1,100	868
Expected return on pension assets	4(d)	(3,434)	(3,932)
Interest on pension scheme liabilities	4(d)	4,296	4,226
Net operating costs before taxation		1,962	1,162
Taxation	5	0	(180)
Net operating costs after taxation		1,962	982

Other Comprehensive Expenditure

	Notes	2012–13 £000	2011–12 £000
Net operating costs after taxation		1,962	982
Net gain on revaluation of property, plant and equipment	8	(8)	(1)
Pension actuarial (gain)/loss	23	(1,125)	14,871
Total comprehensive expenditure for the year ended 31 March 2013		829	15,852

The notes on pages 32 to 52 form part of these Financial Statements.

All results are derived from continuing operations.

Statement of Financial Position

As at 31 March 2013

		2012–13	2011–12
	Notes	£000	£000
Non-current assets			
Property plant and equipment	8	150	207
Total non-current assets		150	207
Current assets			
Trade and other receivables	12(a)	1,159	978
Cash and cash equivalents	13	1,355	1,281
Total current assets		2,514	2,259
Total assets		2,664	2,466
Current liabilities			
Trade and other payables	14(a)	(1,494)	(1,444)
Provisions	15	(123)	0
Taxation payables	14(a)	(593)	(593)
Total current liabilities		(2,210)	(2,037)
Non-current assets plus net current assets		454	429
Non-current liabilities			
Pension liability	4(c)	(35,210)	(34,356)
Total non-current liabilities		(35,210)	(34,356)
Assets less liabilities – net liabilities		(34,756)	(33,927)
Taxpayers' equity			
General fund	23	(34,798)	(33,961)
Revaluation reserve – property, plant and equipment	24(a)	42	34
		(34,756)	(33,927)

The financial statements on pages 28 to 31 were approved by the Board on 13th June 2013 and were signed on its behalf by

..... Chief Executive and Accountable Officer

17th June 2013

The notes on pages 32 to 52 form part of these Financial Statements.

Statement of Cash Flows

For the year ended 31 March 2013

		2012–13	2011–12
	Notes	£000	£000
Cash flows from operating activities			
Net operating costs	23	(1,962)	(982)
Adjustments for non-cash transactions	6(a)	188	(106)
Adjustments for pension cost	4(d)	1,979	794
(Increase)/decrease in receivables	12(a)	(181)	2,052
Increase/(decrease) in payables	14(a)	50	(1,205)
Utilisation of provisions	15	0	(18)
Net cash outflow from operating activities		74	535
Cash flows from investing activities			
Purchase of property, plant and equipment	8	0	0
Purchase of intangibles	9	0	0
Proceeds on disposal of property, plant and equipment	8	0	0
Proceeds on disposal of intangibles	9	0	0
Net cash outflow from investing activities		0	0
Cash flows from financing activities			
Net financing received in year	23	0	0
Payments of amounts due to the Consolidated Fund to NOMS		0	0
Net financing		0	0
Net increase in cash and cash equivalents in the period			
		74	535
Cash and cash equivalents at the beginning of the period	13	1,281	746
Cash and cash equivalents at the end of the period	13	1,355	1,281
Increase in cash		74	535

The notes on pages 32 to 52 form part of these Financial Statements.

Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2013

	Notes	General Fund £000	Revaluation Reserve £000	Total £000
Balance as at 1 April 2011		(18,108)	33	(18,075)
Changes in taxpayers' equity for 2011–12				
Net operating cost after taxation	SoCNE	(982)		(982)
Net gain on revaluation of property, plant and equipment	24(a)		1	1
Pension actuarial (loss)	23	(14,871)		(14,871)
Balance as at 31 March 2012		(33,961)	34	(33,927)
Changes in taxpayers' equity for 2012–13				
Net operating cost after taxation	SocNE	(1,962)		(1,962)
Net gain on revaluation of property, plant and equipment	24(a)		8	0
Pension actuarial gain	23	1,125		1,125
Balance as at 31 March 2013		(34,798)	42	(34,756)

The notes on pages 32 to 52 form part of these Financial Statements.

Notes to the Financial Statements

1. Statement of accounting policies

The financial statements have been prepared in accordance with the 2012–13 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM follow International Financial Reporting Standards (IFRS) as at the reporting date to the extent that it is meaningful and appropriate to the public sector.

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

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

The IASB has issued an amended IAS 19 that will come into force for financial periods beginning on or after 1 January 2013 (IAS 19R). IAS 8 requires the disclosure of the impact of the changes to accounting standards which have not yet been adopted. In particular, it requires a disclosure, in the 2013 accounts for those employers with 31 March 2013 year end date, of the expected impact of the future change in accounting standard. The principal changes are as follows:

- The expected return on assets is calculated at the discount rate, instead of, as currently, at an expected return based on actual assets held in the Fund.
- The interest on the service cost is included in the service cost itself.
- Administration expenses continue to be charged through the Statement of

Comprehensive Expenditure, but are set out as a separate item.

Had the Trust adopted the amended IAS19 for the 2012–13 reporting period, the impact on the financial statements would have been a cost £4,693m instead of £4,015m actually charged to the SoCNE.

1.1 Accounting convention

These Financial Statements have been prepared on an accruals basis under the historical cost convention and modified to account for the revaluation of non-current assets, where material, at their value to the business. The functional and presentational currency of the Trust's financial statements is the British pound sterling (to the nearest £1,000 unless otherwise stated).

1.2 Changes in accounting policies and restatement of comparatives

There have been no changes in accounting policies or restatement of comparatives in these Financial Statements.

1.3 Going concern

The Statement of Financial Position at 31 March 2013 shows negative Taxpayers' Equity, which reflects the inclusion of liabilities falling due in future years. The future financing of the Probation Trust liabilities is met by future grants of Supply to the Ministry of Justice/NOMS and there is no reason to believe that future approvals of Supply will not be forthcoming. The Trust will continue to invoice NOMS for the provision of probation services under the terms of its contract with NOMS.

A consultation paper "Transforming Rehabilitation – A revolution in the way we manage offenders" was issued in January 2013 which built on the previous consultation last year and set out plans to contract out probation services more widely and increase the use of Payment by Results. The consultation period ended on 22 February 2013 and the results of both consultations were published in "Transforming Rehabilitation: A strategy for Reform", on 9 May 2013 by the Secretary of State for Justice.

The recommendations of the report will change the way in which probation services are commissioned and delivered. A new National Probation Service will be created to protect the public from the most dangerous offenders and manage the provision of

probation services. England and Wales will be divided into 21 contract areas which align closely with local authorities and Police and Crime Commissioner areas. MoJ/NOMS will be responsible for commissioning rehabilitation services. Probation service local delivery units will support the gathering of intelligence on needs and priorities at a local level, including from key partners (e.g. local authority needs assessments) to feed into the MoJ/NOMS commissioning process. The implications of the new arrangements for individual Trusts are not provided in the consultation announcement at this stage. Specifically, the announcement does not provide sufficient detail to form a judgement on whether the material functions, assets and liabilities will be transferred for continuing use in the public sector in the context of the FReM paragraph 2.2.15. This is likely to become clearer during 2013–14 as the proposals are further developed and implemented.

Implementation of the new arrangements will require a Statutory Instrument to be issued by the Secretary of State under the Offender Management Act 2007, subject to negative affirmation. This had not been drafted at the date the Annual Report and Financial Statements were approved. Senior management has concluded therefore that, having reviewed the results of the consultations within the context of the Financial Reporting Manual (FReM), it is appropriate for the Trust to prepare the 2012–13 Annual Report and Financial Statements on a going concern basis, with disclosure of a ‘material uncertainty’ around going concern, arising from the recommendations of the report, *Transforming Rehabilitation: A strategy for Reform*.

1.4 Property, plant and equipment

Non-current assets are included at cost upon purchase and are restated at each Statement of Financial Position date using the Price Index Numbers for Current Cost Accounting (Office for National Statistics). The minimum level for capitalisation of a tangible non-current asset is £5,000, inclusive of any irrecoverable VAT element, where appropriate.

All land and building assets used by the Probation Trust are managed and owned centrally by NOMS and are recorded on their Statement of Financial Position. The cost of using those assets is included within **Note 6(a)**, other administration costs under “accommodation, maintenance &

utilities”. The charge to the Probation Trust does not represent the full cost incurred by NOMS.

Revaluation of non-current assets

The revaluation reserve reflects the unrealised element of the cumulative balance of revaluation and indexation adjustments in non-current assets (excluding donated assets). Upward revaluations go to the Revaluation Reserve. Downward revaluations are charged to the revaluation reserve if there is a prior credit balance; otherwise they are charged to the SoCNE.

1.5 Depreciation

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

Asset lives are currently in the following ranges:

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

1.6 Inventories

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

1.7 Operating income

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

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

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

1.8 Administration and programme expenditure

The SoCNE is analysed between administration and programme income and expenditure. The classification of expenditure and income for both Administration and Programme follows the definition set out in the FR&M by HM Treasury. Administration costs reflect the costs of running the Probation Trust together with associated operating income. Programme costs are defined as projects which are fully or partially funded from outside the Ministry of Justice. On consolidation into NOMS Agency Financial Statements, all expenditure and income is classified as programme, except the audit fee which is administration expenditure.

1.9 Pensions

Past and present employees are covered by the provisions of the Local Government Pension Scheme (LGPS). This is a funded defined benefit scheme meaning that retirement benefits are determined independently of the investments of the scheme and employers are obliged to make additional contributions where assets are insufficient to meet retirement benefits. Under the LGPS Regulations the pension fund is subject to an independent triennial actuarial valuation to determine each employer's contribution rate (Disclosure of Stakeholder Pensions Schemes is not included in these Financial Statements). Where a central government entity has a share of a local government (or other) pension scheme liability on its statement of financial position, then that entity will use a discount rate determined by the appropriate authority (for example CIPFA or a qualified independent actuary) in valuing its share and not the rate advised annually by HM Treasury. The pension fund actuary has used roll forward estimated asset value figures in producing the IAS 19 pension liability and other disclosures.

1.10 Leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the Trust, the asset is recorded as a tangible non-current asset and a debt is recorded to the lessor of the minimum lease payments discounted by the interest rate implicit in the lease. The interest element of the finance lease payment is

charged to the SoCNE over the period of the lease at a constant rate in the relation to the balance outstanding. Other leases are regarded as operating leases and the rentals are charged to the SoCNE on a straight-line basis over the term of the lease.

A distinction is made between finance leases and operating leases. Finance leases are leases where substantially all of the risks and rewards incidental to ownership of leased non-current assets are transferred from the lessor to the lessee when assessed against the qualitative and quantitative criteria in IAS 17. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Finance leases

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

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

Operating leases

The Trust has entered into a number of operating lease arrangements. Rentals under operating leases are charged to the SoCNE on a straight-line basis.

Operating leases – incentives

Lease incentives (such as rent-free periods or contributions by the lessor to the lessee's relocation costs) are treated as an integral part of the consideration for the use of the leased asset. The incentives are accounted as an integral part of the net consideration agreed for the use of the leased asset over the lease term, with each party (the lessor and lessee) using a single amortisation method applied to the net consideration.

IFRIC 4 Determining whether an arrangement contains a lease

In determining whether the Trust holds a lease, contracts that use assets are assessed to determine whether the substance of the arrangements contain a lease. The contract is accounted for as a lease if the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. The arrangement is then assessed under IAS 17 to determine whether it should be accounted for as a finance or operating lease.

1.11 Provisions

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

1.12 Value Added Tax

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

1.13 Deferred Tax

There is no deferred tax in these Financial Statements.

1.14 Corporation Tax

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

1.15 Cash and Cash Equivalents

Cash and Cash Equivalents comprise cash in hand, that is readily convertible to a known amount

of cash and is subject to insignificant risk of changes in value.

1.16 Financial instruments

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

1.17 Segmental analysis of spend as reported to the Management Board

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

1.18 Third party assets

The Trust had none in 2012/13.

1.19 Financial Standards issued but not yet effective

The following accounting standards have been issued but not yet adopted:

- IFRS 9 Financial Instruments
- IFRS 10 Consolidated Financial Statements
- IFRS11 Joint Arrangements
- IFRS 12 Disclosure of Interest in other Entities
- IFRS13 Fair Value Measurement
- IAS12 Income Tax
- IAS1 Presentation of Financial Statements
- IAS 27 Consolidated and Separate Financial Statements
- IAS 28 Associates and Joint Ventures
- IAS 19 Employee Benefits
- IAS32 Financial Instruments: Presentation
- IFRS 7 Financial Instruments: Disclosures

The Trust has considered the above and concluded that the impact on its financial statements is not material.

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

Operational Unit	2012–13		2011–12
	Net Expenditure (£k)	Net Expenditure (£k)	
City Local Delivery Unit	5,710		-
County Local Delivery Unit	4,404	See note	13,623
Interventions Local Delivery Unit	2,779		-
Finance & Resources	3,793		3,424
Chief & Chairs	1,077		1,158
Total Net Expenditure	17,763		18,205
Contract Income	(17,779)		(18,018)
Overspend/(Underspend)	(16)		187

Note:

The Service restructured during 2012–13; the 2011–12 comparatives have not been fully broken down into the current structure.

The above figures are only for the main contract and exclude any other Income & Expenditure adjustments.

3. Staff numbers and related costs

3a. Staff costs consist of:

	2012-13			2011-12
	Total £000	Permanently- employed staff £000	Others £000	Total £000
Wages and salaries	13,872	13,815	57	14,711
Social security costs	1,015	1,015	0	1,103
Other pension costs	3,153	3,153	0	2,625
Sub-total	18,040	17,983	57	18,439
Less recoveries in respect of outward secondments	(1,313)	(1,313)	0	(1,463)
Total staff costs	16,727	16,670	57	16,976
Administration-related staff costs	16,425	16,368	57	16,683
Programme-related staff costs	302	302	0	293
	16,727	16,670	57	16,976

The Local Government Pension Scheme is a funded multi-employer defined benefit scheme. The Probation Trust's share of the underlying assets and liabilities are shown below in **Note 4**. The change in other pension costs relates primarily to the difference in current service costs as supplied by the actuary.

0 persons (2011-12: 2 persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £0 (2011-12: £13,798).

3b. Average number of persons employed

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

	2012-13			2011-12
	Total	Permanently- employed staff	Others	Total
	476	474	2	511
	476	474	2	511

3c. Reporting of compensation schemes – exit packages

Exit packages cost band	2012–13			2011–12		
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	0	0	0	0	1	1
£10,000–£25,000	0	0	0	0	0	0
£25,000–£50,000	0	0	0	0	0	0
£50,000–£100,000	0	0	0	3	0	3
£100,000–£150,000	0	0	0	0	0	0
£150,000–£200,000	0	0	0	0	0	0
£200,000+	0	0	0	0	0	0
Total number of exit packages by type	0	0	0	3	1	4
Total resource cost £000	0	0	0	224	4	228

There were no departures due to compulsory redundancy or other exit packages during 2012–13. During 2011–12 redundancy and other departure costs were paid in accordance with the Trust compensation scheme. Exit costs are accounted for in full in the year of departure. The additional costs of any early retirements are met from the Trust and not the pension scheme appropriate and are included in the above figures. Ill health retirement costs are met from the pension scheme and are excluded from the above table.

4. Pensions costs

Pension Benefits are provided through the Local Government Pension Scheme administered by Nottinghamshire County Council. This is intended to be fully funded scheme providing benefits on a final salary basis at a normal retirement age of 65. Benefits accrue at the rate of 1/60th of pensionable salary for each year of service and for service before 1 April 2008 at 1/80th plus a lump sum of 3/80ths of pensionable pay for each year of service is payable on retirement. Members pay contributions of at least 6% of pensionable earnings. Pensions are uplifted in line with the consumer price index. On death pensions are paid at a reduced amount to the surviving spouse or civil partner. On death in service the Scheme pays a lump sum benefit and service enhancement in calculating the partner's pension. Medical retirement means that pensions are paid without actuarial reduction and service enhanced as for partner pensions. The closing liability valuation for 31 Mar 2013 was based on actual contributions to January 2013 and estimated contributions for February and March.

4a Pension costs

A full actuarial valuation was carried out at 31 March 2010 by Barnett Waddingham. For 2012–13, employers' contributions of £1.978m were payable to the LGPS (2011–12 £2.078m) at the rate of 16.9% (2011–12 16.9%). The schemes' Actuary reviews employer contributions every three years following a full scheme valuation. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

With effect from 1 April 2010, early retirement costs have been included within the Actuarial pension valuation and calculated on the same basis as the pension fund scheme assets and liabilities, in accordance with IAS 19

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

	2012-13	2011-12
	%	%
Inflation assumption	2.6%	2.5%
Rate of increase in salaries	4.8%	4.7%
Rate of increase for pensions in payment and deferred pensions	2.6%	2.5%
Discount rate	4.5%	4.6%

The assumed life expectations from age 65 are for retiring today; males 18.7 years and females 22.8 years, and for retiring in twenty years; males 20.7 years and females 24.6 years.

4c. The assets in the scheme and the expected rate of return were:

	2012-13			2011-12		
	Expected long-term rate of return	Value as a percentage of total scheme assets	Value	Expected long-term rate of return	Value as a percentage of total scheme assets	Value
	%	%	£000	%	%	£000
Equities	5.7%	73%	50,693	6.2%	70%	41,959
Government bonds	5.7%	7%	4,861	3.3%	7%	4,196
Other bonds	5.7%	6%	4,167	4.6%	5%	2,997
Property	5.7%	12%	8,333	5.7%	14%	8,392
Other	5.7%	2%	1,389	3.0%	4%	2,398
Total	5.7%	100%	69,443	5.7%	100%	59,942
Present value of scheme liabilities			(104,653)			(94,298)
Deficit of the scheme			(35,210)			(34,356)
Net liability			(35,210)			(34,356)

4d. Analysis of amounts recognised in SoCNE

	2012–13	2011–12
	£000	£000
Pension cost		
Current service cost	3,153	2,563
Effect of curtailment	0	62
Total operating charge	3,153	2,625

	2012–13	2011–12
	£000	£000
Analysis of interest cost on pension scheme – assets/(liabilities)		
Expected return on pension scheme assets	(3,434)	(3,932)
Interest on pension scheme liabilities	4,296	4,226
Net interest costs	862	294

4e. Analysis of amounts recognised in other comprehensive expenditure

	2012–13	2011–12
	£000	£000
Pension actuarial gain/(loss)	1,125	(14,871)
Total shown in other comprehensive expenditure	1,125	(14,871)

4f. Changes to the present value of liabilities during the year

	2012–13	2011–12
	£000	£000
Opening present value of liabilities	94,298	75,924
Current service cost	3,153	2,563
Interest cost	4,296	4,226
Contributions by members	766	808
Actuarial (gains)/losses on liabilities*	4,734	12,332
Benefits paid	(2,545)	(1,570)
Unfunded benefits paid	(49)	(47)
Curtailments	0	62
Closing present value of liabilities	104,653	94,298

* Includes changes to actuarial assumptions

4g. Changes to the fair value of assets during the year

	2012–13	2011–12
	£000	£000
Opening fair value of assets	59,942	57,233
Expected return on assets	3,434	3,932
Actuarial gains/(losses) on assets	5,859	(2,539)
Contributions by the employer	2,036	2,125
Contributions by members	766	808
Benefits paid	(2,545)	(1,617)
Unfunded benefits paid	(49)	0
Closing fair value of assets	69,443	59,942

4h. History of asset values, present values of liabilities, surplus/deficit and experience gains and losses

	2012–13	2011–12	2010–11	2009–10	2008–09
	£000	£000	£000	£000	£000
Fair value of assets	69,443	59,942	57,233	55,289	40,892
Present value of liabilities	104,653	94,298	75,924	93,167	59,920
Surplus/(deficit)	(35,210)	(34,356)	(18,691)	(37,878)	(19,028)
Experience gains/(losses) on scheme assets	5,859	(2,539)	(1,797)	11,026	(12,458)
Experience gains on scheme liabilities	0	0	486	0	0%
Percentage experience gains/(losses) on scheme assets	8%	(4%)	(3%)	20%	(30%)
Percentage experience gains/(losses) on scheme liabilities	0%	0%	1%	0%	0%

4i. Sensitivity analysis

	+0.1%	0%	-0.1%
	£000	£000	£000
Adjustment to discount rate			
Present value of total obligation	102,261	104,653	107,117
Projected service cost	3,268	3,388	3,512
Adjustment to mortality age rate assumption			
	+1yr	none	-1yr
	£000	£000	£000
Present value of total obligation	100,602	104,653	108,760
Projected service cost	3,229	3,388	3,549

5. Taxation

	2012–13	2011–12
	£000	£000
UK Corporation tax	0	(180)
Total	0	(180)

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

Nottinghamshire Probation Trust had a brought forward loss (for Corporation Tax purposes) in 2011–12 of £486.2K. This has been reduced to £290.4K following these 2012–13 Accounts. Therefore no Corporation Tax is due.

6. Other administrative costs and programme costs

6a. Administration costs

	2012-13		2011-12	
	£000	£000	£000	£000
Rentals under operating leases	0		32	
Accommodation, maintenance and utilities	1,527		1,474	
Travel, subsistence and hospitality	281		312	
Professional services	377		411	
IT services	926		880	
Communications, office supplies and services	384		359	
Other staff related	152		145	
Offender costs	804		855	
Other expenditure	306		245	
External Auditors' remuneration – statutory accounts	28		28	
Internal Auditors' remuneration and expenses	19		23	
		4,804		4,764
Non-cash items				
Depreciation of tangible non-cash assets	65		70	
Profit on disposal of tangible non-cash assets	0		3	
Other provisions provided for in year	123		(179)	
		188		(106)
Total		4,992		4,658

6b. Programme costs

Current expenditure	60		42	
Total		60		42
Total other administration and programme costs		5,052		4,700

7. Income

7a. Administration income

	2012-13		2011-12	
	£000	£000	£000	£000
Income receivable from the sponsoring department – NOMS	17,779		18,018	
		17,779		18,018
Other income received from Probation Trusts	53		5	
Other income from NOMS	73		54	
Other income from other Government departments	2,221		2,284	
Miscellaneous income	191		97	
		20,317		20,458
Total administration income		20,317		20,458

7b. Programme income

Other EU income	362		350	
Total programme income		362		350
Total income		20,679		20,808

8. Property, plant and equipment

	2012-13					
	Information technology	Plant and machinery	Transport equipment	Furniture, fixtures and fittings	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
As at 1 April 2012	0	151	390	0	0	541
Additions	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	0	5	23	0	0	28
As at 31 March 2013	0	156	413	0	0	569
Depreciation						
As at 1 April 2012	0	110	224	0	0	334
Charge in year	0	18	47	0	0	65
Disposals	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	0	4	16	0	0	20
As at 31 March 2013	0	132	287	0	0	419
Carrying value as at 31 March 2013	0	24	126	0	0	150
Carrying value as at 31 March 2012	0	41	166	0	0	207
Asset financing						
Owned	0	24	126	0	0	150
Finance leased	0	0	0	0	0	0
Carrying value as at 31 March 2013	0	24	126	0	0	150

8. (Continued)

	2011-12					
	Information technology	Plant and machinery	Transport equipment	Furniture, fixtures and fittings	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
As at 1 April 2011	0	163	451	0	0	614
Additions	0	0	0	0	0	0
Disposals	0	(13)	(62)	0	0	(75)
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	0	1	1	0	0	2
As at 31 March 2012	0	151	390	0	0	541
Depreciation						
As at 1 April 2011	0	102	233	0	0	335
Charge in year	0	20	50	0	0	70
Disposals	0	(13)	(59)	0	0	(72)
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	0	1	0	0	0	1
As at 31 March 2012	0	110	224	0	0	334
Carrying value as at 31 March 2012	0	41	166	0	0	207
Carrying value as at 31 March 2011	0	61	218	0	0	279
Asset financing						
Owned	0	41	166	0	0	207
Finance leased	0	0	0	0	0	0
Carrying value as at 31 March 2012	0	41	166	0	0	207

9. Intangible assets

The Trust had no intangible assets in 2012/13 (£nil 2011/12).

10. Impairments

The Trust had no impairments in the year to 31 March 2013 (2011/12 £nil).

11. Assets held for sale

There were no assets held for sale at the reporting date (2011/12 £nil).

12. Trade receivables and other current assets

12a. Analysis by type

	2012–13	2011–12
	£000	£000
Amounts falling due within one year		
Trade receivables	11	2
Receivables due from Probation Trusts	59	83
Receivables due from NOMS agency	172	117
Receivables due from all other Government departments	797	660
Other receivables	5	10
Prepayments	92	51
Accrued income	23	55
	1,159	978

12b. Intra-Government receivables

	Amounts falling due within one year		Amounts falling due after more than one year	
	2012–13	2011–12	2012–13	2011–12
	£000	£000	£000	£000
Balances with other central Government bodies	463	382	0	0
Balances with local authorities	586	478	0	0
	1,049	860	0	0
Balances with bodies external to Government	110	118	0	0
Total	1,159	978	0	0

13. Cash and cash equivalents

	2012–13	2011–12
	£000	£000
Balance at 1 April	1,281	746
Net change in cash and cash equivalents	74	535
Balance at 31 March	1,355	1,281
The following balances at 31 March are held at:		
Commercial banks and cash in hand	1,355	1,281
Balance at 31 March	1,355	1,281

14. Trade payables and other current liabilities

14a. Analysis by type

	2012–13	2011–12
	£000	£000
Amounts falling due within one year (excluding taxation)		
Trade payables	65	47
Other payables	13	1
Accruals	727	1,236
Deferred income	182	137
Staff payables	3	4
Payables due to Probation Trusts	38	0
Payables due to NOMS Agency	196	0
Payables due to all other Government departments	30	19
Unpaid pensions contributions due to the pensions scheme	240	0
	1,494	1,444
Tax falling due within one year		
VAT	298	593
Other taxation and social security	295	0
	593	593
Total amounts falling due within one year	2,087	2,037

There were no payables due after more than one year (2011/12 £nil)

14b. Intra-Government payables

	Amounts falling due within one year		Amounts falling due after more than one year	
	2012–13	2011–12	2012–13	2011–12
	£000	£000	£000	£000
Balances with other central Government bodies	928	593	0	0
Balances with local authorities	171	15	0	0
Balances with NHS bodies	18	4	0	0
Balances with public corporations and trading funds	0	0	0	0
	1,117	612	0	0
Balances with bodies external to Government	970	1,425	0	0
Total	2,087	2,037	0	0

15. Provisions for liabilities and charges

	2012–13	2011–12
	£000	£000
Balance at 1 April	0	197
Provided in year	123	0
Provisions not required written back	0	(179)
Provision utilised in the year	0	(18)
Balance as at 31 March	123	0

Analysis of expected timing of discount flows

	2012–13	2011–12
	£000	£000
Not later than one year	123	0
Balance as at 31 March	123	0

A provision has been made, based on legal advice, for expected legal costs which may result from current claims against it. There were no provisions outstanding at 31 March 2012.

16. Capital commitments

As at 31 March 2013, the Trust had no capital commitments that needed to be disclosed (2011/12 none).

17. Commitments under lease

17a. Operating leases

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

Obligations under operating leases for the following periods comprise:

	2012–13	2011–12
	£000	£000
Other		
Not later than one year	31	28
Later than one year and not later than five years	72	71
Total	103	99

These Operating Leases are mainly for the supply of photocopier equipment and faxes.

17b. Finance leases

As at 31 March 2013, the Trust had not entered into any lease arrangements which may give rise to finance lease commitments (31 March 2012 none).

18. Other financial commitments

As at 31 March 2013 the Trust had not entered into any arrangements which may give rise to other financial commitments (31 March 2012 none).

19. Deferred tax asset

As at 31 March 2013, there were no deferred tax assets (31 March 2012 none).

20. Financial instruments

As the cash requirements of the Trust are met through the Estimates process, financial instruments play a more limited role in creating risk than would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts to buy non-financial items in line with the Trust's expected purchase and usage requirements as well as cash, receivables and payables. Therefore it is felt that the Trust is not exposed to significant credit, liquidity or market risk.

The Trust does not face any significant medium to long-term financial risks.

21. Contingent liabilities

Nottinghamshire Probation Trust has contingent liabilities relating to legal cases where there remains uncertainty that a loss of economic benefit will arise. Cases where a loss of economic benefit is probable have been provided for within the Statement of Financial Position. There were no contingent liabilities in 2011/12.

22. Losses and special payments

22a. Losses statement

There are no losses of this nature to disclose as at 31 March 2013 (2011/12).

22b. Special payments schedule

	2012–13		2011–12	
	Number of cases	Total value £000	Number of cases	Total value £000
Special payments	3	11	0	0
Total	3	11	0	0
Details of cases over £250,000				
Special payments	0	0	0	0
Total	0	0	0	0

There were no special payments in excess of £250,000.

23. General fund

	2012–13 £000	2011–12 £000
Balance at 1 April	(33,961)	(18,108)
Prior period adjustment (Note 28)	0	0
Balance restated at 1 April	(33,961)	(18,108)
Net transfers from Operating Activities:		
Statement of Comprehensive Net Expenditure	(1,962)	(982)
Actuarial gains and losses	1,125	(14,871)
Balance at 31 March	(34,798)	(33,961)

24. Revaluation reserve

24a. Property, plant and equipment

	2012–13 £000	2011–12 £000
Balance at 1 April	34	33
Arising on revaluations of PPE during the year (net)	8	1
Balance at 31 March	42	34

24b. Intangibles

There were no intangibles as at 31 March 2013 (2011/12 none).

25. Related party transactions

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

The Trust purchased a number of support services from the County Council valued at £81k (2011–12, £81k). Services were purchased from Nottingham University Hospitals NHS Trust for £14k (2011–12, £13k). Services were purchased from East Midland Quality Centre (EMQC) during 2011–12 for £3k but not during 2012–13. The subscription to the Probation Association (PA) was £27k (2011–12, £24k). Non Executives, the Chief Officer and other senior officers of the Trust have been asked to provide information about possible related party transactions. During the year, none of the members of the Management Board, members of key management staff or other related parties, or their related parties has undertaken any material transactions with the Trust.

Board members have declared appointments as Chair of Home Start (Newark) and trustee of Pathways charity, member of the former Nottinghamshire Police Authority (until November 12) Non Executive member of Nottingham City Partnership, and Lay member Police and Crime Panel for Nottinghamshire. One member is independent chair and member of the independent committee of the East Midlands Quality Centre and also independent lay member of the Audit and Scrutiny Committee for the Office of the Police and Crime Commissioner (Nottinghamshire) and Vice Chair of that Committee.

Officers have declared roles as a Non- Executive Director for Nottinghamshire HealthCare and Trustee with Integritas, one has a partner who works for NACRO and some who are trustees of Pathways Charity. The Board Secretary is part time and undertakes the same role with Gloucestershire Probation Trust. The Board Treasurer is part time and has undertaken interim work in a similar role with Leicestershire and Rutland Probation Trust for part of the year.

26. Third-party assets

There are no third-party assets.

27. Events occurring after the reporting period

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

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

The results of the “Transforming Rehabilitation” consultation paper were published on 9 May 2013, by the Secretary of State for Justice, which announced the future requirements for the provision of probation services. The recommendations will change the way in which probation services are commissioned and delivered. A new National Probation Service will be created to protect the public from the most dangerous offenders and manage the provision of probation services. England and Wales will be divided into 21 contract areas which align closely with local authorities and Police and Crime Commissioner areas. MoJ/NOMS will be responsible for commissioning rehabilitation services. Probation service local delivery units will support the gathering of intelligence on needs and priorities at a local level, including from key partners (e.g. local authority needs assessments) to feed into the MoJ/NOMS commissioning process. It is expected that the detail will be finalised over the coming months. None of the Trust’s assets, liabilities or functions had been transferred at the date the accounts were authorised for issue.

28. Prior period adjustments

There are no prior period adjustments (2011/12 none).

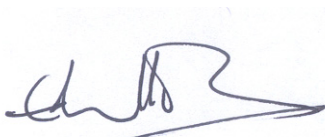
29. Other matters – Pathways Charity

Prior to May 2012, there were two Charities that undertook work that is related to that of the Trust; one was called Nottingham Probation Service Charity that was established several years ago; and the other is Pathways (East Midlands) Ltd set up in June 2011. These were separate legal and financial bodies registered with the Charity Commission and, in the case of Pathways, also with Companies House. From June 1st 2012 these two Charities were merged to become, Pathways (East Midlands) Ltd, following agreement from the Charity Commission. The Trustees for Pathways (East Midlands) are employees of the Trust including the Chief Executive. The income of this Company was £33K for the nine months to 31st March 2013 (£45K for the 12 months to 30th June 2012). The Trust notified NOMS about the establishment and role of Pathways. The Trust has decided that the amount of income and expenditure is not material enough to warrant the production of Group Accounts.

Accounts Direction

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

1. This direction applies to the Local Probation Trusts (the Trusts) listed in the attached Appendix 1.
2. Each Trust shall prepare a statement of accounts for the financial year ended 31 March 2013 and subsequent financial years, in compliance with the accounting principles and disclosure requirements of the Government Financial reporting Manual (“the FReM”) issued by HM Treasury and which is in force for the relevant financial year.
3. The accounts shall be prepared so as to:
 - give a true and fair view of the state of affairs of the Trust as at the financial year-end and of the comprehensive net expenditure, changes in taxpayers’ equity and cash flows for the financial year and have been properly prepared in accordance with the Offender Management Act 2007;
 - provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.
4. Compliance with the requirements of the FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. If, in these exceptional circumstances, compliance with the requirements of the FReM is inconsistent with the requirement to give a true and fair view, the requirements of the FReM should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgement should be used to devise an appropriate alternative treatment which should be consistent with both the economic characteristics of the circumstances concerned and the spirit of the FReM. Any material departure from the FReM should be discussed in the first instance with NOMS Agency finance team and HM Treasury.
5. Additionally the Trusts shall be required to comply with all Probation Communication Notices to the extent that they build on the requirement of the FReM subject to the directions in paragraph 4.
6. This direction supersedes that provided by the Secretary of State to Probation Trusts dated 8 March 2012.



Edward Kirby

On behalf of the Secretary of State for the Ministry of Justice
6 March 2013

Appendix 1 List of Probation Trusts

35 Probation Trusts:

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

Appendix 2 Sustainability Report (not subject to audit)

Introduction

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

This report covers 11 buildings that are used solely by NPT. Shared occupations are not accounted for due to the limitations of extrapolating reliable sustainability data from service charges supplied by landlords. In addition, HM Courts & Tribunals Service is obliged to supply office space free of charge to Probation Trusts. As these are modest in size there is little, if any, benefit from isolating their sustainability data and the exclusion of these areas has a little material impact on sustainability reporting for the Trust as a whole.

The MoJ provides the Trust with information about energy, water and waste whilst the Trust has its own information about business travel. MoJ was not able to provide information to the Trust about the costs of waste.

Governance, responsibilities and internal assurance

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

Greening Government Commitments

The Greening Government Commitments launched on 1 April 2011 require Departments, including Probation Trusts, to take action to significantly reduce environmental impact by 2014–2015 (compared to a 2009–2010 baseline). These commitments can be found at:

<http://sd.defra.gov.uk/gov/green-government/commitments/>.

Climate Change Adaptation and Mitigation

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

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

Carbon Reduction Commitment (CRC)

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

Carbon Management Plan (CMP)

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

The vision of MoJ is to:

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

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

Environmental Management System (EMS)

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

Sustainable procurement

The MoJ procures energy, water and waste services on behalf of NPT although the Trust is able to influence the level of these by its own actions. It has raised staff awareness of these issues to reduce their usage both for environmental and financial reasons. NPT has also taken action to manage the level of business travel to ensure that this is only undertaken where it is part of the Trust's core business.

Social and environmental awareness

NPT has recently implemented a policy of charging staff for car parking at those premises based in Nottingham City. This supports Nottingham City Council's policy of charging local businesses for car parking and investing this resource in improving local public transport.

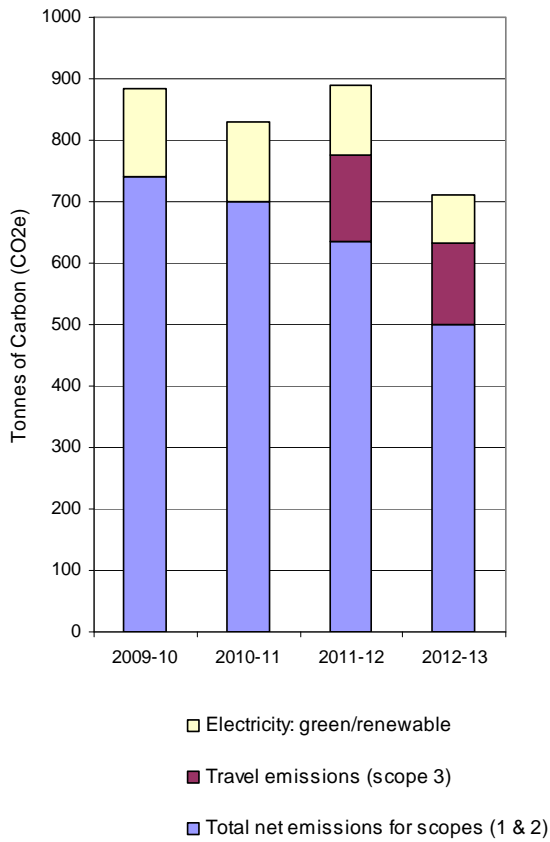
This Sustainability Report and the following tables have not been subject to audit.

Performance summary

Greenhouse gas (GHG) emissions

		2009–10	2010–11	2011–12	2012–13
Non-financial indicators (tCO ₂ e)	Total gross emissions for scopes 1 & 2	882.8	829.1	748.6	579.2
	Electricity: green/renewable	142.7	128.9	114.2	79.2
	Total net emissions for scopes 1 & 2	740.2	700.2	634.3	500
	Travel emissions scope 3	0.0	0.0	141.7	132.0
	Total gross GHG emissions (all scopes)	882.8	829.1	890.2	711.2
Non-financial (kWh)	Electricity: Grid, CHP & non-renewable	822,397	742,860	658,393	456,418
	Electricity: renewable	274,132	247,620	219,464	152,139
	Gas	1,685,723	1,693,687	1,518,652	1,361,972
	Other energy sources				
	Total energy	2,782,252	2,684,166	2,396,509	1,970,529
Financial indicators	Expenditure on energy (£)	165,709	128,262	131,661	107,668
	Expenditure on official business travel (£)	0	0	317,292	294,917

GHG Emissions by scope



Performance commentary (including targets)

Performance in 2012/13 shows impact of Trust’s actions to reduce energy usage and business travel.

Controllable impacts commentary

NPT has taken action to make staff aware of energy usage.

Overview of influenced impacts

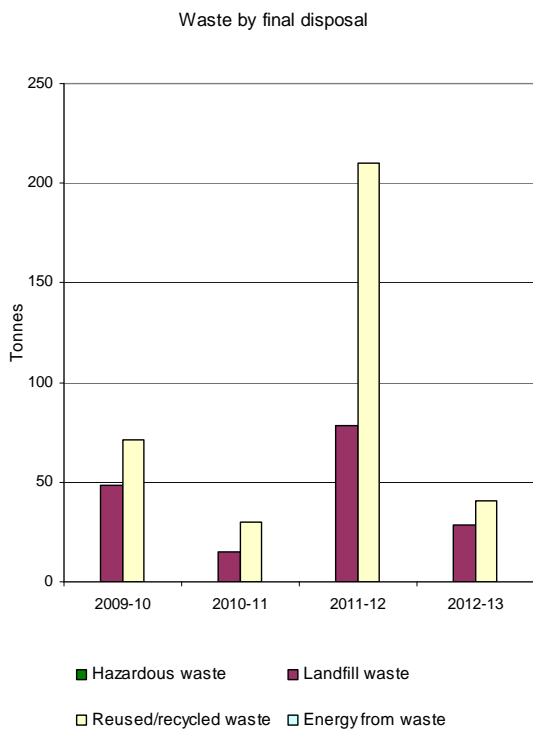
Improved quality and timeliness of data from MoJ will help Trust to manage usage in 2013/14.

Waste

Non-financial indicators (tonnes)

Hazardous waste	Hazardous waste
Non-hazardous waste	Landfill waste
	Reused/recycled waste
	Energy from waste
Total waste arising	

	2009–10	2010–11	2011–12	2012–13
Hazardous waste	48	15	78	29
Landfill waste	71	30	210	41
Reused/recycled waste				
Energy from waste				
Total waste arising	119	45	289	70



Performance commentary (including targets)

No reliable data about costs was available from MoJ for 2012/13. Improved quality and timeliness of data in 2013/14 will help Trust to manage usage.

Controllable impacts commentary

See above

Overview of influenced impacts

See above

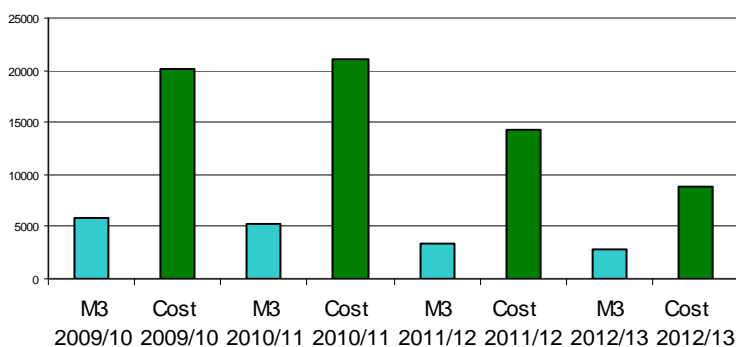
Water

Non-financial indicators **Total water consumption (cubic metres)**

Financial indicators **Total water supply costs (£)**

	2009-10	2010-11	2011-12	2012-13
Total water consumption (cubic metres)	5,827	5,282	3,457	2,776
Total water supply costs (£)	20,023	21,040	14,327	8,891

Water. Total consumption and costs.



Performance commentary (including targets)

No reliable data about costs was available from MoJ for 2012/13. Improved quality and timeliness of data in 2013/14 will help Trust to manage usage.

Controllable impacts commentary

See above.

Overview of influenced impacts

See above.

Paper

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



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