



# Greater Manchester Probation Trust

## Annual Report and Accounts 2013–2014



# **Greater Manchester Probation Trust**

## **Annual Report and Accounts**

### **2013–2014**

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

Ordered by the House of Commons to be printed 15 July 2014

© **Greater Manchester Probation Trust (2014)**

The text of this document (this excludes, where present, the Royal Arms and all departmental and agency logos) may be reproduced free of charge in any format or medium providing that it is reproduced accurately and not in a misleading context.

The material must be acknowledged as Greater Manchester Probation Trust copyright and the document title specified. Where third party material has been identified, permission from the respective copyright holder must be sought.

Any enquiries regarding this publication should be sent to us at:  
Greater Manchester Probation Trust, PR & Communications Department,  
5<sup>th</sup> Floor Oakland House, Talbot Road, Old Trafford, Manchester M16 0PQ

This publication is available at **[www.gov.uk/government/organisations/national-probation-service](http://www.gov.uk/government/organisations/national-probation-service)**

Print ISBN 9781474104050  
Web ISBN 9781474104067

Printed in the UK by the Williams Lea Group on behalf of  
the Controller of Her Majesty's Stationery Office

ID 14051441 07/14

Printed on paper containing 75% recycled fibre content minimum.

# Contents

Vision, Mission & Values	2
Foreword	4
1. Operational & Performance Review 2013–14	6
2. Management Commentary	12
3. Remuneration Report	17
4. Statement of Accountable Officer’s Responsibilities	20
5. Governance Statement	21
6. The Certificate and Report of the Controller and Auditor General to the Houses of Parliament	26
7. Accounts	28
8. Sustainability Report	66

## Vision, Mission & Values

Greater Manchester Probation Trust (GMPT) works with the courts and its partner organisations to reduce the number of victims of crime by the robust and effective supervision of offenders. It helps offenders to lead law-abiding lives and to play a constructive part in their local community.

Greater Manchester is one of the largest of the 35 probation trusts in England and Wales, covering a population of around 2.5 million people and 495 square miles.

Our offender management services are delivered from eight local delivery units in the area in Bolton, Oldham, Manchester/Trafford, Bury/Rochdale, Salford, Stockport, Tameside and Wigan. We also have a probation programmes unit, six approved premises and run nine community payback units across the county. Our staff also work in local courts and prisons and work in partnership with other criminal justice agencies. The Trust has been led by Chief Executive Roz Hamilton and the Greater Manchester Probation Trust Board.

Along with the Prison Service – and other organisations working with convicted offenders – we are part of the National Offender Management Service (NOMS). NOMS is a department of the Ministry of Justice. It aims to lead and co-ordinate all the services that work with offenders in order to cut crime.

### Our Ambition and Strategic Priorities

Our **Mission** is to reduce the number of victims by the effective supervision of offenders.

Our **Vision** is to be an excellent organisation, trusted by the public to reduce crime, to uphold the rights of victims and to protect communities from harm.

Our **Ambition** is to be an organisation that is fundamentally different in structure and delivery in order to grow and diversify and be one that continues to provide the highest quality services possible. Our values come with us.

### Strategic Priorities

Our strategic priorities are to be efficient and effective and to engage and work positively with offenders we supervise, with our partners and with our stakeholders.

### Our Strategic Objectives

1. **Efficiency** – GMPT focuses on achieving outcomes while controlling costs and managing the demand on our services. We work with our staff and partners in all sectors to make the most of our combined resources and ideas.
2. **Effectiveness** – GMPT continuously builds on our innovative, effective services which reduce reoffending. We challenge our traditional ways of working and we will deliver the right services to the right offender by effectively targeting resources to match the risk of reoffending and harm. Ultimately, this is done in order to achieve positive results for the community, victims and offenders.
3. **Engagement** – We strive to be creative with partners in all sectors to meet the expectations of local communities. We work with communities to help reintegrate offenders and identify opportunities for them to be supported and to offer something back. We are committed to full engagement with our staff throughout the challenges of Transforming Rehabilitation.

## Our Values

- **Public Protection** – we will give the highest priority to the assessment and management of risk so the public is protected from those who threaten it most.
- **Change** – we recognise that people have the capacity for change and we will provide challenge and encouragement to achieve this.
- **Accountability** – we accept collective responsibility for the actions we take and we are answerable to the people of Greater Manchester.
- **Respect** – we commit to working with all people fairly and openly, ensuring that their differences are valued and that they are treated with respect.
- **Organisational Excellence** – we commit to achieving the highest standards of which we are capable, to equality of opportunity and to improving continuously the results we achieve.
- **Valuing our Staff** – we will work to ensure that all our staff play a full part in the life of the organisation, uphold its standards and represent it positively in our local communities.

Our ambition has been to build on the changes already achieved within the Trust by designing and delivering high quality services that have produced tangible protection of the public, met the needs of communities and victims, rehabilitated offenders, reduced re-offending and driven down our costs.

## Foreword

2013/14 has seen many achievements within Greater Manchester Probation Trust (GMPT) which have included:

- The Intensive Community Order has been expanded and will be offered across more courts in Greater Manchester from June 1, 2014.
- The Intensive Alternative to Custody programme – a precursor to the Intensive Community Order – which aims to reduce reoffending and increase offender employment opportunities, has delivered up to 10% better outcomes in reducing reoffending than short custody.
- The successful use of a restorative justice programme. In GMPT 3,434 offenders were reviewed and their offending behaviour traced, following restorative justice sessions. A total of 640 went on to re-offend giving a re-offending rate of 18.6% which is lower than any other crime disposal.
- A new problem solving courts initiative which was piloted last year has now been rolled out in Stockport. Analysis of the relative cost benefit of the pilot revealed that for every £1 invested in the programme, £3.47 was returned to public sector organisations.
- A significant contribution to the multi-agency Greater Manchester Transforming Justice and Community Budgets initiative, particularly in the area of domestic abuse and work with women.
- Exceptional results from the GMPT Talent Management Programme.
- Maintenance of excellent performance despite the significant changes brought about by the Transforming Rehabilitation agenda.
- The development of multi-agency, high-risk work in Wigan based on the success of the area-wide Integrated Offender Management model.

Staff, as always, are at the heart of our successes. During a challenging 12 months, they have continued to deliver innovative, imaginative, safe and secure public protection while undertaking the changes required of the Transforming Rehabilitation agenda. We pay tribute to their dedication, determination and professionalism and thank them for the steadfast commitment and imagination they have shown in serving the communities of Greater Manchester. Such positive and vibrant approaches to our work are to be doubly welcomed as we move into the 'new world' of probation.

We have been at the forefront of the Transforming Rehabilitation agenda. Two of our senior leaders were seconded to the central programme team to advise, guide and contribute to shaping the programme at a national, regional and local level. As a Trust also, we have contributed significantly to shaping the policies and processes developed by the TR Programme for implementation by the new National Probation Service and the Cheshire & Greater Manchester Community Rehabilitation Company. We have piloted a number of the TR Programme's new processes, including the Risk of Serious Recidivism tool, to enable benchmarking and learning to take place on a national scale.

A number of staff from both Greater Manchester and Cheshire have been working on a bid as a mutual body for the Cheshire and Greater Manchester Contract Package Area and we look forward to hearing the outcomes of the bidding process in the summer.

As we move to the 'new world' of probation, new visions and values for both the National Probation Service and The Cheshire & Greater Manchester Community Rehabilitation Company have been developed for both new organisations. They have created clear operating structures for both organisations and they have put in place the senior management teams to lead probation into its new future.



A handwritten signature in black ink that reads "R. Hamilton".

**Roz Hamilton**  
Chief Executive Officer  
18<sup>th</sup> June 2014



# 1. Operational & Performance Review 2013–14

This section provides information about some specific initiatives carried out to meet our improvement objectives identified in our Business Plan for 2013/14.

## Leadership

Over the year we have worked to build on our achievements and develop our strategies for long-term success.

- We have worked with key partners, including the Greater Manchester Police and Crime Commissioner and the Association of Greater Manchester Authorities (AGMA), to secure funding for the roll out of a new Intensive Community Order (ICO). The order is for young males aged 18 – 25 living in Greater Manchester who have crossed the custody threshold and, without an ICO, may receive a prison sentence of up to 12 months. It's a major step forward in tackling crime and bringing about public sector reform. Research indicates up to three out of four young adults sentenced to fewer than 12 months in prison are reconvicted within two years. ICO sets out to achieve better results by taking an innovative, evidence-based approach to rehabilitation with those at an early stage of a criminal career. It can head off more serious offending and strengthen an individual's ability to gain social capital at a key transition point in their life.
- Our work leading partner agencies in implementing problem solving courts has been successful. The problem solving approach to criminal justice aims to recognise the shared ownership of crime prevention amongst a variety of agencies and has been implemented in Stockport. The Probation Service has co-ordinated pre-sentence planning meetings with offenders and other relevant agencies (such as drug, accommodation and alcohol agencies) at court, before sentencing takes place. During such meetings offenders and agencies commit to undertake specific actions in the sentence plan which are recorded and presented to the court in a pre-sentence report. If accepted, offenders become subject to a community sentence with the appropriate requirements. Cases are then reviewed by the Problem Solving Court and importantly by the same sentencing Magistrates every 4–6 weeks.
- We continue to play a major part in Public Service Reform and Transforming Justice in Greater Manchester. The key principles of reform in Greater Manchester are, integrating and sequencing all public services into bespoke packages of support, deploying evidence-based interventions, and taking a family based approach to addressing offending rather than simply focusing on individuals. Transforming Justice in Greater Manchester has achieved a reduction in adult demand costs of 14.1% against the baseline, yielding a payment of £2,085,888 in year 1 and £4,401,858 in year 2. The youth demand cost reduced by 42.1% yielding a payment of £584,517 in year 1 and the same in year 2 (payment was capped at 20%). Total payment was over £7.6 million.
- Our leadership approach to staff engagement has continued to develop and grow throughout the year. A series of senior leadership forums have been held to prepare and support managers to face the significant challenge of leading staff through a time of considerable change and uncertainty.

## Policy and Strategy

Each year we look at which policies need to be reviewed and whether any new strategies or policies are needed to support our business objectives.

During this year, we undertook the following:

- We completed a programme of activity costings to benchmark the current cost of service delivery.
- We designed a completely new service delivery model for lower risk offenders supported by a comprehensive service delivery model which was initially piloted at the Salford Local Delivery Unit.
- We have developed a more comprehensive suite of Specified Activity Requirement which is now available across all LDUs, this suite includes a newly developed SAR for acquisitive offenders.
- We have embedded new interventions for young adults and for violent offenders.
- We further developed and implemented a new Electronic Proposals Framework.

- We expanded our portfolio of interventions for domestic abuse perpetrators including the implementation of a new one to one programme.
- In order to ensure that excellent performance and quality are maintained, GMPT developed and implemented a new reporting tool (L.P.I.F) which provides performance data on a team and individual offender management level.

## People Management

This section provides an overview of the work undertaken by the People and Development Department to support the Trust throughout 2013/4. In addition to business as usual activities a significant amount of resources have been spent supporting the Transforming Rehabilitation Programme (TRP).

- The department has engaged in the development and delivery of exit management and transition plans which formed part of HR work stream actions through the TR programme.
- We aligned our people strategy with PR and Communications to jointly support the Trust's communication and engagement strategy. We have ensured all necessary information has been included in the Chief Executive's blog, facilitated employee forums to gather feedback from staff, regularly participated in Q and A sessions on key issues relating to TR, and HR Business Partners have worked closely with business units to address any employee relations and employee engagement matters.
- We established local consultation arrangements on the staff transfer scheme including measures for the National Probation Service (NPS) and the Community Rehabilitation Company (CRC).
- We successfully implemented the staff transfer process and dealt with any appeals and grievances arising as a result.
- We directed the trust through two periods of industrial action by the National Association of Probation Officers (NAPO) and a collective dispute on grievance handling which was successfully defended.
- Through careful planning and effective teamwork the department has been able to meet all the deadlines for data requested by the Ministry of Justice (MoJ). We have been responsible for the provision of accurate data, the maintenance of a workforce tracker to track workforce development progress and have completed the staff allocation process for both the CRC and NPS.
- The Trust developed a comprehensive Equality Impact Assessment process on key aspects of the staff transfer process to eliminate any negative consequences on any individual or groups with protected characteristics

Throughout the year we have carried out a number of initiatives to manage, develop and help staff realise their full potential:

- The Trust built a successful business arrangement with Laurus OD Solutions – our Learning & Development provider to the end of March 2014. A full Trust-wide Training Needs Analysis (TNA) was carried out which resulted in the delivery of a full programme of training and briefings.
- 11 participants of GMPT's Talent management Programme, Comet, are about to graduate with a Chartered Management Institute (CMI) management qualification. The projects they have undertaken throughout the year have provided clear business benefits including streamlining processes, identifying and eliminating waste and creating value for money; 5 have gained management posts since the programme began.
- 55 staff completed the Level 3 Diploma in Business and Administration, 18 completed the Level 3 Assessor Award and 20 completed CMI management and leadership qualifications at Levels 5 and 7. A total of 22 Learner Practitioners have completed the Probation Qualifications Framework (PQF).
- We have planned a full programme of training and briefings for the forthcoming year to ensure staff have a full understanding of the changes to ways of working associated with TRP.

## Sickness absence data

The average levels of absence due to staff sickness were 9.37 days across the Trust (2012/13 – 9.22 days) just above the 9 days absence year-to-date target. Whilst the overall sickness figures decreased during the first half of the year they unfortunately rose during the latter months, mainly due to an increase in long-term sickness.

## Partnerships and Resources

Involvement in the Public Sector Reform and Community Budgets Pilot has provided GMPT with an influential role in the development of whole system reforms and investment models.

GMPT has led the design of new service delivery models that are being expanded across Greater Manchester. Our Intensive Community Order will be launched on June 1 and will be available to courts across Greater Manchester.

We have created a unique network of women's centres, working with partners, which now exist in all eight of our Local Delivery Units. Following an assessment of all existing women's projects/centres in Greater Manchester, we intend to deliver a comprehensive service, with a core specification, across the borough. The specification includes provision of Triage assessments with Greater Manchester Police, working with women subject to statutory supervision (orders and licences) and also women released from under 12 month prison sentences (in the main from Her Majesty's Prison Styal). We are progressing co-commissioning arrangements with Public Health England in relation to Through the Gate prison release work. The Ministry of Justice Advisory Board for female offenders has agreed that Greater Manchester will now be an official pathfinder area for improving services for women. Many of our Local Delivery Units are now recording 80% success, in terms of completing orders and reoffending.

Under the whole place community budget pilot, Transforming Justice was identified as one of four key workstreams for Public Service Reform, alongside Troubled Families, Health and Social Care and Early Years. Transforming Justice aims to reduce reoffending and numbers of victims, as well as the demand across criminal justice agencies, health, housing and local authorities. This means generating evidence-based new delivery models for point of arrest, point of sentence and point of release. Our work with partners has focused on The North West Resettlement Consortium for young offenders being released from HMYOI Hindley, as well as up-scaling the Intensive Community Orders and the design of a whole system approach for women offenders.

The ICO team has also operated a partnership model, inspired in part by Youth Justice Teams' Intensive Supervision and Surveillance (ISS) for 'high-end' under 18s. It provides an anchor for other organisations who can then provide tailored age-specific support around, for example, citizenship, employment, alcohol and drug misuse, accommodation, parenting and mental health

This year, as in previous years, we have maximised the use of our resources and, through excellent financial management, we have delivered a balanced budget. During the year, we have invested in the infrastructure of our business and in projects to improve the quality, efficiency and effectiveness of our services to offenders and communities.

## Processes

Below are some of the initiatives we have been involved in to improve the way we design, manage and plan our services over the year.

- In support of the Transforming Rehabilitation agenda we have tested and contributed to the new processes and procedures required following the creation of the NPS and the CRC. In particular we have worked around the case allocation and risk processes.
- We have implemented the new national Delius System and amended our processes to take account of the changes
- We have launched a new intranet and internet site to improve our staff communications processes and engagement.
- We have implemented a new, on-line human resources toolkit to aid better and more efficient working for our staff.
- We have reviewed our internal processes and procedures to identify the range of changes that will be required for offender management and the delivery of corporate services to continue within the NPS and the CRC. This work has involved working with colleagues from Cheshire Probation Trust.

## Results

In this section you can read about our performance against priority targets set by the National Offender Management Service.

## Performance Report – table of ratings

	Performance Indicators	Target for year	Result
<b>Offender Management</b>			
OM4	Proportion of licence recall requests to reach NOMS Post Release Section within 24 hours of the decision by the Offender Manager	95%	99.26%
OM5	The percentage of cases in which initiation of breach proceedings took place within 10 working days of the relevant unacceptable failure to comply	90%	92.42%
OM7	The percentage of victims who are contacted within 8 weeks of an offender receiving 12 months or more for a serious sexual or violent offence	N/A	96.25%
OM17	The percentage of offenders in settled and suitable accommodation at the end of their order or licence	85%	88.41%
OM20	Proportion of orders and licences successfully completed	73%	78.33%
OM21	Reduce the rate of proven re-offending whilst under the supervision of probation	9.12%	8.97%
OM27	The percentage of Indeterminate Sentenced Prisoner Assessment Reports completed and returned to prison within 8 weeks of Parole Review Assessment date	90%	96.40%
OM29	The percentage of offenders surveyed have an overall positive perception of engagement	75%	89.70%
OM39	Timeliness of final reviews (termination) OASys for tier 2,3,4 and PPO	90%	91.19%
OM40	The percentage of pre-sentence reports (including remands in custody for magistrates courts) completed within the timescale set by the court	95%	98.61%
<b>Interventions</b> (Programmes, Community Payback, Approved Premises)			
INT1	Sex Offender Volume Completions	60	87
INT2	Integrated Domestic Abuse Programme (IDAP) Volume Completions	150	163
INT3	General Offending Behaviour Programmes (GOBP) Volume Completions	399	404
INT4	The proportion of Accredited Programme starts that meet the relevant programme criteria to be at least 85%		98%
INT8	The number of offenders under supervision who find and sustain employment to be at least 840	1200	1222
INT9	The percentage of offenders in employment at termination of their order or licence to be at least 39%	42%	50.86%
INT11	The proportion of Unpaid Work offender days which are lost because of stand-downs on the day		
INT13	Accredited Sex Offender Programme completion rate to be at least 60%	60%	145%
INT14	Accredited Domestic Violence Programme completion rate to be at least 60%	60%	54.30%
INT15	Accredited Offending Behaviour Programme completion rate to be at least 60%	60%	55.20%
INT16	Alcohol Treatment Requirement completion rate to be at least 60%	N/A	75.63%

	Performance Indicators	Target for year	Result
INT17	Drug Rehabilitation Requirement completion rate to be at least 50%	N/A	59.44%
INT18	Unpaid Work completion rate to be at least 70%	70%	76.10%
<b>Management Information</b>			
IPPF08	Staff Sickness not to exceed an average of 9 days per member of staff per year	9 days	9.37

Rating: Red = below target, Amber = approaching target, Green = target achieved

Performance Indicators	Target for year	Result
<b>Customer Results</b>		
Percentage of victims who are contacted within 8 weeks of an offender receiving 12 months or more for a serious sexual or violent offence.	N/A	96.25%
Percentage of offenders living in settled and suitable accommodation at the end of their order or licence to be at least 70%	85%	88.41%
Number of offenders under supervision who find and sustain employment	1200	1222
<b>People Results</b>		
Reduce sickness absence to an average of 9 days per staff year.	9 days	9.37
<b>Society Results</b>		
Number of unpaid work completions	3600	3814
Percentage of unpaid work hours worked in agencies	N/A	45.47%
<b>Key Performance Results</b>		
Number of Drug Rehabilitation Requirement completions	N/A	447
Court reports provided in accordance with the timescale required by the court	95%	98.61%
Proportion of orders and licences completed successfully	73%	78.33%
Number of accredited offending behaviour programmes completions	399	404

Overall for 2013/2014 GMPT attracted a solid Band 3 on the Probation Trust Rating System (PTRS) indicating Good performance overall.

## Workload and Activity

The following tables show the main areas of activity throughout the year.

### Commencements by type of order/licence 2013–2014

	2010–2011	2011–2012	2012–2013	2013–2014
Community Orders	9,087	8,210	7,977	7,172
Pre Criminal Justice Act (CJA) Community Sentences	109	16	5	4
Suspended Sentence Order	3,436	3,308	3,354	3,479
Pre CJA Custodial sentences	676	699	703	548
Post CJA Custodial sentences	2,664	2,600	2,531	2,367

### Caseloads as at 31 March 2014

	2010–2011	2011–2012	2012–2013	2013–2014
Community Sentences	9,274	8,506	7,010	6,825
Releases on Licence	2,604	2,971	3,102	3,073
Custodial Sentences	5,091	5,096	4,999	4,999

### Reports produced, Pre-sentence Reports (PSRs), Standard Delivery Reports (SDR), Specific Sentence Reports (SSRs) and Fast Delivery Reports (FDRs), by court type

	PSR/SDR		SSR/FDR	
	Magistrates	Crown	Magistrates	Crown
2010/2011	1,166	1,830	4,638 written 33 oral	4,181 written 165 oral
2011/2012	291	890	3,569 written 3,548 oral	4,463 written 220 oral
2012/2013	48	593	2,640 written 2,773 oral	3,943 written 223 oral
2013/2014	133	575	4,083 written 1,816 oral	3,731 written 52 oral

### Unpaid Work hours ordered/worked

	2010–2011	2011–2012	2012–2013	2013–2014
Hours Ordered	850,278	754,790	669,838	614,491
Hours Worked	603,382	573,021	514,816	467,003

### Victims contacted within 8 weeks of sentence

	2010–2011	2011–2012	2012–2013	2013–2014
No. of victims	1,634	1,387	636	1,254
No. of victims contacted within 8 weeks	1,634	1,337	617	1,207



**Roz Hamilton**  
Chief Executive Officer  
18<sup>th</sup> June 2014



## 2. Management Commentary

### Statutory background

The Probation Trusts were established under the Offender Management Act 2007 (OM Act). Each Trust is a corporate body under the OM Act and a Non-Departmental Public Body (NDPB) which reports to the National Offender Management Service (NOMS). This Trust came into existence on 1 April 2009 (following transition from Greater Manchester Probation Board which was established in 2001).

These accounts 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 64, by the Secretary of State under the OM Act.

### Principal activities

The Trust's strategic priorities, values and principle activities are set out in our Vision, Mission and Values on page 2 of this report. Principally, our critical aim is to work with the courts and with our partner organisations to reduce the number of victims of crime by the robust and effective supervision of offenders.

### Operational Performance during 2013–14

An analysis of performance outcomes is summarised in the Annual Report on pages 6 to 11.

### 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 after tax for 2013–14 stands at £3,969K compared with £2,885K for 2012–13. The reason for the increase is due to pension restatements and the cost of voluntary redundancies.

### 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 liabilities position has decreased from £60,996K at 31 March 2013 to £57,422K at 31 March 2014. The largest single movement in net liabilities is £3,570K which is due to the increase in pension liabilities.

### Payment of creditors

In the year to 31 March 2014, the Trust paid 12,328 trade invoices with a value of £683,000. The percentage of undisputed invoices paid within 30 days by the Trust was 92.56% compared with 86.05% in 2012–13. Target was 90%.

### Treatment of Pension Liabilities

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

On 1 June 2014 the Trust's existing pension liabilities and corresponding assets will transfer to the Greater Manchester Pension Fund (GMPF) and the Trust will no longer be required to pay employer contributions to the fund.

The responsibility for funding the past service liabilities and all future contributions associated with those original employees who are active members of the LGPS transferred with the employee to the new

employer the Community Rehabilitation Company (CRC) or the National Probation Service (NPS). The MoJ ensures that the past service liabilities are 100% funded on an ongoing basis from the date the employees transferred to the CRC.

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

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

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

### Sickness absence data

The average levels of absence due to staff sickness were 9.37 days across the Trust (2012/13 – 9.22 days) just above the 9 days absence year-to-date target.

### Personal data related incidents

During the period 2013–14 there were no significant personal data related incidents which needed to be formally reported to the Information Commissioner's Office (ICO).

All staff undertake a compulsory Information Assurance training course when joining the Trust and an annual refresher course to ensure that the importance of information assurance and data security remains an integral part of the operations of the Trust.

### 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 no reportable events had occurred.

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

### Resource Allocation

Following the assignment of existing Trust staff to either the NPS or the CRC a full review of resource allocation to CRC and NPS clusters was carried out to determine team structure, reporting lines, vacancies and associated risks. The number of employees transferring to NPS is 529 and CRC is 520. The proportion of staff transferring to the CRC/NPS is approximately 1:1.

### 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 66 to 71.

### Future developments

The activities of the Trust for the period April 2014 – May 2014 were focused on resolution of any liabilities and commitments and the transition of any outstanding liabilities, commitments, activities, assets and staff to both the National Probation Service (NPS) and the Cheshire and Greater Manchester Community Rehabilitation Company.



## Mutuals

Management and staff members have contributed to the development of a bid for the CRC in conjunction with Sodexo UK who are also a party to the consortium. Those members of staff who have been involved in the development of the mutual have been subject to a rigorous ethical walls procedure to ensure that the integrity of the national procurement process has been made.

## Going Concern

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

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

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

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

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

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

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

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

## Communications and employee involvement

The Trust engages with staff directly via weekly Chief Executives blogs, published on the intranet, through news articles on the intranet, through the regular staff magazine and through face-to-face briefings. During the developments linked to delivery of the Transforming Rehabilitation (TR) reforms a major theme of our communication and engagement with staff have been focused on these changes in order to ensure staff are kept fully informed of the developments. GMPT also engages formally with staff through with the recognised Trade Unions, a Joint Negotiating and Consultative Committee (JNCC) and informally through regular TU Liaison meetings.

The Trust has managed and delivered communications and employee involvement as per its Communications and Engagement Strategy 2013–14 which was signed off by the Trust Board. An audit

by MoJ auditors was carried out on the Trust's internal communications in July and August 2013. The Auditor's opinion, following the completion of the audit was that the Trust has "a sound system of risk management and control likely to achieve system objectives. Controls are operating as intended and are proportionate to the risk." There were no findings that were critical or significant and a green rating was awarded to GMPT.

### Staff diversity

GMPT tracks staff diversity comprehensively across gender, ethnicity and disability and is developing systems to capture wider data.

Despite a reduction in overall headcount, the percentage of BAME (black, Asian and minority ethnic) and disabled employees has remained constant compared with the previous years.

Women and disabled people are more highly represented in the Trust workforce than in the wider community, at 69% and 19% respectively. However BAME (11%) staff are currently under represented in the workforce and it is acknowledged that a balanced workforce in these areas would be beneficial to our client group. Although lack of external recruitment activity throughout 2013/4 has made it difficult to address some of these issues, in April 2014 the Trust was given the go ahead to externally advertise a significant number of operational vacancies which may contribute to redressing some of these imbalances.

### Audit

In accordance with the direction given by the Secretary of State, these accounts have been prepared in accordance with the FReM. The Comptroller and Auditor General is appointed by statute to audit the Trust and reports on the truth and fairness of the annual financial statements and the regularity of income and expenditure. The Audit Certificate of the Comptroller and Auditor General is attached to the Accounts on page 26.

Total audit fees reported in the Accounts are £56,159. The audit fees for 2013–14 are made up of:

- Internal £22,200, and
- External £33,959.

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

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

### The Greater Manchester Probation Trust Management Board

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

- The Trust Board
- Four standing sub-committees of the Trust dedicated to audit, diversity, health and safety, and the Joint Negotiating and Consultative Committee
- The Trust Executive Team, headed by the Chief Executive

Comprehensive details of the Trust governance framework and principles are set out in the Annual Governance Statement on pages 21 to 25.

The Chair and other members of the Board, and the Chief Executive 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 17 to 19.

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

<b>Position</b>	<b>Name</b>	<b>Date appointment commenced / ended (during 2013–14) where appropriate</b>
Chief Executive	Ms Roz Hamilton	Ended 1 September 2013
Chair	Mrs Hilary Tucker	
Board Member	Mrs Gita Conn	
Board Member	Mr Michael Hyman	
Board Member	Judge Tony Gee	
Board Member	Mrs Coren Williams	
Board Member	Mrs Viv Carter	
Board Member	Mr Peter Henson	
Board Member	Mr Sydney Lloyd	
Board Member	Mr Abdul Malik-Ahad	

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.



**Roz Hamilton**  
Accountable Officer  
18<sup>th</sup> June 2014

## 3. Remuneration Report

### Appointments

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

The salary and pension entitlements of the senior managers and non-executive directors of the Greater Manchester 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.

Officials	Salary (£000)		Bonus payments (£000)		Benefits in kind (to nearest £100)		Pension benefits (£000)		Total (£000)	
	2013–14	2012–13	2013–14	2012–13	2013–14	2012–13	2013–14	2012–13	2013–14	2012–13
Chief Executive Officer – Ms Roz Hamilton	100–105	90–95	0	0	900	900	40–45	50–55	145–150	145–150
Chair – Mrs Hilary Tucker	25–30	20–25	0	0	0	0	0	0	25–30	20–25
Member – Mrs Gita Conn	0–5	0–5	0	0	0	0	0	0	0–5	0–5
Member – Mr Michael Hyman	0–5	0–5	0	0	0	0	0	0	0–5	0–5
Member – Judge Tony Gee	0	0	0	0	0	0	0	0	0	0
Member – Mrs Coren Williams	0–5	0–5	0	0	0	0	0	0	0–5	0–5
Member – Mrs Viv Carter	0–5	0	0	0	0	0	0	0	0–5	0
Member – Mr Peter Henson	0–5	0–5	0	0	0	0	0	0	0–5	0–5
Member – Mr Sydney Lloyd	0	0	0	0	0	0	0	0	0–5	0
Member – Mr Abdul Malik-Ahad	0	0	0	0	0	0	0	0	0–5	0

All appointed Trust Board members receive non-pensionable remuneration of £15.40 per hour from 1 April 2008, with the exception of the Chief Executive and the Chair. The Trust at its discretion may pay a travelling allowance and any other relevant expenses incurred.

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

	Total Full-time Equivalent Remuneration	
	2013–14	2012–13
Highest paid Director (pay band)	£100,513	£92,500
Median for other staff	£27,608	£27,102
Pay multiple ratio	3.64:1	3.42:1

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

**Salary**

‘Salary’ includes the gross salary; overtime; etc 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.

**Mutuals**

The following senior staff members have been involved in the development of a staff mutual with Sodexo UK: Andrea Carman, ACE Business and Commissioning, Joe Tumelty, ACE Interventions and Chris Edwards, ACE Manchester and Trafford. Additionally Trust Board Member Mr Michael Hyman has contributed to the mutual development. All members of staff and Trust Board have been subject to a rigorous ethical walls procedure to ensure that the integrity of the national procurement process has been made.

**B) PENSION BENEFITS – AUDITED**

	<b>Total accrued pension at pension age as at 31 March 2014 &amp; related lump sum</b>	<b>Real increase/ (decrease) in pension and related lump sum at pension age</b>	<b>CETV at 31 March 2014</b>	<b>CETV at 31 March 2013</b>	<b>Real increase/ (decrease) in CETV after adjustment for inflation and changes in market investment factors</b>
	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>	<b>£000s</b>
Ms Roz Hamilton (Chief Executive)	40–45, lump sum 100–105	(10–12.5), lump sum 5–7.5	873	782	80

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. As at the 31<sup>st</sup> March 2014, Roz Hamilton resigned from the post of GMPT Chief Executive and ceased further contributions to the LGPS.

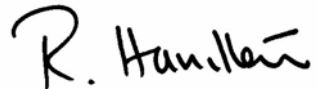
**Cash Equivalent Transfer Value (CETV)**

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.

A handwritten signature in black ink that reads "R. Hamilton". The signature is written in a cursive, slightly slanted style.

**Roz Hamilton**  
Accountable Officer  
18<sup>th</sup> June 2014

## 4. Statement of Accountable Officer's Responsibilities

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

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

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

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

## 5. Governance Statement

As Accountable Officer, I have responsibility for maintaining a sound system of governance and internal control that supports the achievement of the Greater Manchester Probation Trust and National Offender Management Service (NOMS) policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible. This is carried out in accordance with the responsibilities assigned to me in “Managing Public Money”.

### The Trust Governance Framework

The Trust is governed by the Trust Board. During 2013/14, the Board had six full members, including the chair, and two advisors. I, as Chief Executive, am also a member of the Trust Board. The Board meets every six weeks to discuss and oversee all matters of strategic significance that are laid down in its Terms of Reference and not delegated to me, as Chief Executive, through the Scheme of Delegation, which is also owned by the Board. Trust Board members and advisors achieved a 93% attendance rate during 2013/14.

There are three standing sub-committees of the Board:

- **The Audit Committee** meets to deal with matters as laid down in its Terms of Reference, mainly related to maintenance of strong internal controls, risk and value for money. More details of the function and work of the Committee are contained below.
- **The Health and Safety Committee** meets regularly to consider issues affecting health and safety at work. Membership includes the recognised Trade Unions.
- **The JNCC (Joint Negotiating and Consultative Committee)** also includes Trade Union representatives and meets to consider issues affecting the employment, terms and conditions of GMPT staff. The chair of this committee is alternated between the Trust (via a Board member) and the Unions.

The role of and need for a **Diversity Committee** was reviewed during 2012/13 and in 2013 a decision taken by the Trust Board, in consultation with Trade Unions and Staff Associations, that the work of the Committee in relation to equality issues is now so embedded in Trust practice and within other forums in relation to both staffing and practice issues that meetings should be discontinued.

All three sub-committees are chaired by a member of the Board (except for the JNCC in alternate years, as described above)

Trust Corporate Governance follows the principles laid down in the 2011 HM Treasury guidance ‘Corporate Governance in Central Government Departments – Code of Good Practice’ as it relates to arms length bodies. Boards, sub-committee and the wider governance functions subscribe to the four recognised precepts of good corporate governance – leadership, effectiveness, accountability and sustainability. Their work focuses on the five main areas detailed in the code, namely strategic clarity, commercial sense, talented people, results focus and management information. In line with the Treasury Code, as an arms length body the Trust is ultimately accountable to the NOMS agency via its Trust contract. This lays down the purpose, responsibilities, standards of performance and reporting required of the Trust and the means by which it will be monitored. NOMS Commissioners also receive copies of board papers to ensure further oversight of the complete work of the Trust.

### The Purpose of the System of Governance and Internal Control

The system of governance 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 risks being realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Greater Manchester



Probation Trust for the year ended 31<sup>st</sup> March 2014 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

### Capacity to Handle Risk

The Trust manages risk at all levels within the organisation. The strategic risk register is approved by the Audit Committee, on behalf of the Board, who provide scrutiny of the implementation of mitigation measures. These, in turn, are owned by senior management.

The Trust's risk management framework was revised during 2008/09 and approved by the Audit Committee on 19<sup>th</sup> March 2009. It is documented on the Trust's intranet which is accessible by all staff. It provides for the identification of business risks in the making of policy decisions and the maintenance of the Area Risk Register which is integrated into, and driven by, the business planning process. Each service area, including Corporate Services, also has their own local risk registers which are linked to local area plans.

Managers review and discuss risks on a formal basis, as part of senior management meetings and in supervision and when making local management decisions. The identification of risks and of actions that can be taken to mitigate them is encouraged as part of this process. The Risk Management Strategy clearly lays down how these risks are then captured.

In the implementation of policy and practice, senior managers share their experience and learning, including the risks that such implementations can generate and how the Trust's leaders seek to manage that risk. The work of internal audit, in providing assurance and advice on areas identified as risk critical in the Trust risk register, is an important part of overall corporate management of risk.

### The Risk and Control Framework

The Trust's risk management framework is laid down in its Risk Management Strategy, revised in 2009. Strategic and local risk registers generated under the requirements of the strategy are monitored and updated regularly, at least quarterly, at the appropriate level within the organisation. The framework is overseen by the Director of Corporate Services and the Audit Committee which approves the strategic risk register and receives quarterly reports from senior management on progress.

The 2013/14 corporate risk register opened the year with 11 risks logged, 2 of them rated red. At the end of the financial year there were 11 live risks of which 1 was rated red. 5 risk 'scores' were reduced during the year, principally as a result of management action. However, the uncertain environment created by the emerging 'Transforming Rehabilitation' agenda meant that 1 risk ended the year with a higher scores, relating to ongoing concerns about the loss of key staff and the subsequent impact on ability to deliver.

The key processes which support the internal control framework are:

- Procedures for identifying the Board's objectives and key business risks
- Risk Management Strategy and procedures
- The work of the Audit Committee
- The work of Internal and External Audit
- Performance Management Framework and business planning
- Financial reporting against budget, including variance analysis
- Business Continuity Planning
- Information Security and Data Protection
- Framework of controls documented in the Trust's Standing Orders, Financial Instructions and Scheme of Delegation (all revised in 2012) and the Trust's policies and procedures
- The Trust organisational efficiency programme and governance arrangements for ensuring the delivery of the business plan

The Trust's performance management framework provides for regular reporting on progress against the Trust business plan and its budget to senior management meetings and to the Board. In addition, the Trust operates under contract to NOMS and our performance against the requirements of that contract is subject to regular review and monitoring. This has been carried out properly during the year and we have continued to achieve a strong performance outcome, reflecting continued good performance across the majority of our service provision.

GMPT has robust policies in place for all areas of information security, including data protection, remote working and email and internet use. These are available to all staff and their effective implementation overseen by the Information Security Manager. Policies, procedures and controls are reviewed on a regular basis by the IS/IT Strategy Group, who also consider any significant information security issue, risk or incident. An internal audit of information assurance was carried out during 2013/14 and received an amber/ green rating. Three recommendations were made for improvements in controls, and these were put in place and are fully operating, with the most critical concerning the vetting of potential partners by LDUs and business units. In 2012/13, the Information Commissioner's Office (ICO) undertook a comprehensive audit of our policy, procedures, practice and knowledge across the Trust. We were pleased to receive an outcome of 'reasonable assurance' from this audit.

There were five incidents involving actual data loss during the year as follows:

- A third-party worker's laptop stolen from his car
- A mis-addressed email containing offender information
- Inappropriate Delius access by a temporary receptionist
- MAPPA minutes emailed to the wrong email address
- Low sensitivity offender documents stolen from the car of a third-party worker

None of these incidents were of sufficient severity to require a report to the Information Commissioners Office. In all cases, action has been taken to prevent the incident occurring again and there have been no further consequences for any part as a result of these data losses.

### Review of Effectiveness

As Accountable Officer, I also have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by the work of Internal Audit, the Audit Committee and the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework. I am assisted further by comments made by the External Auditors in their Management Letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board and the Audit Committee and plans to address weaknesses and ensure continuous improvements are in place. As the Trust is due to close a formal review of effectiveness has not been carried out.

In ensuring the effectiveness of the system of internal control, consideration is given to the role of the following:

**The Trust Board** plays a key role in ensuring that the Trust has in place correct policies and procedures to ensure the operation of effective internal controls and in scrutinising performance, including financial performance. The Board receives regular reports on these matters and also raises areas of concern with senior managers where it feels that further work is needed. The Board reviewed and approved revised Standing Orders, Financial Instructions and the Scheme of Delegation when Greater Manchester Probation Trust was formed on 1<sup>st</sup> April 2009 and again in April 2011 and April 2012 to reflect changes to the delegated authority framework. In line with the HM Treasury Corporate Governance Good Practice Code, the Board has in place formal procedures for the appointment and supervision of board members, induction and training for the board, a high quality of timely management information presented to the board, annual appraisals for all board members and a dedicated board secretary resource. These support the Board's development and ensure that it remains effective in carrying out a key role for the Trust.

**The Audit Committee's** work during the year included the business risk register, internal and external audit plans, reviewing a programme of internal compliance audits and reviewing the work undertaken by internal audit. The committee's Terms of Reference were revised during 2010 to meet the model standards laid down in the HM Treasury Audit Committee Handbook (2007) and to ensure that its work remains focussed and relevant. The Chair of the Committee is in receipt of a copy of all internal audit reports produced and Committee receives regular reports on the implementation of all internal audit recommendations. The Committee also receives updates on progress against an action plan formulated from the recommendations in the Management Letter and provides scrutiny on its implementation. The Audit Committee received a draft of this Annual Governance Statement for its consideration on 13<sup>th</sup> March 2014. The Trust Annual Report and Accounts were received on 18<sup>th</sup> June 2014, along with the National Audit Office (NAO) Completion Letter. This included the Comptroller and Auditor General's proposed audit certificate, which certified that the financial statements gave a true and fair view of GMPT, that proper accounting records had been kept and that the accounts contained no material misstatements.

**The Internal Audit** service to the Trust is provided by the Ministry of Justice Internal Audit and Assurance (IAA) unit under an agreed service delivery framework. An audit plan is prepared annually and approved by the Trust's Audit Committee. The Regional Audit Manager reports to the Committee on progress against the plan and other audit matters. On the basis of work undertaken during the year the IAA produces an Annual Report. The report for 2013/14 was received on the 27<sup>th</sup> January 2014 and gave an overall assessment of 'reasonable assurance' based on audit activity during the year. Of the 7 individual audit reports which recorded an assurance statement, 4 gave an assessment of 'green', 2 an assessment of 'amber/ green' and 1 final report is still awaited. One of these audits related to further work following the 'red' findings during 2012/13's audit of Generic Requirements. This further work identified considerable improvement following the implementation of a robust management action plan and the systems were now rated 'amber/ green'. Progress on all recommendations, including further recommendations identified for generic requirements, is monitored by the Audit Committee.

An explicit statement of the effectiveness of our governance and control framework is the delivery, as projected for most of the financial year, of a balanced budget with a £8k under spend (0.01% of the total £47m budget).

A number of actions to be carried out in 2013/14 which would strengthen the control framework were identified in the Annual Governance Statement last year. Progress made in relation to those actions is summarised below:

- Delegation Letters and Service Level Agreements between corporate services and business units were implemented allowing for better monitoring of compliance with essential control systems across the Trust. It has also been noted that the introduction of these elements has increased awareness, understanding and ownership of these systems amongst Trust management.
- A number of recommendations from the ICO audit in 2012/13 have been implemented during the year, improving the robustness of information security and management. This was notable in the Information Sharing Agreement Internal Audit and our implementation has also been subject to the scrutiny of the Information Commissioner's office
- The Business and Performance Manager (BPM) role has been redesigned and implemented with a business focus and replaced by a Business Manager (BM) role. This redefined role focuses on resource management and generation and on acting as the business 'hub' of the local delivery unit. Having this redesigned role in place, with appropriate training and development has meant an increase in the resource management skill set of the individuals in post and better liaison between corporate services and the delegated functions in the LDUs.

Whilst my assessment is that the overall system of governance and internal control within GMPT operates effectively the following additional actions are planned which will build on existing Trust systems and address weaknesses:

- Work is underway to develop robust and integrated reporting systems for financial, HR, legal and other statutory and management data for the new public sector Community Rehabilitation

Companies from 1<sup>st</sup> June 2014. This will allow for scrutiny of the proper use of public funds up to the point of share sale and provide a robust basis for accounting and reporting after that point

- Common standing orders, schemes of delegation and financial instructions are in preparation for the CRC go live date. This will form the core of a robust control framework, based on best practice across GMPT and Cheshire Probation Trust (CPT), for the CRC.
- Safe closure of the Trust and transfer of assets and data to CRC and NPS are being prioritised and appropriately resourced. A coherent and strategic approach is being taken to the management of assets to ensure that physical and information security requirements are maintained

### Mutuals

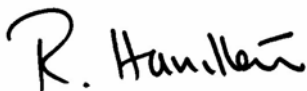
Under the MoJ Transforming Rehabilitation agenda, a register of Non-Disclosure Agreements (NDAs) and declarations was established and reviewed on a regular basis as part of the ethical walls processes established. This register has been shared with Cheshire Probation Trust and a Joint Protocol has been agreed for the operation of Ethical Walls across the Cheshire and Greater Manchester Contract Package Area as staff from both organisations are involved in the mutual development team.

I have received assurance from the Board Secretary that the ethical walls have been maintained throughout the competition period. The mutual 'team' has a direct relationship with the Chief Executive to ensure that staff act appropriately and do not compromise the competition. Any breaches will result in notification to MoJ and withdrawal of any Trust resources as a minimum. There have been no such breaches of the ethical walls arrangements.

### Board Attendance

Trust Board members and advisors achieved a 93% attendance rate during 2013/2014.

Role	Name	Meetings Held / Meetings Attended
Chief Executive	Ms Roz Hamilton	8/8
Chair	Mrs Hilary Tucker	8/8
Board Member	Mrs Gita Conn	8/7
Board Member	Mr Michael Hyman	8/8
Board Member	Mrs Coren Williams	8/8
Board Member	Mrs Viv Carter	8/7
Board Member	Mr Peter Henson	8/7
Board Member	Mr Sydney Lloyd	8/8
Board Member	Mr Abdul Malik-Ahad	8/6



**Roz Hamilton**  
Accountable Officer  
18<sup>th</sup> June 2014

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

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

### **Respective responsibilities of the Chief Executive and auditor**

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

### **Scope of the audit of the financial statements**

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

I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the 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 the Greater Manchester Probation Trust's affairs as at 31 March 2014 and of the net operating cost after taxation for the year then ended; and
- the financial statements have been properly prepared in accordance with the Offender Management Act 2007 and Secretary of State directions issued thereunder.

### Opinion on other matters

In my opinion:

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

### Matters on which I report by exception

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

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

### Report

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

**Sir Amyas C E Morse**  
**Comptroller and Auditor General**

**Date 03<sup>rd</sup> July 2014**

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

## 7. Accounts

### Statement of Comprehensive Net Expenditure

For the year ended 31 March 2014

		2013–14	2012–13
	Notes	£000	Restated £000
<b>Expenditure</b>			
Staff costs	3(a)	40,048	37,933
Other expenditure	6	11,871	13,494
<b>Total Expenditure</b>		<b>51,919</b>	<b>51,427</b>
Income	7	50,689	50,798
<b>Net operating costs</b>		<b>1,230</b>	<b>629</b>
Net interest cost on pension scheme	4(c)	2,738	2,255
<b>Net operating costs before taxation</b>		<b>3,968</b>	<b>2,884</b>
Taxation	5	1	1
<b>Net operating costs after taxation</b>		<b>3,969</b>	<b>2,885</b>

### Other Comprehensive Expenditure

		2013–14	2012–13
	Notes	£000	Restated £000
<b>Items that will not be reclassified to net operating costs:</b>			
Net loss on revaluation of property, plant and equipment	8	5	21
Remeasurement of post employment benefits	23	(7,542)	10,762
<b>Total comprehensive expenditure for 31 March 2014</b>		<b>(3,568)</b>	<b>13,668</b>

The notes on pages 32 to 63 form part of these accounts.



## Statement of Financial Position

As at 31 March 2014

		2013–14	2012–13
	Notes	£000	£000
<b>Non-current assets</b>			
Property, plant and equipment	8	133	188
Intangible assets	9	0	0
<b>Total non-current assets</b>		<b>133</b>	<b>188</b>
<b>Current assets</b>			
Trade and other receivables	12(a)	1,214	1,043
Cash and cash equivalents	13	3,023	3,353
<b>Total current assets</b>		<b>4,237</b>	<b>4,396</b>
<b>Total assets</b>		<b>4,370</b>	<b>4,584</b>
<b>Current liabilities</b>			
Trade and other payables	14(a)	(2,897)	(3,452)
Taxation payables	14(a)	(2,192)	(1,855)
<b>Total current liabilities</b>		<b>(5,089)</b>	<b>(5,307)</b>
<b>Non-current assets plus/less net current assets/(liabilities)</b>		<b>(719)</b>	<b>(723)</b>
<b>Non-current liabilities</b>			
Pension liability	4(c)	(56,703)	(60,273)
<b>Total non-current liabilities</b>		<b>(56,703)</b>	<b>(60,273)</b>
<b>Assets less liabilities</b>		<b>(57,422)</b>	<b>(60,996)</b>
<b>Taxpayers' equity</b>			
General fund	23	(57,434)	(61,013)
Revaluation reserve – property, plant and equipment	24(a)	11	16
Revaluation reserve – intangible assets	24(b)	1	1
		<b>(57,422)</b>	<b>(60,996)</b>

The financial statements on pages 28 to 31 were approved by the Board on 18<sup>th</sup> June 2014 and were signed on its behalf by



Accountable Officer

18<sup>th</sup> June 2014

The notes on pages 32 to 63 form part of these accounts.



## Statement of Cash Flows

For the year ended 31 March 2014

		2013–14	2012–13
	Notes	£000	£000
<b>Cash flows from operating activities</b>			
Net operating costs	23	(3,969)	(2,885)
Adjustments for non-cash transactions	6	56	72
Adjustments for pension cost	4(c)	3,972	2,826
Increase in receivables	12(a)	(171)	396
Decrease in payables	14(a)	(218)	(1,460)
Utilisation of provisions	15	0	(149)
<b>Net cash outflow from operating activities</b>		<b>(330)</b>	<b>(1,200)</b>
<b>Decrease in cash and cash equivalents in the period</b>			
		<b>(330)</b>	<b>(1,200)</b>
Cash and cash equivalents at the beginning of the period	13	3,353	4,553
Cash and cash equivalents at the end of the period	13	3,023	3,353
<b>Decrease in cash</b>		<b>(330)</b>	<b>(1,200)</b>

The notes on pages 32 to 63 form part of these accounts.

## Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2014

	Notes	General Fund £000	Revaluation Reserve £000	Total £000
<b>Balance as at 1 April 2012</b>		<b>(47,400)</b>	<b>38</b>	<b>(47,362)</b>
<b>As restated at 1 April 2012</b>		<b>(47,400)</b>	<b>38</b>	<b>(47,362)</b>
<b>Changes in taxpayers' equity for 2012–13 (restated)</b>				
Net operating cost after taxation	SocNE	(2,885)		<b>(2,885)</b>
Net gain on revaluation of property, plant and equipment	24(a)		13	<b>13</b>
Transferred to General Fund from property, plant and equipment revaluation reserve	24(a)		(34)	<b>(34)</b>
Movement in donated assets	23	0	0	<b>0</b>
Transferred from revaluation reserve	23	34	0	<b>34</b>
Remeasurement of post employment benefits	23	(10,762)	0	<b>(10,762)</b>
Net NOMS financing received in year	23	0	0	<b>0</b>
<b>Balance as at 31 March 2013</b>		<b>(61,013)</b>	<b>17</b>	<b>(60,996)</b>
<b>Changes in taxpayers' equity for 2013–14</b>				
Net operating cost after taxation	SocNE	(3,969)		<b>(3,969)</b>
Net gain/(loss) on revaluation of property, plant and equipment	24(a)		1	<b>1</b>
Transferred to General Fund from property, plant and equipment revaluation reserve	24(a)		(6)	<b>(6)</b>
Transferred from revaluation reserve	23	6	0	<b>6</b>
Remeasurement of post employment benefits	23	7,542	0	<b>7,542</b>
<b>Balance as at 31 March 2014</b>		<b>(57,434)</b>	<b>12</b>	<b>(57,422)</b>

The notes on pages 32 to 63 form part of these accounts.

## Notes to the accounts

### 1. Statement of accounting policies

#### 1.1 Basis of preparation

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

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

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

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

#### 1.2 Accounting convention

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

#### 1.3 Changes in accounting policies and restatement of comparatives

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

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

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

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

Those that impact on the Trust are:

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

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

#### 1.4 Going concern

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

On 1 June 2014, the Trust ceased trading.

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

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

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

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

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

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

### 1.5 Property, plant and equipment

Property, plant and equipment, including subsequent expenditure on existing assets, is initially recognised at cost and is restated at each Statement of Financial Position date using the Price Index Numbers for Current Cost Accounting (Office for National Statistics). The minimum level for capitalisation of a tangible non-current asset is £10,000, inclusive of any irrecoverable VAT element, where appropriate.

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

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

### Revaluation

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

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

### 1.6 Depreciation

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

Asset lives are currently in the following ranges:

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

### 1.7 Impairment

All non-current assets are assessed annually for indications of impairment as at 31 March. Where indications of impairment exist, the asset value is tested for impairment by comparing the book value to the recoverable amount. In accordance with IAS 36 the recoverable amount is determined as the higher of the “fair value less costs to sell” and the “value in use”. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and written down to the recoverable amount and an impairment loss is recognised in the SoCNE. Any reversal of an impairment charge is recognised in the SoCNE to the extent that the original charge, adjusted for subsequent depreciation, was previously recognised in the SoCNE. The remaining amount is recognised in the Revaluation Reserve.

### 1.8 Intangible non-current assets

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

The minimum level for capitalisation of an intangible non-current asset is £10,000, inclusive of any irrecoverable VAT element, where appropriate.

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

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

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

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

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

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

### 1.9 Inventories

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

### 1.10 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.

### 1.11 Other Expenditure

In 2012–13 the SoCNE was analysed between administration and programme income and expenditure. The classification of expenditure and income for both Administration and Programme followed the definition set out in the FReM by HM Treasury. Administration costs reflect the costs of running the Probation Trust together with associated operating income. Programme costs are defined as projects which are fully or partially funded from outside the Ministry of Justice. However for 2013–14 all programme expenditure for both prior and current year is shown as Other Expenditures. All programme income for both prior and current year is shown within one classification. This change has been made for fairer presentation of the accounts. Further details are shown in **Note 3, Note 6, Note 7 and Note 28.**

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

### 1.12 Pensions

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

The pension fund is subject to an independent triennial actuarial valuation to determine each employer's contribution rate (Disclosure of Stakeholder Pensions Schemes is not included in

these accounts). The last formal actuarial valuation was as at 31 March 2013.

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

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

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

### 1.13 Provisions

Provisions represent liabilities of uncertain timing or amount. Provisions are recognised when the Probation Trust has a present legal or constructive obligation, as a result of past events, for which it is probable or virtually certain that an outflow of economic benefits will be required to settle the obligation. 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.

### 1.14 Value Added Tax

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

### 1.15 Corporation Tax

The Trust is a “corporate body” in accordance with the Offender Management Act 2007 supplying court work and offender management services to NOMS and the Ministry of Justice, and as a result, HMRC has confirmed that it is subject to corporation tax. The Trust is therefore subject to

Corporation Tax (CT) on its profits and ‘profit’ for this purpose means income and chargeable gains. These accounts include estimates of corporation tax liabilities.

### 1.16 Cash and Cash Equivalents

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

### 1.17 Financial instruments

As the cash requirements of the Trust 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.

### 1.18 Segmental analysis of spend as reported to the Management Board

The segmental analysis presents the financial information based on the structure reported to the Trust’s Management Board. The segments reflect the Trust’s own individual structure 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**.

### 1.19 Third party assets

The Trust holds, as custodian or trustee, certain assets belonging to third parties. These assets are not recognised on the Statement of Financial Position and are disclosed within **Note 26**.



## 2. Statement of Operating Costs by Operating Segment

Operational Unit	2013-14	2012-13
	Net Expenditure £000s	Net Expenditure £000
Offender Management	£28,814	£27,268
Interventions	£10,457	£11,199
Corporate & Commercial	£11,558	£11,435
<b>Total Net Expenditure</b>	<b>£50,829</b>	<b>£49,982</b>
<b>Contract Income</b>	<b>(£46,859)</b>	<b>(£47,017)</b>
<b>Overspend/(Underspend)</b>	<b>£3,970</b>	<b>£2,885</b>

The above Statement of Operating Costs by Operating Segment reconciles with those operating costs reported on the Statement of Comprehensive Net Expenditure.

### 3. Staff numbers and related costs

#### 3a. Staff costs consist of:

	2013–14			2012–13
	Total	Permanently- employed staff	Others	Total
	£000	£000	£000	£000
Wages and salaries	32,446	30,429	2,017	31,512
Social security costs	2,300	2,300	0	2,347
Other pension costs	6,286	6,286	0	4,970
<b>Sub-total</b>	<b>41,032</b>	<b>39,015</b>	<b>2,017</b>	<b>38,829</b>
Less recoveries in respect of outward secondments	(984)	(984)	0	(896)
<b>Total staff costs</b>	<b>40,048</b>	<b>38,031</b>	<b>2,017</b>	<b>37,933</b>

#### Restatement of comparatives

In the prior year costs were split between administration and programme related costs. For 2013–14 all staff costs have been aggregated in to one classification. This has no impact on total staff costs. See also **Note 1.12**.

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 voluntary redundancies.

2 persons (2012–13: 6 persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £25,487 (2012–13: £237,526).

#### 3b. Average number of persons employed

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

2013–14			2012–13
Total	Permanently- employed staff	Others	Total
£000	£000	£000	£000
1,060	991	69	1,069



### 3c. Reporting of compensation schemes – exit packages

Exit packages cost band	2013-14			2012-13		
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	0	10	10	0	14	14
£10,000-£25,000	0	26	26	1	9	10
£25,000-£50,000	0	13	13	0	7	7
£50,000-£100,000	0	3	3	0	2	2
£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
<b>Total number of exit packages by type</b>	<b>0</b>	<b>52</b>	<b>52</b>	<b>1</b>	<b>32</b>	<b>33</b>
<b>Total resource cost £000</b>	<b>0</b>	<b>1,190</b>	<b>1,190</b>	<b>22</b>	<b>645</b>	<b>667</b>

Redundancy and other departure costs have been paid in accordance with the Trust compensation scheme. Exit costs are accounted for in full in the year of departure. The additional costs of any early retirements are met from the Trust and not the pension scheme 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 (LGPS) which for GMPT is administered by Greater Manchester Pension Fund. This is a statutory scheme and intended to be a fully funded scheme which 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 each year of service. In addition, up to and including 31/3/08 a lump sum equivalent to 3/80th of pensionable pay for each year of service is payable on retirement. With effect from 1/4/08, extra lump sum can be purchased from the annual pension at the rate of £12 lump sum for every £1 from the annual pension. Members pay contributions dependant upon pensionable earnings (Up to £13,500 – 5.5%, £13,501 to £15,800 – 5.8%, £15,801 to £20,400 – 5.9%, £20,401 to £34,000 – 6.5%, £34,001 to £45,500 – 6.8%, £45,501 to £85,300 – 7.2% and Over £85,301 – 7.5%). Pensions payments are increased in line with the Consumer Price Index. On death, pensions are payable to the surviving spouse at the rate of half the member’s pension. On death in service the scheme pays a death grant of three times pensionable pay and also provides a service enhancement on computing the spouse’s pension, which depends on length of service. Medical retirement is possible in the event of serious ill-health. In this case, pensions are brought into payment immediately without actuarial reduction and with service enhanced as for widow(er) pensions.

The closing liability valuation for 31st March 2013 was estimated based on the period 1st April 2012 to 31st December 2013.

### 4a. Pension costs

Disclosure requirements about contributions arrangements / policy that affects future contributions:

- For 2013–14, employers’ contributions of £4,930 were payable to the LGPS (2012–13 £4,272).
- 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.
- On 1 June 2014 the Trust’s existing pension liabilities and corresponding assets transferred to the Greater Manchester Pension Fund (GMPF). The Trust is no longer required to pay employer contributions to the fund.

Future contributions are referred to in **Note 27**.

Partnership accounts are excluded under IAS19.

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

- Employer’s contributions for 2013–14 were 16.9% of salaries; and,
- Employer’s contributions for 2014–15 will be 16.9% of salaries; and
- Employer’s contributions for 2015–16 will be 16.9% of salaries.

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

	2013–14	2012–13
	%	%
Inflation assumption	0.0%	2.8%
Rate of increase in salaries	3.9%	4.6%
Rate of increase for pensions in payment and deferred pensions	2.8%	4.5%
Discount rate	4.3%	4.5%

Mortality rates are calculated assuming a 1% pa salary increase until March 2015 reverting to the long term assumption shown thereafter.

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

	2013–14		
	Present value of obligation	Fair value of plan assets	Total
	£000	£000	£000
Plan assets	0	175,623	175,623
Funded liabilities	(235,896)	0	(235,896)
Unfunded liabilities	0	0	0
<b>Opening balance at 1 April (restated)</b>	<b>(235,896)</b>	<b>175,623</b>	<b>(60,273)</b>
Current service costs	(5,544)	0	(5,544)
Past service costs (including curtailments)	(743)	0	(743)
Gains and losses on settlements	0	0	0
	<b>(6,287)</b>	<b>0</b>	<b>(6,287)</b>
Net Interest (cost)/income	<b>(10,623)</b>	<b>7,885</b>	<b>(2,738)</b>
Remeasurements			
Returns on plan assets, excluding amounts included in interest cost/(income)	0	6,669	6,669
Gain/(loss) from change in demographic assumptions	(278)	0	(278)
Gain/(loss) from change in financial assumptions	(736)	0	(736)
Experience gains/(losses)	1,887	0	1,887
Change in asset ceiling, excluding amounts included in interest cost	0	0	0
	<b>873</b>	<b>6,669</b>	<b>7,542</b>
Foreign exchange differences	<b>0</b>	<b>0</b>	<b>0</b>
Effect of business combinations on disposals	<b>0</b>	<b>0</b>	<b>0</b>
Contributions			
Employers	0	4,930	4,930
Plan participants	(1,633)	1,633	0
Unfunded benefits	0	123	123
Payments from plans			
Benefit payments	7,107	(7,107)	0
Unfunded benefit payments	123	(123)	0
<b>Closing balance at 31 March</b>	<b>(246,336)</b>	<b>189,633</b>	<b>(56,703)</b>
Plan assets	0	189,633	189,633
Funded liabilities	(244,880)	0	(244,880)
Unfunded liabilities	(1,456)	0	(1,456)
<b>Closing balance at 31 March</b>	<b>(246,336)</b>	<b>189,633</b>	<b>(56,703)</b>

	2012–13 (restated)		Total £000
	Present value of obligation £000	Fair value of plan assets £000	
Plan assets	0	153,988	153,988
Funded liabilities	(200,673)	0	(200,673)
Unfunded liabilities	0	0	0
<b>Opening balance at 1 April</b>	<b>(200,673)</b>	<b>153,988</b>	<b>(46,685)</b>
Current service costs	(4,524)	0	(4,524)
Past service costs (including curtailments)	(446)	0	(446)
Gains and losses on settlements	0	0	0
	<b>(4,970)</b>	<b>0</b>	<b>(4,970)</b>
Net interest (cost)/income	<b>(9,631)</b>	<b>7,376</b>	<b>(2,255)</b>
Remeasurements			
Returns on plan assets, excluding amounts included in interest cost	0	14,894	14,894
Gain/(loss) from change in demographic assumptions	0	0	0
Gain/(loss) from change in financial assumptions	(25,864)	0	(25,864)
Experience gains/(losses)	208	0	208
Change in asset ceiling, excluding amounts included in interest cost	0	0	0
	<b>(25,656)</b>	<b>14,894</b>	<b>(10,762)</b>
Foreign exchange differences	<b>0</b>	<b>0</b>	<b>0</b>
Effect of business combinations on disposals	<b>0</b>	<b>0</b>	<b>0</b>
Contributions			
Employers	0	4,272	4,272
Plan participants	(1,669)	1,669	0
Unfunded benefits	0	127	127
Payments from plans			
Benefit payments	6,576	(6,576)	0
Unfunded benefit payments	127	(127)	0
<b>Closing balance at 31 March</b>	<b>(235,896)</b>	<b>175,623</b>	<b>(60,273)</b>
Plan assets	0	175,623	175,623
Funded liabilities	(234,398)	0	(234,398)
Unfunded liabilities	(1,497)	0	(1,497)
<b>Closing balance at 31 March</b>	<b>(235,895)</b>	<b>175,623</b>	<b>(60,272)</b>

## 4d. Plan assets are comprised as follows

	2013-14				2012-13			
	Quoted	Unquoted	Total	%	Quoted	Unquoted	Total	%
	£000	£000	£000		£000	£000	£000	
Equity instruments								
Consumer	19,979	0	19,979		19,508	0	19,508	
Energy and utilities	16,754	0	16,754		15,805	0	15,805	
Financial institutions	23,157	0	23,157		19,285	0	19,285	
Health and care	8,112	0	8,112		7,840	0	7,840	
Information technology	3,689	0	3,689		3,320	0	3,320	
Manufacturing	18,328	0	18,328		16,090	0	16,090	
Other	2,888	0	2,888		2,366	0	2,366	
	<b>92,907</b>	<b>0</b>	<b>92,907</b>	49%	<b>84,214</b>	<b>0</b>	<b>84,214</b>	48%
Debt instruments								
UK Government	3,161	0	3,161		2,732	0	2,732	
Corporate bonds (investment grade)	11,272	0	11,272		13,646	0	13,646	
Corporate bonds (non-investment grade)	0	0	0		0	0	0	
Other	6,573	0	6,573		6,054	0	6,054	
	<b>21,007</b>	<b>0</b>	<b>21,007</b>	11%	<b>22,432</b>	<b>0</b>	<b>22,432</b>	13%
Property								
UK	5,586	0	5,586		5,144	0	5,144	
Overseas	0	0	0		0	0	0	
Property funds	0	0	0		0	0	0	
	<b>5,586</b>	<b>0</b>	<b>5,586</b>	3%	<b>5,144</b>	<b>0</b>	<b>5,144</b>	3%
Derivatives								
Inflation	0	0	0		0	0	0	
Interest rate	0	0	0		0	0	0	
Foreign exchange	0	0	0		0	0	0	
Other	2,591	0	2,591		2,342	0	2,342	
	<b>2,591</b>	<b>0</b>	<b>2,591</b>	1%	<b>2,342</b>	<b>0</b>	<b>2,342</b>	1%
Cash and cash equivalents	7,480	0	7,480	4%	7,452	0	7,452	4%
Investment funds								
Equities	36,368	0	36,368		34,680	0	34,680	
Bonds	10,033	0	10,033		9,736	0	9,736	
Hedge funds	0	0	0		0	0	0	
Commodities	0	0	0		0	0	0	
Infrastructure	1,340	0	1,340		1,063	0	1,063	
Other	7,641	0	7,641		4,316	0	4,316	
	<b>55,381</b>	<b>0</b>	<b>55,381</b>	29%	<b>49,795</b>	<b>0</b>	<b>49,795</b>	28%

	2013-14				2012-13			
	Quoted	Unquoted	Total	%	Quoted	Unquoted	Total	%
	£000	£000	£000		£000	£000	£000	
Other	4,682	0	4,682	2%	4,243	0	4,243	2%
Total	189,633	0	189,633	100%	175,623	0	175,623	100%

#### 4e. Sensitivity analysis

IAS1 requires the disclosure of the sensitivity of the results to the methods and assumptions used. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out in the table below.

	Approximate increase to employer liability	Approximate monetary amount
	%	£000
0.5% decrease in Real Discount Rate	10	24,470
1 year increase in member life expectancy	3	7,390
0.5% increase in the Salary Increase Rate	3	8,177
0.5% increase in the Pension Increase Rate	6	15,956

To quantify the impact of a change in financial assumptions the scheme liabilities have been calculated and compared on a varying basis. The approach is consistent with that adopted to derive the IAS19 figures. The figures are derived based on our membership profile at the date of the most recent actuarial valuation.

## 5. Taxation

	2013–14	2012–13
	£000	£000
UK corporation tax	1	1
<b>Total</b>	<b>1</b>	<b>1</b>

Probation Trusts are corporate bodies under the Offender Management Act 2007, supplying court work and offender management services to the Ministry of Justice. The Trust is therefore subject to Corporation Tax on its profits and 'profit' for this purpose means income and chargeable gains. The tax charge is not material, so full IAS12 disclosures are not required.

## 6. Other Expenditure

	2013–14		2012–13 <i>Restated</i>	
	£000	£000	£000	£000
Rentals under operating leases	0		0	
Interest charges	0		0	
Accommodation, maintenance and utilities	4,952		5,673	
Travel, subsistence and hospitality	669		612	
Professional services	2,415		2,625	
IT services	1,759		1,672	
Communications, office supplies and services	1,008		1,126	
Other staff related	524		1,163	
Offender costs	424		449	
Other expenditure	8		40	
External Auditors' remuneration – statutory accounts	34		34	
External Auditors' remuneration – other	0		0	
Internal Auditors' remuneration	22		28	
		<b>11,815</b>		<b>13,422</b>
<b>Non-cash items</b>	56		61	
Depreciation of tangible non-cash assets	0		11	
Early retirement provisions not required		56		72
		<b>11,871</b>		<b>13,494</b>

### Restatement of comparatives

In the prior year costs were split between administration and programme related costs. For 2013–14 all costs have been aggregated in to one classification. This has no impact on total costs. See also **Note 1.12**.



## 7. Income

	2013–14		2012–13 <i>Restated</i>	
	£000	£000	£000	£000
Income receivable from the sponsoring department – NOMS	46,859		47,017	
		<b>46,859</b>		<b>47,017</b>
Other EU income		711		711
Other income received from Probation Trusts		116		88
Other income from NOMS		149		212
Other income from other Government departments		1,904		2,199
Miscellaneous income		946		566
		<b>50,685</b>		<b>50,793</b>
Interest received:				
From bank	4		5	
<b>Total interest received</b>		<b>4</b>		<b>5</b>
<b>Total income</b>		<b>50,689</b>		<b>50,798</b>

### Restatement of comparatives

In the prior year income was split between administration and programme related income. For 2013–14 all income has been aggregated in to one classification. This has no impact on total income. See also **Note 1.12**.

## 8. Property, plant and equipment

	2013-14					
	Information technology	Plant and machinery	Transport equipment	Furniture, fixtures and fittings	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000	£000
<b>Cost or valuation</b>						
<b>As at 1 April 2013</b>	9	22	521	0	0	552
Additions	0	0	0	0	0	0
Disposals	(7)	0	0	0	0	(7)
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	0	0	3	0	0	3
<b>As at 31 March 2014</b>	<b>2</b>	<b>22</b>	<b>524</b>	<b>0</b>	<b>0</b>	<b>548</b>
<b>Depreciation</b>						
<b>As at 1 April 2013</b>	8	16	340	0	0	364
Charge in year	0	2	54	0	0	56
Disposals	(7)	0	0	0	0	(7)
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	0	0	2	0	0	2
<b>As at 31 March 2014</b>	<b>1</b>	<b>18</b>	<b>396</b>	<b>0</b>	<b>0</b>	<b>415</b>
<b>Carrying value as at 31 March 2014</b>	<b>1</b>	<b>4</b>	<b>128</b>	<b>0</b>	<b>0</b>	<b>133</b>
<b>Carrying value as at 31 March 2013</b>	<b>1</b>	<b>6</b>	<b>181</b>	<b>0</b>	<b>0</b>	<b>188</b>
<b>Asset financing</b>						
Owned	1	4	128	0	0	133
Finance leased	0	0	0	0	0	0
<b>Carrying value as at 31 March 2014</b>	<b>1</b>	<b>4</b>	<b>128</b>	<b>0</b>	<b>0</b>	<b>133</b>

## 8. (Continued)

	2012-13					Total £000
	Information technology	Plant and machinery	Transport equipment	Furniture, fixtures and fittings	Payments on account and assets under construction	
	£000	£000	£000	£000	£000	
<b>Cost or valuation</b>						
<b>As at 1 April 2012</b>	77	31	490	0	0	598
Additions	0	0	0	0	0	0
Disposals	(70)	(10)	0	0	0	(80)
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	2	1	31	0	0	34
<b>As at 31 March 2013</b>	<b>9</b>	<b>22</b>	<b>521</b>	<b>0</b>	<b>0</b>	<b>552</b>
<b>Depreciation</b>						
<b>As at 1 April 2012</b>	74	22	266	0	0	362
Charge in year	3	3	55	0	0	61
Disposals	(70)	(10)	0	0	0	(80)
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	1	1	19	0	0	21
<b>As at 31 March 2013</b>	<b>8</b>	<b>16</b>	<b>340</b>	<b>0</b>	<b>0</b>	<b>364</b>
<b>Carrying value as at 31 March 2013</b>	<b>1</b>	<b>6</b>	<b>181</b>	<b>0</b>	<b>0</b>	<b>188</b>
<b>Carrying value as at 31 March 2012</b>	<b>3</b>	<b>9</b>	<b>224</b>	<b>0</b>	<b>0</b>	<b>236</b>
<b>Asset financing</b>						
Owned	1	6	181	0	0	188
Finance leased	0	0	0	0	0	0
<b>Carrying value as at 31 March 2013</b>	<b>1</b>	<b>6</b>	<b>181</b>	<b>0</b>	<b>0</b>	<b>188</b>

## 9. Intangible assets

	2013-14				
	Development	Software	Licences	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000
<b>Cost or valuation</b>					
<b>As at 1 April 2013</b>	0	112	0	0	0
Additions	0	0	0	0	0
Disposals	0	0	0	0	0
Reclassifications	0	0	0	0	0
Indexation/revaluation	0	0	0	0	0
Transfers	0	0	0	0	0
Impairments	0	0	0	0	0
<b>As at 31 March 2014</b>	<b>0</b>	<b>112</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Amortisation</b>					
<b>As at 1 April 2013</b>	0	112	0	0	0
Charge in year	0	0	0	0	0
Disposals	0	0	0	0	0
Reclassifications	0	0	0	0	0
Indexation/revaluation	0	0	0	0	0
Transfers	0	0	0	0	0
Impairments	0	0	0	0	0
<b>As at 31 March 2014</b>	<b>0</b>	<b>112</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Carrying value as at 31 March 2014</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Carrying value as at 31 March 2013</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Asset financing</b>					
Owned	0	0	0	0	0
Finance leased	0	0	0	0	0
<b>Carrying value as at 31 March 2014</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 9. (Continued)

	2012-13				
	Development	Software	Licences	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000
<b>Cost or valuation</b>					
<b>As at 1 April 2012</b>	0	116	0	0	116
Additions	0	0	0	0	0
Disposals	0	(5)	0	0	(5)
Reclassifications	0	0	0	0	0
Indexation/revaluation	0	1	0	0	1
Transfers	0	0	0	0	0
Impairments	0	0	0	0	0
<b>As at 31 March 2013</b>	<b>0</b>	<b>112</b>	<b>0</b>	<b>0</b>	<b>112</b>
<b>Amortisation</b>					
<b>As at 1 April 2012</b>	0	105	0	0	105
Charge in year	0	11	0	0	11
Disposals	0	(5)	0	0	(5)
Reclassifications	0	0	0	0	0
Indexation/revaluation	0	1	0	0	1
Transfers	0	0	0	0	0
Impairments	0	0	0	0	0
<b>As at 31 March 2013</b>	<b>0</b>	<b>112</b>	<b>0</b>	<b>0</b>	<b>112</b>
<b>Carrying value as at 31 March 2013</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Carrying value as at 31 March 2012</b>	<b>0</b>	<b>11</b>	<b>0</b>	<b>0</b>	<b>11</b>
<b>Asset financing</b>					
Owned	0	0	0	0	0
Finance leased	0	0	0	0	0
<b>Carrying value as at 31 March 2013</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 10. Impairments

There were no impairments in the year.

## 11. Assets held for sale

There were no assets held for sale at the reporting date.

## 12. Trade receivables and other current assets

### 12a. Analysis by type

	2013–14	2012–13
	£000	£000
<b>Amounts falling due within one year</b>		
Trade receivables	316	94
Receivables due from Trusts	36	7
Receivables, Accrued Income and Prepayments due from NOMS Agency	103	124
Receivables, Accrued Income and Prepayments due from MoJ Group	83	0
Receivables, Accrued Income and Prepayments due from other Government departments	498	574
Prepayments	87	122
Accrued income	91	122
	<b>1,214</b>	<b>1,043</b>
<b>Amounts falling due after more than one year</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>1,214</b>	<b>1,043</b>

### 12b. Intra-Government receivables

	Amounts falling due within one year		Amounts falling due after more than one year	
	2013–14	2012–13	2013–14	2012–13
	£000	£000	£000	£000
Balances with other central Government bodies (inc. parent department)	228	139	0	0
Balances with local authorities	460	544	0	0
Balances with NHS bodies	32	22	0	0
	<b>720</b>	<b>705</b>	<b>0</b>	<b>0</b>
Balances with bodies external to Government	494	338	0	0
<b>Total</b>	<b>1,214</b>	<b>1,043</b>	<b>0</b>	<b>0</b>

## 13. Cash and cash equivalents

	2013–14	2012–13
	£000	£000
Balance at 1 April	3,353	4,553
Net change in cash and cash equivalents	(330)	(1,200)
<b>Balance at 31 March</b>	<b>3,023</b>	<b>3,353</b>
The following balances at 31 March are held at:		
Commercial banks and cash in hand	3,023	3,353
<b>Balance at 31 March</b>	<b>3,023</b>	<b>3,353</b>

## 14. Trade payables and other current liabilities

### 14a. Analysis by type

	2013–14	2012–13
	£000	£000
<b>Amounts falling due within one year (excluding taxation)</b>		
Trade payables	683	842
Accruals	1,517	1,702
Staff payables	213	30
Payables due to Probation Trusts	4	1
Payables, Accruals and Deferred Income due to NOMS Agency	129	251
Payables, Accruals and Deferred Income due to other Government departments	351	626
	<b>2,897</b>	<b>3,452</b>
<b>Tax falling due within one year</b>		
VAT	1,346	1,010
Corporation tax	1	1
Other taxation and social security	845	844
	<b>2,192</b>	<b>1,855</b>
<b>Total amounts falling due within one year</b>	<b>5,089</b>	<b>5,307</b>
<b>Amounts falling due after more than one year</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>5,089</b>	<b>5,307</b>

### 14b. Intra-Government payables

	Amounts falling due within one year		Amounts falling due after more than one year	
	2013–14	2012–13	2013–14	2012–13
	£000	£000	£000	£000
Balances with other central Government bodies (inc. parent department)	2,325	2,108	0	0
Balances with local authorities	351	625	0	0
	<b>2,676</b>	<b>2,733</b>	<b>0</b>	<b>0</b>
Balances with bodies external to Government	2,413	2,574	0	0
<b>Total</b>	<b>5,089</b>	<b>5,307</b>	<b>0</b>	<b>0</b>



## 15. Provisions for liabilities and charges

	2013–14				
	Early retirements costs £000	Leasehold Property Dilapidations £000	Other Provisions £000	Voluntary Early Departure £000	Total £000
Balance at 1 April	0	0	0	0	0
Provided in year	0	0	0	0	0
Provisions not required written back	0	0	0	0	0
Provision utilised in the year	0	0	0	0	0
Unwinding of discount	0	0	0	0	0
<b>Balance as at 31 March</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

	2012–13				
	Early retirements costs £000	Leasehold Property Dilapidations £000	Other Provisions £000	Voluntary Early Departure £000	Total £000
Balance at 1 April	149	0	0	0	149
Provided in year	0	0	0	0	0
Provisions not required written back	0	0	0	0	0
Provision utilised in the year	(149)	0	0	0	(149)
Unwinding of discount	0	0	0	0	0
<b>Balance as at 31 March</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

There were no provisions at the reporting date.

## 16. Capital commitments

Commitments for capital expenditure and major maintenance works for which no provision has been made in these accounts were as follows:

	2013–14	2012–13
	£000	£000
Property, plant and equipment	0	0
Intangibles	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

There were no capital commitments at the reporting date.

## 17. Commitments under leases

### 17a. Operating leases

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

Obligations under operating leases for the following periods comprise:

	2013–14	2012–13
	£000	£000
<b>Other</b>		
Not later than one year	0	0
Later than one year and not later than five years	0	0
Later than five years	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

There are no operating leases.

### 17b. Finance leases

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

Obligations under finance leases for the following periods comprise:

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

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

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

There are no finance leases.

## 18. Other financial commitments

	2013–14	2012–13
	£000	£000
Not later than one year	0	0
Later than one year and not later than five years	0	0
Later than five years	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

There are no financial commitments.

## 19. Deferred tax asset

	2013–14	2012–13
	£000	£000
Non-current asset	0	0
Current asset	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

There are no deferred tax assets.

## 20. Financial instruments

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

## 21. Contingent liabilities

There are no contingent liabilities (2013/2014).

## 22. Losses and special payments

### 22a. Losses statement

	2013–14		2012–13	
	Number of cases	Total value £000	Number of cases	Total value £000
Cash losses	12	0	8	0
Claims abandoned	0	0	0	0
Administrative write-offs	3	2	39	37
Fruitless payments	0	0	0	0
Store losses	0	0	0	0
<b>Total</b>	<b>15</b>	<b>2</b>	<b>47</b>	<b>37</b>
<b>Details of cases over £300,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### 22b. Special payments schedule

	2013–14		2012–13	
	Number of cases	Total value £000	Number of cases	Total value £000
Special payments	2	1	1	0
<b>Total</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>0</b>
<b>Details of cases over £300,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 23. General fund

	2013–14	2012–13
	£000	£000
Balance at 1 April	(61,013)	(47,400)
Prior period adjustment (Note 28)	0	0
<b>Balance restated at 1 April</b>	<b>(61,013)</b>	<b>(47,400)</b>
Net transfers from Operating Activities:		
Statement of Comprehensive Net Expenditure	(3,969)	(2,885)
Transferred from revaluation reserve	6	34
Remeasurement of post employment benefits	7,542	(10,762)
<b>Balance at 31 March</b>	<b>(57,434)</b>	<b>(61,013)</b>

## 24. Revaluation reserve

### 24a. Property, plant and equipment

	2013–14	2012–13
	£000	£000
Balance at 1 April	16	37
Prior period adjustment (Note 28)	0	0
<b>Balance restated at 1 April</b>	<b>16</b>	<b>37</b>
Arising on revaluations of PPE during the year (net)	1	13
Transferred to General Fund	(6)	(34)
<b>Balance at 31 March</b>	<b>11</b>	<b>16</b>

### 24b. Intangibles

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

## 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.

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.

### Mutuals

There has been no trading between The Rehabilitation People Ltd and the Greater Manchester Probation Trust other than staff time required to develop the mutual, which has been set up under the Secretary of State for Justice's Transforming Rehabilitation Agenda.

## 26. Third-party assets

These are not Trust's assets and are not included in the accounts. The assets held at the reporting period date to which it was practical to ascribe monetary values comprised monetary assets, such as bank balances and monies on deposit, listed securities, trust funds, amenity funds. They are set out in the table immediately below.

	31 March 2013	Funds paid in during the year	Funds paid out during the year	31 March 2014
	£000	£000	£000	£000
Social Welfare fund	25	4	(1)	28
	<b>25</b>	<b>4</b>	<b>(1)</b>	<b>28</b>

## 27. Events occurring after the reporting period

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

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

### **Dissolution of the Trust**

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

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

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

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

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

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

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

#### *Pensions*

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

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

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

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

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

#### *Leases and service contracts*

Property and IT leases remain within the Ministry of Justice.

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

#### *Staff related balances*

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

#### *All other balances*

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

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

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

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



## 28. Prior period adjustments

### IAS 19 *Employee Benefits* (Revised 2011)

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

The amendments relevant to the Trust are:

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

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

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

	<b>2012–13</b>
Extract from the 2012–13 accounts before restatement:	<b>£000</b>
Net operating expenditure after taxation	1,656
Other comprehensive expenditure	12,012
Total comprehensive expenditure	<b>13,668</b>
Restatement:	
Increase in programme expenditure (interest costs)	1,229
Decrease in remeasurement of defined benefit obligation (previously actuarial loss)	(1,229)
	<b>0</b>
Extract from the 2012–13 accounts after restatement:	
Net operating expenditure after taxation	2,885
Other comprehensive expenditure	10,783
Total comprehensive expenditure	<b>13,668</b>

### Extract from the statement of changes in taxpayers' equity

	<b>2012–13</b>
Extract from the 2012–13 accounts before restatement:	<b>£000</b>
General fund balance as at 31 March 2013	(60,996)
Restatement:	
Increase in net operating expenditure	1,229
Decrease in remeasurement of defined benefit obligation (previously actuarial loss)	(1,229)
General fund balance as at 31 March 2013 after restatement	<b>(60,996)</b>

### Administration and programme income and expenditure

In 2012–13 the SoCNE was analysed between administration and programme income and expenditure. The classification of expenditure and income for both Administration and Programme followed the definition set out in the FReM by HM Treasury. Administration costs 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. However for 2013–14 all programme expenditure for both prior and current year is shown as Other Expenditures. All programme income for both prior and current year is shown within one classification. This change has been made for fairer presentation of the accounts. Further details are shown in **Note 3**, **Note 6** and **Note 7**.


Trust insert any other prior period adjustments cleared with Auditors and NOMS.

There are no PPAs.

## Accounts Direction

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

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



Edward Kirby

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

## Appendix 1

35 Probation Trusts:

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

## 8. Sustainability Report

(Not subject to audit)

### Introduction

This is the third Sustainability Report for Greater Manchester Probation Trust, prepared in accordance with 2011–2012 guidelines laid down by HM Treasury in ‘Public Sector Annual Reports: Sustainability Reporting’ published at: [www.hm-treasury.gov.uk/frem\\_sustainability.htm](http://www.hm-treasury.gov.uk/frem_sustainability.htm). **The sustainability report is not subject to audit.** Sustainability focus is on achieving government targets, reducing environmental impact and reducing costs. Priorities include reducing carbon emissions, water consumption and waste to landfill. Information contained in this report will be used to inform the MoJ consolidated report in the Ministry’s Annual Report and Accounts.

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

This report focuses on the environmental challenges that most affect our estate. This includes the environmental impact of our energy and water use, waste generation and recycling together with the costs associated with each of these.

### Governance, responsibilities and internal assurance

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

### Greening Government Commitments

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

### Climate change adaption and mitigation

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

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

### Carbon Reduction Commitment (CRC)

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

## Carbon Management Plan (CMP)

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

Our vision is to:

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

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

## Environmental Management System (EMS)

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

## Sustainable procurement

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

## Our priorities

In its Environmental Strategy, the Trust laid down the following commitments and priorities:

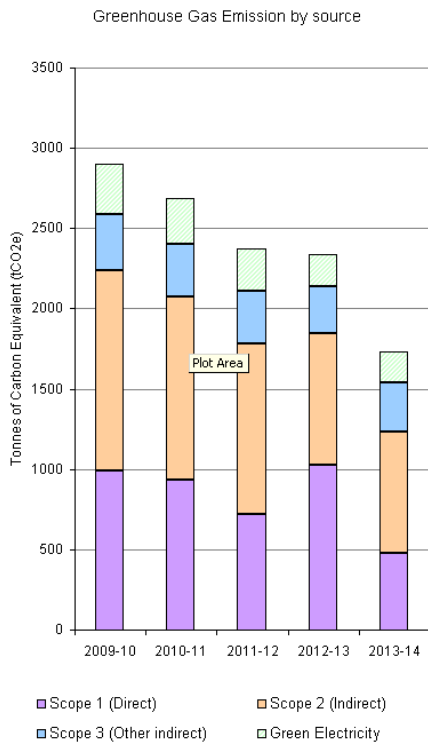
- **Service Delivery:** In all aspects of our service delivery and planning we will consider the impact on the Environment. This will include such things as:
  - Delivering Environmental projects through our Community Payback
  - Considering the impact on carbon emissions of any service redesigns (e.g. increases in staff or offender mileage)
- **Waste Management:** We recognise the impact that waste can have on our environment and our costs. Accordingly, in the use of all materials in the pursuit of our business we will:
  - Use recycled materials (e.g. paper) on all occasions where the cost differential is less than 10%
  - Work with our facilities management provider to improve recycling facilities in all of our establishments
  - Conserve paper, printing documents and emails only when needed and double sided where possible
- **Energy:** We will strive to reduce energy consumption and associated greenhouse gas emissions by reviewing current practices and encouraging the adoption of energy efficiency measures. These will include:
  - Encouraging all staff to switch off lights and IT equipment when not in use
  - Working with the Home Office Property Group to identify and use the most energy efficient technologies when undertaking property developments, such as high efficiency lighting and heating systems and adequate levels of insulation
- **Pollution:** We will avoid, where possible, the use of environmentally damaging substances, materials and processes, by purchasing environmentally friendly alternatives where these exist and the cost differential is less than 10%.

- **Transport:** We encourage our staff and offenders to use those transport methods which minimise environmental impact most. Where possible, we will use video or telephone conference links to minimise travel. Our positive steps will include:
  - Establishing a cycle to work scheme, supporting employees to buy a cycle should they wish to
  - Reduce the number of contract car parking spaces we purchase, where public transport alternatives exist
  - Work with NOMS/Steria and Global Crossing to improve telephone and video conferencing arrangements via VOIP technology
  - Using the accessibility of public transport as a critical factor in the assessment of new estate developments
  - Using low cost, fuel efficient hire cars for longer employee journeys
  - Consider environmental impact when purchasing fleet vehicles for community payback use
- **Procurement and Contract Management:** We will aim to source suppliers that demonstrate sound environmental practices. We will do so by considering environmental commitments and standards in our tender evaluation criteria and contractual documentation. We will aim to procure goods and services from sustainable and recycled sources. Our approach will be communicated to all suppliers to gain their commitment and enable cooperative working to find solutions to address our environmental impacts.

## Performance summary

### Greenhouse gas (GHG) emissions

		2010–11	2011–12	2012–13	2013–14
Non-financial indicators (tCO2e)	Scope 1 (Direct) Site based emissions & owned transport.	937.2	722.4	1024.8	474.4
	Scope 2 (Indirect) Supplied energy (Electricity and heat)	1137.3	1056.9	818.1	761.7
	Scope 3 (Other indirect) Business travel & transmission losses from supplied energy.	328.7	330.2	292.9	303.9
	<b>Total gross GHG emissions</b>	<b>2403.2</b>	<b>2109.5</b>	<b>2135.9</b>	<b>1540.0</b>
	Electricity: green/renewable	284.3	264.2	204.5	190.4
	<b>Total net GHG emissions</b>	<b>2118.8</b>	<b>1845.3</b>	<b>1931.3</b>	<b>1349.6</b>
Non-financial (kWh)	Electricity: Grid, CHP & non-renewable	1,914,803	1,779,372	1,377,338	1,282,376
	Electricity: renewable	638,268	593,124	459,113	427,458.75
	Gas	4,803,559	3,619,931	5,296,445	2,393,168
	Other energy sources	0	0	0	0
	<b>Total energy</b>	<b>7,356,629</b>	<b>5,992,427</b>	<b>7,132,895</b>	<b>4,103,003</b>
Financial indicators	Expenditure on energy (£)	£358,471	£353,392	£362,576	£312,217
	Expenditure on official business travel (£)	£675,003	£726,222	£623,784	£671,361



### Performance commentary (including targets)

Reported carbon dioxide emissions from our buildings appear to have reduced compared to previous years due to significant reduction in the size of our estate and ongoing work from our environmental strategy group. Following an analysis of figures for 2012/13 issues were identified that lead us to conclude that energy usage for at least some of our properties may have been incorrectly assigned across financial years. We now believe have confidence in these figures and the expected reductions have materialised in the 2013–14 figures.

### Controllable impacts commentary

The Trust is committed to reducing overall its greenhouse gas emissions and its use of business travel in line with the priorities set down in its environmental policy.

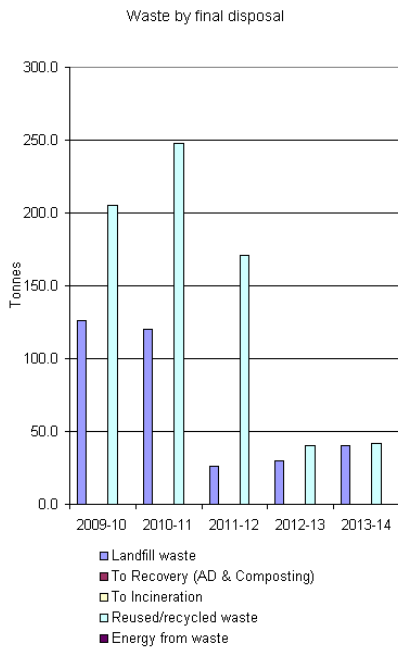
### Overview of influenced impacts

The reduction in the estate, environmental improvements, including efficiency actions by individual staff members have reduced the Trusts energy usage contributing to our overall improvements.

### Waste

			2010–11	2011–12	2012–13	2013–14
Non-financial indicators (tonnes)	Non-hazardous waste	Landfill waste	120.0	26.0	30.0	40.4
		To Recovery (AD & Composting)	0.0	0.0	0.0	0.0
		To Incineration	0.0	0.0	0.0	0.0
		Reused/recycled waste	248.0	171.0	40.0	41.7
		Energy from waste	0.0	0.0	0.0	0.0
		<b>Total waste arising</b>	<b>368.0</b>	<b>197.0</b>	<b>70.0</b>	<b>82.1</b>
Financial indicators	Non-hazardous waste	Landfill waste	0	0	0	0
		To Recovery (AD & Composting)	0	0	0	0
		To Incineration	0	0	0	0
		Reused/recycled waste	0	0	0	0
		Energy from waste	0	0	0	0
		<b>Total waste costs (£)</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>





**Performance commentary (including targets)**

Whilst we have been working to increase our recycling and to minimise the waste we produce, we would not expect to see a reduction in overall waste as significant as that recorded above by MoJ/ Interserve, which is a continuation of the previous years figures. Whilst we have doubts around the accuracy of these figures the ongoing priority is to reduce the amount of non-recyclable waste (landfill).

**Controllable impacts commentary**

We have been working during 2013/14 to increase recycling and to reduce the amount of waste produced within our offices. However, this would not explain the continuation of the dramatic reductions seen above for the last two years.

**Overview of influenced impacts**

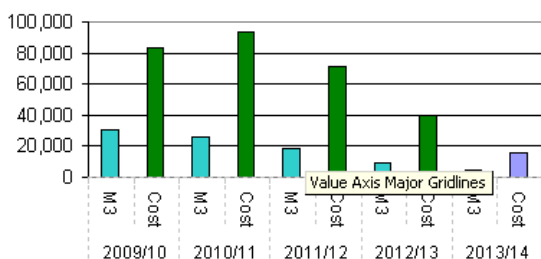
Given our concerns about the figures, we are unable to comment further on how our actions have directly influenced our generation of waste.

**Water**

Non-financial indicators **Total water consumption (cubic metres)**  
 Financial indicators **Total water supply costs (£)**

	2010-11	2011-12	2012-13	2013-14
Non-financial indicators	26,109	18,584	8,813	4,677
Financial indicators	£93,851	£71,239	£40,185	£15,985

Water (consumption and costs).



**Performance commentary (including targets)**

The above figures seem to evidence a reduction in water usage of 47% over the last year, following a reduction of 53% the previous year; however, this seems too high to be explained by reductions in the estate or by the better environmental practices we have instigated.

**Controllable impacts commentary**

Water use is almost exclusively from washrooms and drinking. Some locations have restaurant facilities or similar and use water in heating and ventilation systems.

**Overview of influenced impacts**

Whilst the figures appear to demonstrate continued good performance they are above and beyond what the environmental improvements we have made were expected to delivery. Therefore we are unable to comment further on how our actions have directly influenced our usage of water.

**Paper**

	2010–11	2011–12	2012–13	2013–14
Cost (excluding VAT)	£40,526	£31,943	£32,143	£33,750

Paper usage has increased slightly during the previous year and whilst an exact explanation is not immediately obvious the increase in documents being produced as part of the Transforming Rehabilitation programme, and therefore increase in paper documents used for reviewing and in meetings, is believed to be a contributory factor.

ISBN 978-1-4741-0405-0



9 781474 104050