



Cumbria Probation Trust

Annual Report and Accounts 2013–2014



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2013–2014

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Contents

Vision, Mission & Values	2
Foreword	3
1. Operational & Performance Review 2013–14	4
2. Management Commentary	8
3. Remuneration Report	13
4. Statement of Accountable Officer’s Responsibilities	16
5. Governance Statement	17
6. The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament	21
7. Accounts	23
8. Sustainability Report	60

Vision, Mission & Values

Cumbria Probation Trust aims to:

“Deliver an excellent level of service in managing offenders in custody and the community, to protect the public and to contribute to the reduction of crime in Cumbria.

In all our activities we aspire to achieve excellence in our work, we strive for continuous improvement, we value constructive discourse and we acknowledge each person’s unique value and potential.”

The Cumbria Probation Strategic Plan 2009–13 sets out the following six key strategic objectives:

- To reduce the risk of harm to the people of Cumbria;
- To reduce re-offending and improve community safety in Cumbria;
- To protect victims, children and vulnerable adults from discrimination, abuse, crime and the fear of crime;
- To enable offenders to participate in and positively contribute to their communities;
- To deliver improvements in the quality of our services and value for money; and
- To increase local accountability and engagement.

Foreword

The significant changes heralded by the Transforming Rehabilitation Strategy have now come to fruition, and the Trust will cease delivering probation services on 31st May 2014. This will therefore be the final Annual Report and Accounts for the Trust as our time as a Statutory delivery agent of Probation Services.

In its final year of existence, Cumbria Probation Trust maintained delivery of its contractual obligations to the Secretary of State, its strong performance record and saw reductions in reconviction for those under our supervision which were better than predicted. We achieved this while retaining a focus on the effective use of scarce public financial resources.

We hope that the legacy of effective, efficient Probation services, delivered in a spirit of fairness and justice, recognisable to our Police Court Missionary forebears, will find a home in the delivery arrangements to be put in place after June 2014. There is much of value to emulate.

Meanwhile, we welcome readers to celebrate another outstanding year, delivered in the most challenging of circumstances. We offer our thanks to the staff, managers and Board for their dedication and achievements.

Russell Bruce
Chief Executive Officer
13th June 2014

Chris Armstrong
Chair
13th June 2014

1. Operational & Performance Review 2013–14

A. Enablers

Leadership

This Annual Report marks the end of our fourth year as a Trust. The Board and its Executive Directors have continued to successfully implement the plans and strategies developed as part of the Trust application process managed under the Trust's Annual Plan.

During the last twelve months Mr Chris Armstrong was confirmed as Chair of Cumbria Probation Trust after serving in an acting capacity.

Throughout the year, the Trust continued its programme of training and development for aspiring managers and some who had already completed leadership programmes such as "Springboard", "Common Purpose" "International Navigator Leadership" stepped into director role within the Trust.

Policy and Strategy

This was the last year of our four year Strategic Plan which laid down the Trust's key strategies and policies. Our Annual Business Plan for 2013–14 is built on a solid foundation, developed over the last four years, reflecting our strategic objectives and key priorities for the year ahead. Performance against the Annual Business Plan is monitored on a quarterly basis.

The Strategic Plan is available under the publications section on our website at www.cumbriaprobation.org.uk

People Management (to include compliance with new Health and Safety legislation)

Cumbria Probation Trust has maintained a stable workforce during 2013–14, ending the year with a staff level of 173 (including secondees) FTE against a target of 179 FTE as set out in the Organisational Development Plan 2009–13.

The Trust continues to undertake careful assessment of posts that become vacant, with a view of balancing between operational needs and further efficiency savings. At the same time we continue to support the Probation Qualifications Framework and balance the number of new intakes against the result of workforce planning as well as the workloads across the organisation.

The annual sickness absence figures exceeded the target of 9 days, with an average of 10.3 days per employee for the year to 31 March 2014.

Under its specific and general duties the Trust is required to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

The Equality Act explains that having due regards involves; removing or minimising disadvantages suffered by people due to their protected characteristics; taking steps to meet the needs of people from protected groups where these are different from the needs of other people; and encouraging people from protected groups to participate in public life or in other activities where their participation is disproportionately low. In compliance with these duties the Trust's Equality & Diversity Steering Group, with membership from across the organisation including Trade Unions, met on a quarterly basis and as part of its work, apart from monitoring of the approved Equality and Diversity Action plan for the year, the

group also identified new areas of improvements and training requirements. The group is represented at the National Equality Group and through information exchange and knowledge transfer it has been able to bring recommendations for discussion and decisions by the Trust Executive Group. The key aim for this group is to achieve anti-discriminatory and effective equality practice. The representatives of this group are able to act as a conduit to the wider workforce and service users, and also make recommendations to the Board and the Executive Team.

Commitment to health and safety has continued with significant input in the relocation of the Headquarters and Barrow Office, including the Community Payback facilities. As part of this work, full consultation was made to ensure that the health, safety and welfare of employees, offenders and visitors was fully taken into consideration at the early stages of the project and that the premises are fit for purpose and meet all the statutory and safety requirements.

Throughout the year, regular reports were given to the Health and Safety Committee which met four times which in turn reported to the Board. This included all reviews, changes and amendments to the Health and Safety policy.

Partnerships and Resources

In the increasingly competitive environment we recognise the importance of working together with our partners to secure the best outcomes for the people of Cumbria with our joint resources. We have an excellent reputation for partnership working in Cumbria with other public sector bodies and the third sector. The results of this can be seen in our strong delivery on partnership targets, stakeholder feedback, additional resources and our place on key partnership Boards. Senior managers have chaired and lead on MAPPA meetings, the Local Safeguarding Board, Supporting People, Joint Commissioning bodies and Children's Trust.

Cumbria Probation Trust's Commissioning Strategy, policies and procedures are followed for all procurements made by the Trust be it through tendering or working with partners. The Strategy is compliant with all current legislation and is subject to ongoing review to ensure that it adapts to any changes in legislation.

All potential partners or sub contractors are subject to comprehensive pre selection questionnaires to ensure that risk of non delivery of contracts is minimised. An up to date and comprehensive contract register is maintained which is supported by a signed contract and supporting documentation including the questionnaire, dates of planned contract review meetings and reports to the Executive Team and Board.

All procurement is in line with transparency requirements. Representatives of the Trust hold regular review meetings with service deliverers to address any issues of under performance at the earliest opportunity. These meetings follow a templated process to ensure continuity across all contracts however large or small. These records are filed with the Contract Register. Post contract review meetings are held to ensure that lessons learned are acted upon where applicable.

Processes

Business process planning and reviews for the year included the secondments of staff to prison, Approved Premises and the management of Accredited Programmes. In the latter part of 2012–13 the Trust adopted the new specification for the Community Payback and the complete rollout was achieved by the first quarter of 2013–14.

Our work in relation to service segmentation geared with demands and needs analysis highlighted a need for further reviews of Community Payback, Accredited Programmes and the Approved Premises. The review for the latter two was completed in 2012–13, the Community Payback review was completed in early 2013–14.

B. Results

The performance of Probation Trusts is measured by a standard set of key performance indicators set by NOMS. The source data is collected centrally by NOMS, and the performance measures are calculated by them. The performance of Cumbria Probation Trust is as listed below.

		2012–13 Performance	2013–14 Performance	
Probation Trust Rating System and Contract Measures		Actual	Target	Actual
OM 21	Reducing re-offending	11.3%	-	11.1%
OM 20	Orders and licences successfully completed	79%	70%	78%
OM 40	Court report timeliness (including remanded in custody)	99%	90%	98%
OM 29	Offender feedback	78%	67%	78%
OM 39	OASys tier 2,3,4 and Persistent Prolific Offender final reviews	94%	90%	91%
OM 05	Initial breach proceedings to take place within 10 working days of the relevant unacceptable failure to comply	100%	90%	76%
OM 04	Licence recall requests to reach NOMS Post Release Section within 24 hours of the decision by the Offender Manager	96%	90%	98%
OM 26	OASys quality	94%	90%	96%
OM 27	Generic parole process	97%	80%	97%
INT 01	Number of offenders completing a sex offender treatment programme	16	15	25
INT 02	Number of offenders completing an accredited domestic violence treatment programme	36	35	15
INT 03	Number of offenders completing a general offending behaviour programme (excluding sex offender and domestic violence programmes)	129	130	104
INT 05	Number of offenders completing an Unpaid Work (Community Payback) requirement	578	550	563
INT 06	Number of offenders completing a Drug Rehabilitation requirement	36	N/A	
INT 07	Number of offenders completing an Alcohol Treatment requirement	85	N/A	
INT 09	Offenders in employment at termination of their order or licence	55%	45%	54%
OM 17	Offenders in settled and suitable accommodation at the end of their order or licence	84%	75%	89%
INT 08	The number of offenders under supervision who find and sustain employment for 4 weeks	142	130	135
INT 20	Referrals to education providers resulting in an award	47%	N/A	
OM 32	Victim feedback		90%	100%
OM 07	Victims contacted within 8 weeks of an offender receiving at least 12 months custody for a serious sexual or violent offence	95%	90%	100%

		2012–13 Performance	2013–14 Performance	
Management Information Measures		Actual	Target	Actual
OM 19	Number of referrals to education provision (in the community)	109	n/a	99
INT 19	Starts in education provision	80	n/a	68
INT 11	Proportion of Unpaid Work (Community Payback) offender days which are lost because of stand-downs on the day or notified in advance	0.25%	n/a	-
IPPF 08	Sickness absence (days per staff year)	8.4	n/a	10.3

		2012–13 Performance	2013–14 Performance	
Other Information Measures		Actual	Target	Actual
BASS	Number of BASS Referrals	n/a	10	10

Figures in **green** background denote performance on or exceeding target

Figures in **amber** background denote performance within 5% of attaining target

Figures in **red** background denote performance more than 5% below target

Where an actual figure is in **black** text this means that there was no set target for comparison against during that year.

Russell Bruce
Chief Executive Officer
13th 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 2010 (following transition from Cumbria Probation Board which was established in 2001).

These accounts have been prepared in accordance with the Government Financial Reporting Manual (FRoM) issued by HM Treasury (HMT) and in accordance with the accounts direction, on page 58, issued by the Secretary of State under the OM Act.

Principal activities

The high level strategic outcomes as set out in the four year Strategic Plan (2009–13) are:

- Services to the public, victims and offenders in Cumbria are improved;
- Public confidence in Cumbria Probation is increased; and
- Statutory responsibilities to the National Offender Management Service and the Director of Offender Management are met.

We recognised that to achieve these outcomes the Trust needed to develop its organisational capabilities in order to deliver its key four year strategic objectives and therefore, the Organisational Development Plan focused on the following key enabling strategies:

- a) Focus on agreed priorities and outcomes
- b) Promote a culture of excellence across the organisation
- c) Promote innovation, manage change, develop and shape the service
- d) Value and invest in staff
- e) Ensure the most effective and efficient use of resources
- f) Proactively secure Cumbria Probation's position as a key partner and valued Probation Trust.

Operational Performance during 2013–14

An analysis of performance outcomes is summarised in the Annual Report on pages 4 to 7.

The enforcement process remained the same in 2013–14 as in 2012–13, however the introduction of a new case management system has had an impact on the accuracy of recording. There has been a great deal of improvement around this measure, and internal audits of cases have given the Chief Executive and the Board assurance that court orders are being appropriately enforced by staff. This area of work will continue under the new probation arrangements from 1st June 2014.

The number of offenders assessed as eligible for the accredited Domestic Violence Programme reduced in 2013–14 as a further intervention was introduced for medium risk offenders. Whilst the accredited programme remained available for high risk offenders, the level of demand did not meet the target set. Several attempts were made to reduce this contractual target on the basis of evidenced reduced demand in the context of there being 13% fewer community orders made than in the previous year, to no avail. The Trust actually delivered more domestic violence interventions in 2013–14 than in previous years.

In relation to general offending behaviour programmes, there has been a similar reduction in demand and referrals to the programme, despite a great deal of micro-management and improvement activity.

Results for the year

The Statement of Comprehensive Net Expenditure (SoCNE) for the year is shown on page 23. The Statement of Changes in Taxpayers' Equity is shown on page 26.

Operating costs

The net operating cost before tax for 2013–14 stands at £473,000 compared to £524,000 for 2012–13. The reason for the decrease is due to increased income derived from non central contract sources.

Statement of Financial Position and Statement of Cash Flows

The Statement of Financial Position and Statement of Cash Flows are on pages 24 and 25.

The net liabilities position has decreased from £13,250,000 at 31 March 2013 to £10,303,000 at 31 March 2014. The largest single movement in net liabilities is £2,824,000 due to a decrease in the pension deficit.

Payment of creditors

In the year to 31 March 2014, the Trust paid 2,502 trade invoices with a value of £2,098,477. The percentage of undisputed invoices paid within 30 days by the Trust was 97.9% compared to 97.9% 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 transferred to the Greater Manchester Pension Fund (GMPF).

The Trust is no longer required to pay employer contributions to the fund from June 2014.

The responsibility for funding the past service liabilities and all future contributions associated with those original employees who are active members of the LGPS 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 10.3 days across the Trust (2012–13 8.4 days).

Personal data related incidents

There were no reportable incidents during the year (2012–2013: Nil).

Events after the reporting period

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

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

The 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. The proportion of staff transferring to the CRC/NPS is approximately 57%:43%.

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 60 to 63.

Future developments

It is anticipated that following the cessation of trade on 1st June 2014, the Trust will be dissolved as soon as practical thereafter.

Staff Mutual

Cumbria Probation Trust, along with Lancashire and Merseyside Probation Trusts have supported the development of a staff mutual company with the intention to bid for the CRC. Cumbria Probation Trust have provided support by the way of secondment of one staff member to help develop the bid.

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 mandate 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 (FReM), it is appropriate for the Trust to prepare the 2013–14 Annual Report and Accounts on a going concern basis.

Communications and employee involvement

Cumbria Probation is a high performing Trust and there is a strong recognition that maintaining this position can only be possible through the commitment, professionalism and hard work of our people across the Trust. As the most valuable asset, we spend 80% of our gross revenue budget on staff each year. The engagement of this group is critical to our business delivery and this is built on trust and confidence, and yet within a well applied governance structure with clear lines of accountability and authority. Communication with staff particularly in such a turbulent year was critical, and throughout the year this had to be balanced against a range of external messages from both the MoJ and NOMS. The Board and the Executive Team are astutely aware of the importance of managing key messages within the organisation and our staff, as well as staff representatives and our partners within the county.

Staff diversity

The information below presents a picture of the diversity of our workforce using the data held by the Trust:

Gender	2011–12	2012–13	2013–14
Male	32%	32%	33%
Female	68%	68%	67%

The comparison of workforce between 2011–12 and 2013–14 split by gender shows no significant variance between the Three years, a position which has been fairly consistent over the years and broadly in line for the sector. Further analysis by age indicates that the majority of the workforce within the Trust is aged 40 and above.

Disability	2011–12	2012–13	2013–14
Yes	6.2%	7.7%	10.8%
No	93.8%	91.8%	89.2%
Not Declared	nil	0.5%	nil

The majority of staff do not classify themselves as disabled, however in comparison to the previous years the number of disabled staff has increased, this is likely to be due to the fact that staff are now required to record their personal information on the HR database.

The Trust produces a range of statistical data and prepares an annual Equality and Diversity Report for each protected characteristics for employees across the organisation. This can be accessed through the CPT website. www.cumbriaprobation.org.uk

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 21.

Total audit fees reported in the Accounts are £22,878. The audit fees for 2013–14 are made up of:

- External Audit £21,749 and
- Internal Audit £10,315

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 Cumbria Probation Trust Management Board

The Management Board of the Cumbria Probation Trust consists of a Chair, six other members and the Chief Executive.

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

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

Position	Name	Date appointment commenced / ended (during 2013–14) where appropriate
Chief Executive	R. J. Bruce	
Chair	C. Armstrong	
Board Member	Dr J. Abernethy	
Board Member	P. Cottrill	
Board Member	M. Cutter	
Board Member	Dr J. Hendry	Deceased 30 th May 2013
Board Member	M. Little	
Board Member	K. Rowley	

No conflicting interests were reported by any of the Board Members.

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.

Russell Bruce
Accountable Officer
13th June 2014

3. Remuneration Report

Appointments

A Probation Trust shall consist of a Chairman and not less than four other members appointed by the Secretary of State; and the Chief Executive. The Probation Trust shall have a Chief Executive appointed by the appointed members.

The terms of employment of the appointed members are for the Secretary of State to determine, though the terms of employment of the Chief Executive are for the appointed members to determine, with the approval of the Secretary of State.

The above paragraph does not apply to the Chief Executive if the Secretary of State directs that the first Chief Executive is to be the person appointed by the Secretary of State on terms determined by the Secretary of State.

The salary and pension entitlements of the senior managers and non-executive directors of the Cumbria 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. Mr. R. J. Bruce, the current Chief Executive, is appointed on a part time basis on secondment from Durham Tees Valley Probation Trust. As Durham Tees Valley Probation Trust is his prime employer; his remuneration and pension values are reported within their Annual Report and Accounts. During the year Cumbria Probation Trust was charged £50,283 (2013–14: £49,596) for Mr. Bruce's services.

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
Chair, R. Rhodes (to November 2012)		5–10								5–10
Chair – C. Armstrong (from November 2012)	20–25	5–10	-	-	4,200	400	-	-	25–30	5–10
Dr J. Abernethy	0–5	0–5	-	-	1,100	200	-	-	0–5	0–5
P. Cottrill	0–5	0–5	-	-	1,000	300	-	-	0–5	0–5
M. Cutter	0–5	0–5	-	-	-	-	-	-	0–5	0–5
Dr J. Hendry	0–5	0–5	-	-	-	-	-	-	0–5	0–5
M. Little	0–5	0–5	-	-	200	-	-	-	0–5	0–5
K. Rowley	0–5	0–5	-	-	100	-	-	-	0–5	0–5

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)	£55,000–£60,000	£55,000–£60,000
Median for other staff	£26,441	£24,555
Pay multiple ratio	2.25:1	2.38 : 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 and allowances as applicable to Cumbria Probation Trust.

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 Treasurer and Finance Director of the Trust, Mr S. Sait, assisted with initial setting up of the staff mutual company during June and July 2013.

B) PENSION BENEFITS – AUDITED

The required pension benefit disclosures in respect of the CEO, Mr R Bruce are disclosed within Durham Tees Valley Probation Trust Annual Report and Accounts.

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

Cash Equivalent Transfer Value (CETV)

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

Real increase in CETV

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

Russell Bruce
Accountable Officer
13th 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 Cumbria 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

Scope of Responsibility

The Chief Executive of Cumbria Probation Trust is the appointed Accountable Officer with personal responsibility for maintaining a sound system of internal control which supports the achievements of Cumbria Probation Trust Board's policies and the aims and objectives set out in its Annual Plan, whilst safeguarding public funds and agency assets in accordance with the responsibilities assigned by "Managing Public Money". The Chief Executive is supported by an executive management team with individual responsibilities for delivery of the objectives set out in the Board's Annual Business Plan. The Chief Executive and Chair of the Board represent Cumbria Probation Trust at meetings of a north west regional probation board which was set up to identify and maximise opportunities for collaborative working. The Chief Executive and Chair of the Board also represent Cumbria Probation Trust at Safer Cumbria Group meetings to support partnership working within Cumbria. The Chief Executive is a member of Cumbria Probation Trust Board (the Board) which also has responsibility for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. In discharging this overall responsibility, the Board is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions which includes arrangements for the management of risk. The Board has approved and adopted a code of corporate governance which is set out in a Governance Handbook, which is consistent with the principles of the Treasury Code Framework Delivering Good Governance. In all material respects the Trust complied with the code of corporate governance, given the size and complexity of the Trust.

In light of the then pending government review of probation, referred to below, a decision was made by the Board to appoint an interim Chief Executive on the resignation of the permanent Chief Executive who took up the role of Chief Executive and Accountable Officer during April 2012 this arrangement will continue until 31st July 2014. The interim Chief Executive is also the Chief Executive of Durham Tees Valley Probation Trust. The interim Chief Executive arrangement is supported by a Memorandum of Understanding entered into between the Boards of Cumbria Probation Trust and Durham Tees Valley Probation Trust to support collaborative working between the two Trusts.

The appointment of the current Chairman of the Board was completed in May 2013. Ministerial approval for an internal appointment was given on the 8th May 2013. This was an internal appointment has resulted in a reduction in the size of the Board by one member. The untimely death of Board member Dr Joe Hendry on 30th May 2013 further reduced the board to seven members, but the Board still meets the minimum requirements of the Offender Management Act 2007.

The purpose of the governance framework

The governance framework comprises the systems and processes, and culture and values, by which the Board is directed and controlled and its activities through which it accounts to the Secretary of State and the community. It enables the Board to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Board's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The governance framework (including the system of internal control) has been in place in Cumbria Probation Trust for the year ended 31 March 2014 and up to the date of approval of this Annual Report and Accounts and accords with Treasury guidance.

The governance framework

The key elements of the governance framework for Cumbria Probation Trust are as follows;

- The Cumbria Probation Board meets at least six times a year. The Board has two sub-committees, an Audit, Governance and Risk Committee and an Operations and Performance Committee, both of which meet on a quarterly basis. During 2013/14 attendance was sufficient to meet quorum requirements at all Board and Committee Meetings.
- Identifying and communicating the Board's vision of its purpose and intended outcomes for citizens and service users is achieved by the publication on its website of an Annual Plan.
- Measuring the quality of services for users, ensuring they are delivered in accordance with the Board's objectives and ensuring that they represent the best use of resources. This is achieved by operating in accordance with the Quality Assurance Framework: which is monitored by the Chief Executive and the Board via reports to the executive management team, the Operations & Performance Committee, the Board and at quarterly contract review meetings with the representative of the Secretary of State. A self assessment process was completed at the end of 2012/13 and submitted to the NOMS Regional Manager of Community Services.
- The Board operates under an overarching Commissioning Strategy to ensure best value is achieved in procuring services for the Trust and to deliver to offenders.
- Developing, communicating and embedding codes of conduct and defining the standards of behaviour for members and staff is achieved by regular training provided to staff and Board members and implementation of the Discipline & Dismissal Policy and Procedures as required.
- Reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes/manuals, which clearly define how decisions are taken is the responsibility of the Board and is undertaken in accordance with the requirements of the annual Letter of Delegation to the Chief Executive.
- The core functions of an Audit Governance & Risk Committee are overseen by the Chair of the Audit Governance & Risk Committee.
- Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful lies with the Chief Executive supported by the Board Secretary & Solicitor, the Board Treasurer and the executive management team.
- Whistle-blowing and the receiving and investigation of complaints from the public are provided for in the Trust's Whistle Blowing and Complaints Procedures.
- Identifying the development needs of members of the Board and the executive team in relation to their strategic roles, supported by appropriate training is achieved by the operation of an appraisal system and the identification of personal professional development needs which are incorporated into an annual training plan; and
- Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation is achieved by the delivery of a communications strategy and annual plan.

Board and committee meeting attendance

	Board Meetings		Audit, Governance and Risk Committee		Operations and Performance Committee	
	Possible Attendance	Actual Attendance	Possible Attendance	Actual Attendance	Possible Attendance	Actual Attendance
R Bruce	9	9	5	1	4	1
Chair C. Armstrong	9	8	5	4	4	4
Dr J Abernethy	9	9	1	1	2	2
P Cottrill	9	9	5	5	-	-
M Cutter	9	4	1	-	4	-
Dr J Hendry Deceased 30 th May 2014	1	-	-	-	-	-
M Little	9	8	5	5	3	2
K Rowley	9	8	-	-	2	2

Maintaining the risk and control framework

The Trust's risk management strategy and the related processes underpin business planning and control arrangements. The overarching Risk Management Policy approved by the Board in 2008–09 continues to support the governance framework and the associated processes. The Board has adopted a risk based approach to internal controls which is embedded within the normal management and governance processes. This approach includes the regular evaluation of the nature and extent of risks to which the Board is exposed. The Accountable Officer supported by the Board retains responsibility for internal controls and is assisted by the Audit Governance & Risk Committee. There is clearly defined management responsibility for the identification, evaluation and control of significant risks. There is a formal process of reviewing the risk register by the Audit Governance & Risk Committee which reports to the Board and the Chief Executive is responsible for reporting to the Board any significant changes affecting key risks. In particular, the Risk Register is reviewed quarterly and the impact and likelihood of identified risks is re-assessed in light of the control measures applied to each risk. Emerging risks are also identified and cross referenced with the risk appetite threshold for the category of risk identified (i.e. financial, operational, reputational, strategic or public protection). The risk appetite threshold is crossed when the potential adverse impact on the Trust from an event is considered unacceptable and this is determined by the use of a number of recognised measurement tools. The Risk Register review process is directly linked to the process of preparing and reviewing the Annual Business Plan by the executive team, the Audit Governance & Risk Committee and the Trust Board. Where risks arising from projects are managed jointly with other public sector bodies, a project risk register is prepared and monitored jointly by the project board.

Review of effectiveness

The Accountable Officer, assisted by the Board, has responsibility for conducting, at least annually, a review of the effectiveness of the governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the Trust who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

The Board has adopted a risk based approach to internal controls as detailed above. The Board retains responsibility for a defined range of issues covering strategic, operational and financial and compliance issues. Policies and procedures are in place for health & safety, data protection, whistle blowing and fraud prevention and detection. The annual budget is approved by the Board and is reported on a quarterly basis to the Audit Governance & Risk Committee.

The Operations & Performance Committee monitors operational performance on a quarterly basis and reports to the Board. The Board regularly reviews key performance indicators to assess progress towards achievement of key business objectives, targets and outcomes. Performance in all areas is regularly monitored and identified areas for improvement and agreed actions are incorporated into a tracker and reviewed on a regular basis.

The internal controls framework and the risk management process are subject to regular review by internal auditors who advise the Chief Executive and report to the Audit, Governance & Risk Committee. The latest Internal Audit report was received in March 2014, with a "green" rating. The Internal Audit opinion contained therein stated "In our opinion, there was a sound system of risk management and control likely to achieve system objectives. Controls were operating as intended and were proportionate to the risk."

The Audit Governance & Risk Committee, in anticipation of the release of a new version of the Governance Handbook and Financial Management Handbook identified the need for an overarching review of the Trust's governance framework and recommended such a review to the Board which was agreed at the Board meeting held in March 2012. This review was completed during 2012/13 and an updated Governance Handbook and Financial Management Handbook were approved and adopted by the Board at its meeting held on the 11th April 2013. It was also agreed at that meeting to review the

committee structure once the response to the probation consultation was published to ensure the structure was fit for purpose to support the anticipated changes arising from the government's response to the consultation process.

Significant governance issues

The outcomes of the Government's consultation resulting in the Transforming Rehabilitation Programme published on 9th May 2013 are significant and far reaching and impact on the governance arrangements for the Trust. This is currently identified as a key risk for the Trust in its Risk Register.

Cumbria Probation Trust's four year Strategic Plan ran from 2009–2013. In light of the Government's Strategy (Transforming Rehabilitation), published on the 9th May 2013, the Board concluded that short term plans would be implemented to ensure the delivery of services under the contract with the Secretary of State, alongside delivery of the government's plans to split delivery of probation services between a new National Probation Service and Community Rehabilitation Companies.

During 2013/14 The Cumbria Probation Board received notice terminating the contract to deliver probation services in Cumbria on 31st May 2014. It is anticipated that the Trust will be wound up during the late Summer/early Autumn of 2014.

The Board has identified a failure to maintain high quality delivery of services and a failure to retain staff and maintain staff morale as significant risk issues.

The importance of the Quality Assurance Framework has previously been acknowledged by the Board as one of the key measurements of performance and a failure to develop this and embed across the Trust had been identified as significant risk. Further development work including a review, has been had been undertaken to embed the use of the Quality Assurance Framework to support the delivery of probation services in Cumbria. This will be passed to the two new delivery arms for probation services on 1st June 2014.

A meeting of the Board Committees and the JNCC Committee will take place during May followed by a Board meeting when any identified matters relevant to the governance arrangements in the two new delivery bodies will be recorded of onward transmission.

Russell Bruce
Accountable Officer
13th June 2014

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

I certify that I have audited the financial statements of Cumbria 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. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate. I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

Opinion on regularity

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

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of Cumbria 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, Management Commentary and Sustainability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which I report by exception

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

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

Report

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

2nd 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
Expenditure			
Staff costs	3(a)	6,040	5,819
Other expenditure	6	2,048	2,268
Total Expenditure		8,088	8,087
Income	7	(8,142)	(8,052)
Net operating costs		(54)	35
Net interest cost on pension scheme	4(c)	527	489
Net operating costs before taxation		473	524
Taxation	5	30	7
Net operating costs after taxation		503	531

Other Comprehensive Expenditure

		2013–14	2012–13
	Notes	£000	Restated £000
Items that will not be reclassified to net operating costs:			
Net (gain)/loss on revaluation of property, plant and equipment	8	4	(6)
Net (gain)/loss on revaluation of intangibles	9	0	0
Items that may be reclassified subsequently to net operating costs:			
Net (gain)/loss on revaluation of available for sale financial assets		0	0
Remeasurement of post employment benefits	23	(3,449)	1,980
Total comprehensive expenditure for 31 March 2014		(2,942)	2,505

The notes on pages 27 to 57 form part of these accounts.

Statement of Financial Position

As at 31 March 2014

		2013–14	2012–13
	Notes	£000	£000
Non-current assets			
Property, plant and equipment	8	142	111
Intangible assets	9	0	2
Deferred tax asset	19	0	0
Trade and other receivables	12(a)	0	0
Total non-current assets		142	113
Current assets			
Assets classified as held for sale	11	0	0
Deferred tax asset	19	0	0
Trade and other receivables	12(a)	8	364
Cash and cash equivalents	13	492	139
Total current assets		500	503
Total assets		642	616
Current liabilities			
Trade and other payables	14(a)	(272)	(380)
Provisions	15	0	0
Taxation payables	14(a)	(467)	(456)
Total current liabilities		(739)	(836)
Non-current assets plus/less net current assets/(liabilities)		(97)	(220)
Non-current liabilities			
Trade and other payables	14(a)	0	0
Provisions	15	0	0
Pension liability	4(c)	(10,206)	(13,030)
Total non-current liabilities		(10,206)	(13,030)
Assets less liabilities		(10,303)	(13,250)
Taxpayers' equity			
General fund	23	(10,310)	(13,261)
Revaluation reserve – property, plant and equipment	24(a)	7	11
Revaluation reserve – intangible assets	24(b)	0	0
		(10,303)	(13,250)

The financial statements on pages 23 to 26 were approved by the Board on 13th June 2014 and were signed on its behalf by

..... Accountable Officer

13th June 2014

The notes on pages 27 to 57 form part of these accounts.

Statement of Cash Flows

For the year ended 31 March 2014

		2013–14	2012–13
	Notes	£000	£000
Cash flows from operating activities			
Net operating costs	23	(503)	(531)
Adjustments for non-cash transactions	6	28	37
Adjustments for pension cost	4(c)	625	522
(Increase)/decrease in receivables	12(a)	356	81
Increase/(decrease) in payables	14(a)	(97)	(190)
Utilisation of provisions	15	0	0
Less movements in property, plant and equipment payable	14(a)	0	0
Net cash outflow from operating activities		409	(81)
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(61)	0
Purchase of intangibles	9	0	0
Proceeds on disposal of property, plant and equipment	8	5	0
Proceeds on disposal of intangibles	9	0	0
Net cash outflow from investing activities		(56)	0
Cash flows from financing activities			
Net financing received in year	23	0	0
Net financing		0	0
Net increase/(decrease) in cash and cash equivalents in the period			
		353	(81)
Cash and cash equivalents at the beginning of the period	13	139	220
Cash and cash equivalents at the end of the period	13	492	139
Increase/(decrease) in cash		353	(81)

The notes on pages 27 to 57 form part of these accounts.

Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2014

	Notes	General Fund £000	Revaluation Reserve £000	Total £000
Balance as at 1 April 2012		(10,750)	5	(10,745)
Prior period adjustment	23/24	0	0	0
As restated at 1 April 2012		(10,750)	5	(10,745)
Changes in taxpayers' equity for 2012–13 (restated)				
Net operating cost after taxation	SocNE	(531)		(531)
Net gain/(loss) on revaluation of property, plant and equipment	24(a)		6	6
Transferred to General Fund from property, plant and equipment revaluation reserve	24(a)		0	0
Net gain/(loss) on revaluation of intangibles	24(b)		0	0
Transferred to General Fund from tangibles revaluation reserve	24(b)		0	0
Movement in donated assets	23	0		0
Transferred from revaluation reserve	23	0		0
Remeasurement of post employment benefits	23	(1,980)		(1,980)
Net NOMS financing received in year	23	0		0
Balance as at 31 March 2013		(13,261)	11	(13,250)
Changes in taxpayers' equity for 2013–14				
Net operating cost after taxation	SocNE	503		503
Net gain/(loss) on revaluation of property, plant and equipment	24(a)		1	1
Transferred to General Fund from property, plant and equipment revaluation reserve	24(a)		(5)	(5)
Net gain/(loss) on revaluation of intangibles	24(b)		0	0
Transferred to General Fund from tangibles revaluation reserve	24(b)		0	0
Movement in donated assets	23	0		0
Transferred from revaluation reserve	23	5		5
Remeasurement of post employment benefits	23	3449		3449
Net NOMS financing received in year	23	0		0
Balance as at 31 March 2014		(10,310)	7	(10,303)

The notes on pages 27 to 57 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/(asset) as presented in **Note 4**.

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

1.4 Going concern

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

On 1 June 2014, the Trust ceased trading.

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

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

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

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

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

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

1.5 Property, plant and equipment

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

Non-current assets held for sale are identified as assets whose carrying amount will be recovered through sale rather than through continuing use. Depreciation on non-current assets held for sale ceases upon reclassification. Depreciation is re-instated and retrospectively applied to any assets which are subsequently not sold and re-classified as in-use.

1.10 Inventories

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

1.11 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.

1.12 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.

1.13 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 2014.

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.

1.14 Leases

Where substantially all risks and rewards of ownership of a leased asset are borne by the Trust, the asset is recorded as a tangible non-current asset and a debt is recorded to the lessor of the minimum lease payments discounted by the interest rate implicit in the lease. The interest element of the finance lease payment is charged to the SoCNE over the period of the lease at a constant rate in the relation to the balance outstanding. Other leases are regarded as operating leases and the rentals are charged to the SoCNE on a straight-line basis over the term of the lease.

A distinction is made between finance leases and operating leases. Finance leases are leases where substantially all of the risks and rewards incidental

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

Finance leases

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

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

Operating leases

Leases other than finance leases are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the SoCNE on a straight-line basis.

1.15 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.

1.16 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.

1.17 Deferred Tax

The Trust does not have any deferred tax assets.

1.18 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.

1.19 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.

1.20 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.

1.21 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**.

1.22 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 £000	Net Expenditure £000
Offender Management Programmes	3,466	2,592
Community Payback	371	364
Approved Premises	683	716
Other Operational Activities	624	602
Management & Administration	965	2,129
Contract Income	1,660	1,539
	(7,916)	(7,937)
Total	(147)	5
IAS 19 Finance Charges	527	489
IAS 19 Pension Contribution Adjustment	98	33
Interest Received		(2)
Taxation, Provisions & Rounding	25	6
Net Comprehensive Expenditure	503	531

Net Assets for the Trust are not allocated segmentally.

Due to re-analysis of reporting structure from the beginning of 2013/2014 £694k (2012/2013 £667k) has been re-allocated from Other Operational Activities to Offender management.

3. Staff numbers and related costs

3a. Staff costs consist of:

	2013-14			2012-13 <i>Restated</i>
	Total	Permanently- employed staff	Others	Total
	£000	£000	£000	£000
Wages and salaries	5,124	4,778	346	4,979
Social security costs	297	292	5	307
Other pension costs	1,058	1,056	2	1,008
Sub-total	6,479	6,126	353	6,294
Less recoveries in respect of outward secondments	(439)	(385)	(54)	(475)
Total staff costs	6,040	5,741	299	5,819

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**.

Nil persons (2012-13: Nil persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £Nil (2012-13: £Nil).

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
FTE	FTE	FTE	FTE
159	153	6	151
159	153	6	151

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	0	0	0	0	0
£10,000–£25,000	0	0	0	0	0	0
£25,000–£50,000	0	0	0	0	0	0
£50,000–£100,000	0	0	0	0	0	0
£100,000–£150,000	0	0	0	0	0	0
£150,000–£200,000	0	0	0	0	0	0
£200,000+	0	0	0	0	0	0
Total number of exit packages by type	0	0	0	0	0	0
Total resource cost £000	0	0	0	0	0	0

Redundancy and other departure costs have been paid in accordance with the Trust compensation scheme. 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. There have been no redundancies or other early departures during the year.

4. Pensions costs

Under the Local Government Pension Scheme Regulations the pension fund is subject to an independent triennial actuarial valuation to determine each employer's contribution rate. An independent actuarial valuation was carried out as at 31 March 2013 by Mercer Limited.

4a. Pension costs

- During 2013–14, employers' contributions of £960,154 were payable to the LGPS (2012–13 £974,658) at 19.7%. 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 19.7% of salaries; and,
- Employer's contributions for 2014–15 will be 19.7% of salaries; and
- Employer's contributions for 2015–16 will not be paid by the Trust.

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

	2013–14	2012–13
	%	%
Inflation assumption	2.4%	2.4%
Rate of increase in salaries	3.9%	4.2%
Rate of increase for pensions in payment and deferred pensions	2.4%	2.4%
Discount rate	4.4%	4.2%

Mortality Assumptions

Life expectancy of a male (female) future pensioner in 20 years' time	24.1 (26.9) years
Life expectancy of a male (female) current pensioner	22.2 (24.9) years

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

	2013–14		Total £000
	Present value of obligation £000	Fair value of plan assets £000	
Plan assets	0	29,533	29,533
Funded liabilities	(41,444)	0	(41,444)
Unfunded liabilities	(1,119)	0	(1,119)
Opening balance at 1 April (restated)	(42,563)	29,533	(13,030)
Current service costs	(1,035)	(22)	(1,057)
Past service costs (including curtailments)	(1)	0	(1)
Gains and losses on settlements	0	0	0
	(1,036)	(22)	(1,058)
Net Interest (cost)/income	(1,748)	1,221	(527)
Remeasurements			
Returns on plan assets, excluding amounts included in interest cost/(income)	0	2,349	2,349
Gain/(loss) from change in demographic assumptions	(686)	0	(686)
Gain/(loss) from change in financial assumptions	2,816	0	2,816
Experience gains/(losses)	(1,030)	0	(1,030)
Change in asset ceiling, excluding amounts included in interest cost	0	0	0
	1,100	2,349	3,449
Contributions			
Employers	0	960	960
Plan participants	(294)	294	0
Unfunded benefits	0	0	0
Payments from plans			
Benefit payments	2,190	(2,190)	0
Unfunded benefit payments	0	0	0
Closing balance at 31 March	(42,351)	32,145	(10,206)
Plan assets		32,145	32,145
Funded liabilities	(41,209)		(41,209)
Unfunded liabilities	(1,142)		(1,142)
Closing balance at 31 March	42,351)	32,145	(10,206)

	2012–13 (restated)		Total £000
	Present value of obligation £000	Fair value of plan assets £000	
Plan assets	0	26,371	26,371
Funded liabilities	(36,899)	0	(36,899)
Unfunded liabilities	0	0	0
Opening balance at 1 April	(36,899)	26,371	(10,528)
Current service costs	(854)	(18)	(872)
Past service costs (including curtailments)	(136)	0	(136)
Gains and losses on settlements	0	0	0
	(990)	(18)	(1008)
Net interest (cost)/income	(1,772)	1,283	(489)
Remeasurements			
Returns on plan assets, excluding amounts included in interest cost	(4,366)	0	(4,366)
Gain/(loss) from change in demographic assumptions	0	2,386	2,386
Gain/(loss) from change in financial assumptions	0	0	0
Experience gains/(losses)	0	0	0
Change in asset ceiling, excluding amounts included in interest cost	0	0	0
	(4,366)	2,386	(1,980)
Contributions			
Employers	0	975	975
Plan participants	(295)	295	0
Unfunded benefits	0	0	0
Payments from plans			
Benefit payments	1,759	(1,759)	0
Unfunded benefit payments	0	0	0
Closing balance at 31 March	(42,563)	29,533	(13,030)
Plan assets	0	29,533	29,533
Funded liabilities	(41,444)	0	(41,444)
Unfunded liabilities	(1,119)	0	(1,119)
Closing balance at 31 March	(42,563)	29,533	(13,030)

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	9,707	8,872	18,579	58%	8,121	8,860	16,981	57%
Debt instruments								
UK Government	0	5,015	5,015		0	4,666	4,666	
Corporate bonds (investment grade)	2,347	0	2,347		2,334	0	2,334	
Corporate bonds (non-investment grade)	0	1,254	1,254		0	2,333	2,333	
	2,347	6,269	8,616	27%	2,334	6,999	9,333	32%
Property								
UK	2,218	64	2,282		1,654	177	1,831	
	2,218	64	2,282	7%	1,654	177	1,831	6%
Cash and cash equivalents	1,768	129	1,897	6%	325	148	473	2%
Investment funds								
Equities	0	514	514		0	502	502	
Hedge funds	0	64	64		0	413	413	
Infrastructure	0	193	193		0	0	0	
	0	771	771	2%	0	915	915	3%
Other								
Total	16,040	16,105	32,145	100%	12,434	17,099	29,533	100%

4e. Sensitivity analysis

	+0.1%	0%
	£000	£000
Adjustment to discount rate		
Present value of total obligation	9,468	10,206
Projected service cost	869	898
	+1yr	none
	£000	£000
Adjustment to mortality age rate assumption		
Present value of total obligation	11,028	10,206
Projected service cost	918	898
	+0.1%	0%
	£000	£000
Adjustment to inflation		
Present value of total obligation	10,957	10,206
Projected service cost	928	898

The sensitivity analysis above has been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of changes in key assumptions occurring at the end of the reporting period.

In each case, only the assumption mentioned is altered while holding all other assumptions constant. In practice this is unlikely to occur and change in some assumptions may be correlated.

5. Taxation

	2013–14	2012–13
	£000	£000
UK corporation tax	30	7
Total	30	7

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.

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	686		775	
Travel, subsistence and hospitality	245		233	
Professional services	292		184	
IT services	283		308	
Communications, office supplies and services	148		227	
Other staff related	15		52	
Offender costs	166		166	
Other expenditure	153		239	
External Auditors' remuneration – statutory accounts	22		22	
External Auditors' remuneration – other	0		0	
Internal Auditors' remuneration	10		25	
		2,020		2,231
Non-cash items				
Depreciation of tangible non-cash assets	30		33	
Amortisation of intangible non-cash assets	2		4	
Impairment of non-current assets	0		0	
Profit/(loss) on disposal of tangible non-cash assets	(4)		0	
Profit/(loss) on disposal of intangible non-cash assets	0		0	
Other provisions provided for in year	0		0	
Early retirement provisions not required	0		0	
		28		37
Total		2,048		2,268

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	7916		7936	
Rent receivable from minor occupiers of Probation estate property:				
From within the departmental boundary	0		0	
From other Government departments	0		0	
From external tenants	0		0	
		7916		7936
EU income from NOMS		0		0
EU income from other Government departments		0		0
Other EU income		0		26
Other income received from Probation Trusts		13		6
Other income from NOMS		7		6
Other income from rest of MoJ Group		16		0
Other income from other Government departments		153		12
Miscellaneous income		36		64
		8141		8,050
Interest received:				
From bank	1		1	
From car loans	0		0	
From other sources	0		0	
Total interest received		2		1
Total income		8142		8051

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					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	
Cost or valuation						
As at 1 April 2013	0	22	244	0	0	266
Additions	0	0	61	0	0	61
Disposals	0	0	(78)	0	0	(78)
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	0	1	1	0	0	2
As at 31 March 2014	0	23	228	0	0	251
Depreciation						
As at 1 April 2013	0	18	137	0	0	155
Charge in year	0	2	28	0	0	30
Disposals	0	0	(77)	0	0	(77)
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	0	1	0	0	0	1
As at 31 March 2014	0	21	88	0	0	109
Carrying value as at 31 March 2014	0	2	140	0	0	142
Carrying value as at 31 March 2013	0	4	108	0	0	111
Asset financing						
Owned	0	2	140	0	0	142
Finance leased	0	0	0	0	0	0
Carrying value as at 31 March 2014	0	2	140	0	0	142

8. (Continued)

	2012-13					
	Information technology	Plant and machinery	Transport equipment	Furniture, fixtures and fittings	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
As at 1 April 2012	0	36	230	24	0	290
Additions	0	0	0	0	0	0
Disposals	0	(14)	0	(24)	0	(38)
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	14	0	0	14
As at 31 March 2013	0	22	244	0	0	266
Depreciation						
As at 1 April 2012	0	26	102	24	0	152
Charge in year	0	6	27	0	0	33
Disposals	0	(14)	0	(24)	0	(38)
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	8	0	0	8
As at 31 March 2013	0	18	137	0	0	155
Carrying value as at 31 March 2013	0	4	107	0	0	111
Carrying value as at 31 March 2012	0	10	128	0	0	138
Asset financing						
Owned	0	4	107	0	0	111
Finance leased	0	0	0	0	0	0
Carrying value as at 31 March 2013	0	4	107	0	0	111

9. Intangible assets

	2013–14				
	Development	Software	Licences	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000
Cost or valuation					
As at 1 April 2013	0	19	0	0	19
Additions	0	0	0	0	0
Disposals	0	(6)	0	0	(6)
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
As at 31 March 2014	0	13	0	0	13
Amortisation					
As at 1 April 2013	0	17	0	0	17
Charge in year	0	2	0	0	2
Disposals	0	(6)	0	0	(6)
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
As at 31 March 2014	0	13	0	0	13
Carrying value as at 31 March 2014	0	0	0	0	0
Carrying value as at 31 March 2013	0	2	0	0	2
Asset financing					
Owned	0	0	0	0	0
Finance leased	0	0	0	0	0
Carrying value as at 31 March 2014	0	0	0	0	0

9. (Continued)

	2012-13				
	Development	Software	Licences	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000
Cost or valuation					
As at 1 April 2012	0	19	0	0	19
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
As at 31 March 2013	0	19	0	0	19
Amortisation					
As at 1 April 2012	0	13	0	0	13
Charge in year	0	4	0	0	4
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
As at 31 March 2013	0	17	0	0	17
Carrying value as at 31 March 2013	0	2	0	0	2
Carrying value as at 31 March 2012	0	6	0	0	6
Asset financing					
Owned	0	2	0	0	2
Finance leased	0	0	0	0	0
Carrying value as at 31 March 2013	0	2	0	0	2

10. Impairments

There were no impairments in the year (2012–13 – £Nil).

11. Assets held for sale

There were no assets held for sale at the reporting date (2012–13 – £Nil).

12. Trade receivables and other current assets

12a. Analysis by type

	2013–14 £000	2012–13 £000
Amounts falling due within one year		
Trade receivables	0	3
VAT	0	0
Deposits and advances	0	0
Receivables due from Trusts	0	0
Receivables, Accrued Income and Prepayments due from NOMS Agency	0	339
Receivables, Accrued Income and Prepayments due from MoJ Group	0	3
Receivables, Accrued Income and Prepayments due from other Government departments	7	1
Other receivables	0	1
Prepayments	0	14
Accrued income	1	3
	8	364
Amounts falling due after more than one year		
Trade receivables		
Deposits and advances	0	0
Other receivables	0	0
Prepayments and accrued income	0	0
	0	0
Total	8	364

12b. Intra-Government receivables

	Amounts falling due within one year		Amounts falling due after more than one year	
	2013–14 £000	2012–13 £000	2013–14 £000	2012–13 £000
Balances with other central Government bodies (inc. parent department)	1	342	0	0
Balances with local authorities	6	1	0	0
Balances with NHS bodies	0	0	0	0
Balances with public corporations and trading funds	0	3	0	0
	7	346	0	0
Balances with bodies external to Government	1	18	0	0
Total	8	364	0	0

13. Cash and cash equivalents

	2013–14	2012–13
	£000	£000
Balance at 1 April	139	220
Net change in cash and cash equivalents	353	(81)
Balance at 31 March	492	139
The following balances at 31 March are held at:		
Government Banking Service	0	0
Commercial banks and cash in hand	492	139
Balance at 31 March	492	139

14. Trade payables and other current liabilities

14a. Analysis by type

	2013–14	2012–13
	£000	£000
Amounts falling due within one year (excluding taxation)		
Trade payables	18	51
Other payables	0	0
Accruals	150	229
Deferred income	0	0
Staff payables	0	0
Bank overdraft	0	0
Payables due to Probation Trusts	0	0
Payables, Accruals and Deferred Income due to NOMS Agency	0	0
Payables, Accruals and Deferred Income due to MoJ Group	6	0
Payables, Accruals and Deferred Income due to other Government departments	0	0
Unpaid pensions contributions due to the pensions scheme	98	100
Long-term liabilities due within one year	0	0
Non-current asset accruals	0	0
	272	380
Tax falling due within one year		
VAT	338	340
Corporation tax	27	7
Other taxation and social security	102	109
	467	456
Total amounts falling due within one year	739	836
Amounts falling due after more than one year		
Staff payables	0	0
Other payables	0	0
	0	0
Total	739	836

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)	473	496	0	0
Balances with local authorities	0	0	0	0
Balances with NHS bodies	0	0	0	0
Balances with public corporations and trading funds	0	0	0	0
	473	496	0	0
Balances with bodies external to Government	266	340	0	0
Total	739	836	0	0

15. Provisions for liabilities and charges

There were no provisions at the reporting date (2012–13 – £Nil).

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	57
Intangibles	0	0
Total	0	57

There were no capital commitments at the reporting date (2012–13 – £56,865).

17. Commitments under leases

17a. Operating leases

There are no operating leases (2012–13 – £Nil).

17b. Finance leases

There are no finance leases (2012–13 – £Nil).

18. Other financial commitments

There are no financial commitments (2012–13 – £Nil).

19. Deferred tax asset

There are no deferred tax assets (2012–13 – £Nil).

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 (2012–13 – £Nil).

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	0	0	0	0
Claims abandoned	0	0	1	2
Administrative write-offs	1	2	0	0
Fruitless payments	0	0	0	0
Store losses	0	0	0	0
Total	1	2	1	2
Details of cases over £300,000				
Cash losses	0	0	0	0
Claims abandoned	0	0	0	0
Administrative write-offs	0	0	0	0
Fruitless payments	0	0	0	0
Store losses	0	0	0	0
Total	0	0	0	0

22b. Special payments schedule

	2013–14		2012–13	
	Number of cases	Total value £000	Number of cases	Total value £000
Special payments	4	3	3	6
Total	4	3	3	6
Details of cases over £300,000				
Special payments	0	0	0	0
Total	0	0	0	0

23. General fund

	2013–14	2012–13
	£000	£000
Balance at 1 April	(13,261)	(10,750)
Prior period adjustment (Note 28)	0	0
Balance restated at 1 April	(13,261)	(10,750)
Financing	0	0
Net transfers from Operating Activities:		
Statement of Comprehensive Net Expenditure	(503)	(531)
Movement in donated assets	0	0
Transferred from revaluation reserve	5	0
Remeasurement of post employment benefits	3,449	(1,980)
Balance at 31 March	(10,310)	(13,261)

24. Revaluation reserve

24a. Property, plant and equipment

	2013–14	2012–13
	£000	£000
Balance at 1 April	11	5
Prior period adjustment (Note 28)	0	0
Balance restated at 1 April	11	5
Arising on revaluations of PPE during the year (net)	1	6
Transferred to General Fund	(5)	
Balance at 31 March	7	11

24b. Intangibles

There are no revaluation reserves for intangible assets (2012–13 £Nil).

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.

Cumbria Probation Trust is one of 5 Trusts part of "Laurus" (a regional training joint operation, to provide training within the 5 Trusts). Cumbria Probation Trust seconded staff & provided some cash funding to Laurus to cover the training costs. Merseyside Probation Trust is the host Trust which co-ordinates the training and costs. During the year Cumbria Probation Trust provided funding of £58,900 (2012/13: £65,750) and in addition provided training staff to the value of £24,785 (2012/13: £43,371).

Inново (CLM) Limited (a company limited by shares) was formed as a staff mutual with the support of the Trust together with Lancashire and Merseyside Probation Trusts. The Trust Provided support by way of staff secondment to this company and the provisions of restricted back office support to the value of £44,982.

26. Third-party assets

During the year, Cumbria Probation Trust held funds on behalf of The Cumbria Alcohol Task Group. At the year end these funds had been repaid to that organisation. 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
Cumbria Alcohol Task Group	8	2	(10)	0
	8	2	(10)	0

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

	2012–13
	£000
Extract from the 2012–13 accounts before restatement:	
Net operating expenditure after taxation	384
Other comprehensive expenditure	2,121
Total comprehensive expenditure	2,505
Restatement:	
Increase in programme expenditure (interest costs)	147
Decrease in remeasurement of defined benefit obligation (previously actuarial loss)	(147)
	0
Extract from the 2012–13 accounts after restatement:	
Net operating expenditure after taxation	531
Other comprehensive expenditure	1,974
Total comprehensive expenditure	2,505

Extract from the statement of changes in taxpayers' equity

	2012–13
	£000
Extract from the 2012–13 accounts before restatement:	
General fund balance as at 31 March 2013	(13,261)
Restatement:	
Increase in net operating expenditure	147
Decrease in remeasurement of defined benefit obligation (previously actuarial loss)	(147)
General fund balance as at 31 March 2013 after restatement	(13,261)

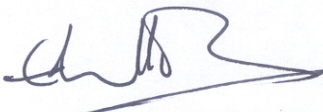
Administration and programme income and expenditure

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**.

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

This report covers 10 buildings.

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.

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

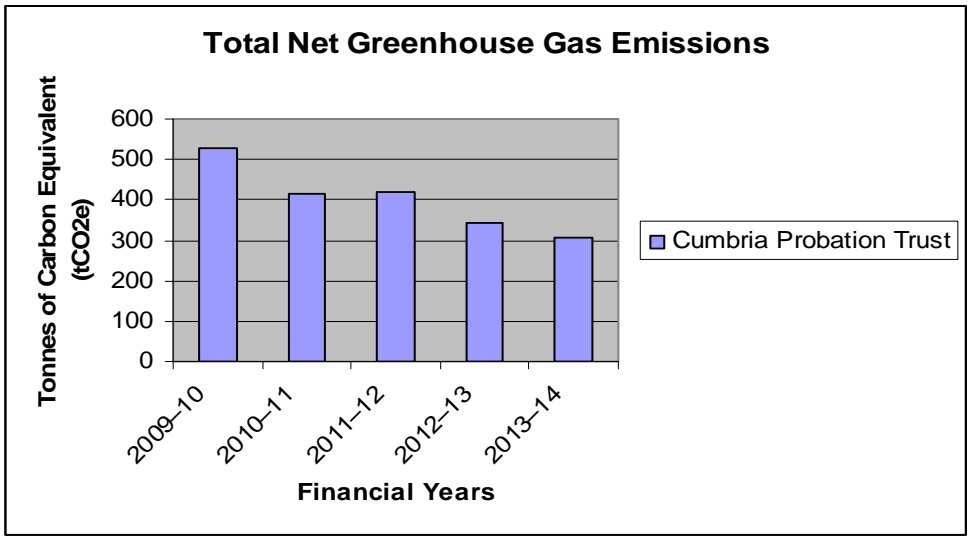
Cumbria Probation Trust has access to purchasing agreements for commodities from suppliers that make available recycled and low carbon products where appropriate.

Performance summary

Greenhouse gas (GHG) emissions

		2009–10	2010–11	2011–12	2012–13	2013–14
Non-financial indicators (tCO ₂ e)	Scope 1 (direct): Site-based emissions & owned transport	221.8	203.4	206.0	156.7	128.9
	Scope 2 (indirect): Supplied energy (electricity and heat)	162.2	117.1	114.4	81.0	71.7
	Scope 3 (other indirect): Business travel & transmission losses from supplied energy	145.9	117.5	122.8	118.7	118.3
	Total gross GHG emissions	529.8	438.1	443.2	356.4	318.9
	Electricity: green/renewable	0.0	22.2	21.7	12.6	12.2
	Total net GHG emissions	529.8	415.8	421.5	343.8	306.6
Non-financial (kWh)	Electricity: Grid, CHP & non-renewable	328,382	212,901	208,041	153,524	133,378
	Electricity: renewable	0	49,940	48,688	28,343	27,475
	Gas	1,017,084	929,908	933,811	672,451	527,484
	Other energy sources	0	0	0	0	0
	Total energy	1,345,466	1,192,748	1,190,540	854,318	688,337
Financial indicators	Expenditure on energy (£)	78,539	65,761	77,269	61,069	54,852
	Expenditure on official business travel (£)	249,619	214,831	265,221	241,051	241,537

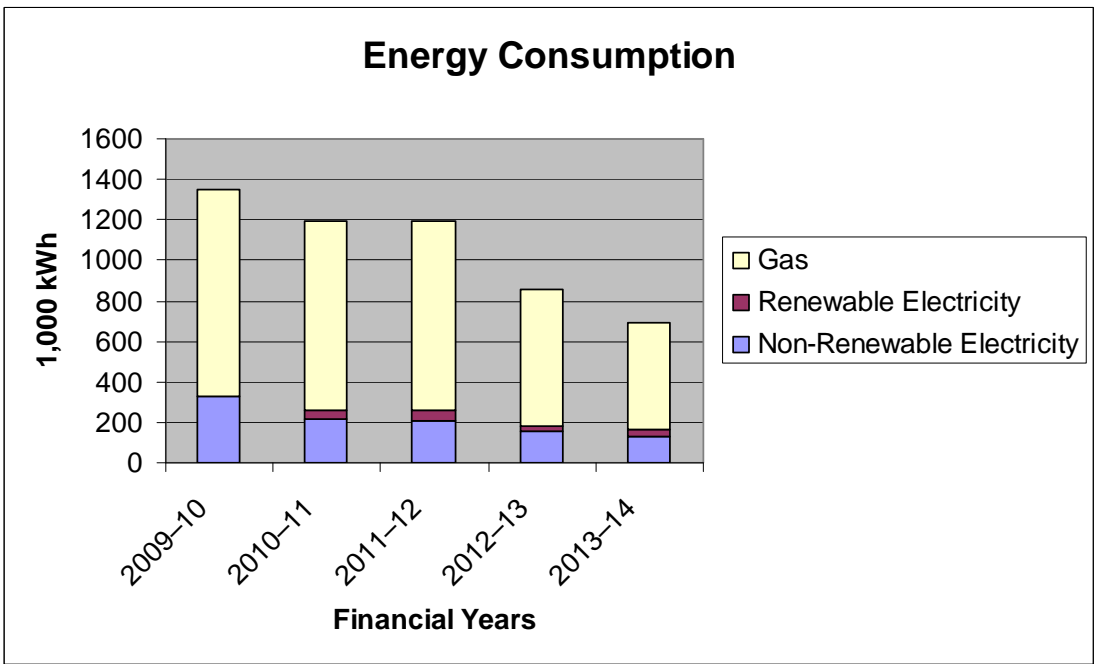
(Source: NOMS Estate Team)



(Source: NOMS Estate Team)

Cumbria Probation Trust has achieved a considerable reduction in total net greenhouse gas emissions over the past 5 financial years as illustrated above.

Energy



(Source: NOMS Estate Team)

The graph above demonstrates a substantial downward trend in energy use across the Trust over the past 5 years. Whilst probation is a comparably low carbon service in terms of estate, there is some correlation between the size of the estate and carbon footprint. In 2013–2014 the Trust has been able to significantly reduce gas and electricity consumption in the full year following relocation of the Barrow office which completed the estate reduction strategy in December 2012. Unfortunately energy costs have fallen by a lesser degree due to significant increases in the cost of gas and electricity.

Mileage

	2009–10	2010–11	2011–12	2012–13	2013–14
Cars owned by the Trust	-	-	-	-	-
Vans and HGVs owned by the Trust	79,874	74,825	78,784	76,039	73,450
Cars not owned by the Trust	326,190	287,500	290,190	295,508	298,699
Total Mileage	406,064	362,325	368,974	371,547	372,149

(Source: Cumbria Probation Trust's Travel System)

Although the table above suggests a slight increase (1%) compared with the previous year in mileage by cars not owned by the Trust, a greater percentage of those miles were by means of diesel fuel which has a lower carbon conversion factor than petrol. Our successful hire car scheme for journeys within and outside the county continues to provide us with a modern, fuel efficient fleet as vehicles are continuously replaced with greener technologies.

Paper

	2009–10	2010–11	2011–12	2012–13	2013–14
Cost (excluding VAT)	8,075	7,433	5,776	5,588	5,560

We continue to work closely with the Magistrates Court estate team at HQ to influence commitment and behaviour across both organisations to reduce, re-use and re-cycle paper. We now have extended recycling beyond paper to glass, tins and several plastics although we do not have data for these additional materials.

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