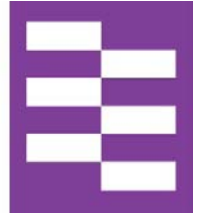


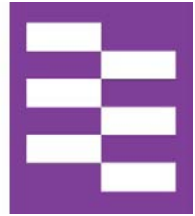
**Devon and
Cornwall**
Probation Trust



Devon and Cornwall Probation Trust

**Annual Report and Accounts
2013–2014**

**Devon and
Cornwall
Probation Trust**



Devon and Cornwall Probation Trust
Annual Report and Accounts
2013–2014

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

Ordered by the House of Commons to be printed 9 July 2014

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This publication is available at **www.gov.uk/government/organisations/national-probation-service**

Print ISBN 9781474103831

Web ISBN 9781474103848

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

ID 13051430 07/14

Printed on paper containing 75% recycled fibre content minimum.

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Mission, Vision & Strategic Objectives

Our Mission is to stop re-offending, support victims and contribute to the prevention of harm.

Our Vision – ‘Cutting crime to protect communities’.

The Trust operates under contract to the National Offender Management Service (NOMS) to fulfil the duties required of Probation Trusts and our performance against agreed measures is summarised in **Annex 1**.

To deliver our mission and vision and retain public confidence we have striven to achieve good contract performance and consistently improve our organisational effectiveness, value for money and wider contribution to society by setting ourselves strategic improvement objectives that focus on our main duties of:

- delivering the sentence of the court
- protecting the public from harm and
- reducing the amount of crime as a result of offending.

Foreword

This Annual Report for Devon and Cornwall Probation Trust covers the last full year in which it will operate as a non-departmental public body. The Trust will cease on 31 May 2014 to be replaced by the National Probation Service and 21 Community Rehabilitation Companies. As a consequence of the Government's Transforming Rehabilitation initiative much of 2013–14 has been dominated by the necessary preparation, testing of new organisational arrangements and the assignment of staff. In addition to the considerable effort required to implement the changes, the Trust has maintained its overall level of performance, met the majority of its contract targets, lowered sickness levels and delivered a balanced budget with no recommendations from audit activity remaining incomplete. This is testimony to the quality of leadership and staff commitment to our users, stakeholders and the Trust.

Devon and Cornwall Probation Trust can be proud of its record and the support it has provided to reducing the numbers of victims of crime by reducing the patterns of offending and re-offending across the peninsula. In particular the Trust has worked in partnership with local communities in a way that is unique across nearly every other Trust and which will provide a solid foundation for the future.

Alan Wooderson
Board Chair
16 June 2014

1. Operational & Performance Review 2013–14

Section A – Summary of compliance against the contracted performance requirements agreed with the National Offender Management Service (NOMS)

Probation Trusts are rated against a wide selection of targets and quality standards each year. The Probation Trust Rating System (PTRS) uses a four point scale from 1–4, where one is serious concern and four is exceptional. In 2013–14 Devon and Cornwall Probation Trust (DCPT) was rated as “good”. We have continued to perform well during a year in which we have had to come to grips with the demands of the Government’s *Transforming Rehabilitation* (TR) Programme. Specific comment was made about performing well in Specific Activity Requirement delivery.

The major organisational changes prompted by the TR agenda have meant a need to revise the Annual Delivery Plan (ADP) priorities/objectives originally agreed in January 2013. It has also meant that a considerable amount of staff time has been focused on this agenda, so it is a great credit to their determination and skill that we have continued to perform well.

Of the 12 high level targets agreed with NOMS, DCPT continued to meet or exceed the target in all measures. Of particular note were:

- That over three-quarters of offenders have a positive perception of the service they have received.
- The level of re-offending by offenders managed by the Trust continued to improve during the year. This demonstrates a better understanding of the reasons for re-offending and targeted responses by all of the organisations involved in managing and intervening with offenders.
- A continued ability to give communities confidence in our public protection work as shown by commitment to multi-agency arrangements and proper enforcement of community sentences, sustaining impressive performances of previous year. In addition, at 98% of all victim contact, almost all were satisfied with the service they received.
- Three-quarters of offenders successfully completed their court order or licence, with Cornwall performing the best of the areas.

For the further 24 contract performance targets, DCPT exceeded the level agreed in all but 3 areas. The challenging nature of the employment market and the new benefit regime, combined with magistrates’ reluctance to make Education, Training and Employment Specific Activity Requirements (ETE SARs), has led to completions falling short of target. However, the number of offenders in employment at the end of supervision reached over 50%, and therefore exceeded target.

As identified by Commissioners the volume of offenders completing a specified activity continues to increase impressively. This follows our commitment to a review and re-launch of an amended suite of programmes. The only programme where we fell short of target was Building Better Relationships, but even here we increased numbers completing.

While the number of Drug Rehabilitation Requirements made has continued to decline, DCPT were above target in completion of Alcohol Specified Activity Requirements, and we have agreed an ambitious programme with our external provider for the coming year in preparation for the Community Rehabilitation Companies (CRCs) to tackle this issue which can have a significant bearing on re-offending rates.

We are fortunate in having a range of excellent non-statutory partnerships. In a time of cuts to supported housing, a highlight has been our ability to improve on last years result of the number of offenders who had more secure housing at the end of supervision, which is now up to 86%.

We believe that successful performance during a challenging year of preparing for *Transforming Rehabilitation*, and pointing to the new way of working required of the Community Rehabilitation Companies, has been the implementation of PROJECT ENGAGE that began last October. This is an

ambitious programme aimed at developing community hubs, where offenders can gain access to a range of community support services in one place, across 20 locations in Devon and Cornwall.

Section B – Summary¹ of improvement objectives identified within the DCPT Annual Delivery Plan

1. The delivery of high quality offender management, assessment, planning and review

The Offender Management Quality Programme has been successfully completed, and all teams across the Trust are now running regular Multi-Agency Public Protection Arrangements – Level 1 (MAPPA L1) reviews, and audits demonstrate high standards of adherence. As mentioned above DCPT have also been implementing an evidence-based supervision system called Citizenship and promoting better engagement between staff and offenders through our own local version of community hubs known as PROJECT ENGAGE. There are 5 hubs in management, with a further 15 coming on stream during the course of 2014–15.

We have been working hard to increase the number of staff undertaking and successfully completing the Probation Service Officer (PSO) VQ3 qualification. This has involved taking on PSO Developer to ensure the remaining 48 PSOs qualify by the end of the Trust's existence.

2. Increasing effectiveness of offender rehabilitation and victim services by adopting a sound, evidence based approach

To deliver on this priority we have created, with the relevant partners, a Public Protection Team in Plymouth where staff are co-located and provision for all MAPPA and other high risk, dangerous and extremist offenders is integrated as one. We are now seeking to repeat the model elsewhere.

Improving our communication processes with the Witness Care Unit has resulted in a significant improvement in victim referrals.

Five DCPT staff have been trained to deliver pre-sentence Restorative Justice (RJ) interventions by the University of Ulster as part of a Pathfinder RJ project at Truro Crown Court. Once accredited they will be available to deliver interventions across both the CRC and the National Probation Service (NPS).

As described in Part 1 of this Report, we have been successful in developing our framework of interventions to address all the key re-offending factors and are performing well above target, only falling short in the area of ETE SARs. The greatest increase in demand has been for interventions that focus on combating domestic abuse, such as Building Better Relationships and Rezone. Unpaid work completions are exceeding profile, especially in the West, with costs below national average, although income targets have not been achieved.

New Trust wide provision for women offenders has been procured, re-named as Project Women to tie in with the development of our community based interventions (see below), and launched with Magistrates in October 2013.

We have also been developing an enhanced regime of more focused interventions in our two Approved Premises. To date this has involved developing staff skills to engage more effectively with residents through initiatives such as Good Lives and Skills for Effective Engagement, Development and Supervision (SEEDS), while developing a suite of much more purposeful activities resident activities.

PROJECT ENGAGE is a key part of our evidence-based strategy for better targeted provision to low and medium risk offenders through community based facilities, working alongside 2 key third sector partners, Homemaker South West and Shekinah Mission, with mentoring now part of an expanded volunteers provision in our contract with Prison Advice and Care Trust (PACT).

¹ More detailed outcomes for each of the objectives set are outlined in Annex 1.

3. Maximising new opportunities to influence other local organisations' commissioning intentions and alignment of resources, priorities, partnerships and co-commissioned services in order to achieve shared outcomes

Progress has been slower than hoped for in building effective relationships with the new clinical commissioning groups. We have however maintained in-house GP and mental health provision in Plymouth, and the health needs of offenders are now on the agenda of the new Directors of Public Health. A Pilot Personality Disorder provision has been launched in Cornwall and we are about to trial a Mentalization-based training (MBT) scheme with the Devon Partnership Trust.

We have developed an excellent working relationship with the Police and Crime Commissioner (PCC) which has consolidated the integrated management of persistent and prolific offenders between police and probation, working alongside other drug and accommodation agencies. Our work in contributing to future PCC policing and crime plans has ensured that the needs of victims, restorative justice and problems associated with alcohol use remain high on the local agenda.

We are playing an active part in building capacity through staff secondment and integrated working with other agencies in line with the Government's Troubled Families agenda. Through our role in Community Safety Partnerships we have particularly sought to mitigate local authority decisions to cut supported accommodation for victims of domestic abuse. Partnership Managers have been successful in facilitating access to the Work Programme for offenders, as evidenced by achieving a target of over half offenders in employment at termination of order.

4. Meet our contracted delivery requirements

DCPT has a successful track record of meeting its performance targets and contract requirements, and is viewed as an organisation that delivers excellence. We have continued to perform well during a year in which we have been engaged in a major change programme. However, the emerging agendas of Transforming Rehabilitation has meant the ADP priorities/objectives agreed in January 2013 under workstream 4 have become redundant. Emerging issues have always been addressed quickly and remedial action taken as necessary, for example with ETE SARs.

5. Reduce the cost of Trust activity

As with workstream 4 many of the objectives became redundant during 2013/14. On the major remaining issues of Digital Efficiency DCPT is now fully compliant and has been commended as a high performing South West Trust. For example, all court teams now receive Crown Prosecution Service (CPS) paperwork by email and work from laptops rather than wait for paper copies. A virtual court pilot is now taking place in Barnstaple Magistrates Court allowing defendants to appear via video link, and with live links in other courts allowing witnesses to give evidence. This contributes to reducing time and travel costs.

Section C – Capacity and Demand Information

Capacity

Like many public sector organisations, DCPT has had a cut in its overall contract price to deliver a wider range of services for the past 4 years. However, at 1.5%, this was less than was being planned for, which enabled the Trust to maintain its overall staffing level and take a managed approach to achieving efficiencies. We continued our resource management strategy with sentencers based on timely and effective dialogue that ensured need for provision and capacity to deliver a quality service were aligned. Sentencer feedback to the Trust indicated a high degree of satisfaction with the services provided. With cuts in other areas of the public and voluntary sectors affecting availability of provision for offenders, staff responded to these challenges extremely positively, and the information contained in this report clearly indicates that within a difficult operating environment, we were innovative and more efficient in the use of resources available.

Demand Trends

The number of commencements of all community supervision and licences across the Trust fell from 4,400 to 3,700, or 19%. This represents a continuing trend across the Trust, where the fall had been 15% in the previous year. The largest fall was in Plymouth, where commencements across all orders fell by 25%.

However, the most marked decline was in the proportion of people on licence. In 2012/13 the proportion of licence cases was 13% of caseload; in 2013/14 this had fallen to 6% of caseload. There are no gender differences to this trend.

Interestingly while the number of commencements declined the proportion of the caseload that were low risk increased from 16% to 24%, medium risk increasing from 34% to 37%, and the number of high risk remaining static at 4%. This may in part be explained by the number of cases where risk was not recorded falling from 46% to 35%. Yet it is also instructive to note that while the number of low-risk community supervision cases increased by 70% the number of low-risk licence cases fell by 25%.

Rob Menary
Chief Executive
16 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 Devon and Cornwall Probation Board which was established in 2001).

Accounts

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 issued, on page 53, by the Secretary of State under the OM Act.

Principal activities

Devon and Cornwall Probation Trust covers the Devon and Cornwall Police area, as defined in Schedule 1 of the Police Act 1996, serving a population of over 1.5m. The number of employees fell by 6 during the year resulting in a total of 394 (fte) staff at the end March 2014, the majority working from 10 buildings and 2 approved premises across the area.

Each Trust is to initially provide assistance to the courts in determining the appropriate sentences to pass, and making other decisions in respect of persons charged with or convicted of offences, and to assist in the supervision and rehabilitation of such persons.

The discharge of policies as established by the Ministry of Justice, are designed to ensure:

- The protection of the public;
- The reduction of re-offending;
- The proper punishment of offenders;
- Ensuring offenders' awareness of the effects of crime on the victims of crime and the public;
- The rehabilitation of offenders.

The Chief Executive (CE) is a statutory office holder appointed by the Trust appointed members. The CE is the Accountable Officer for the Trust and is accountable to the NOMS Accounting Officer, who in turn, is accountable to the Accounting Officer of the Ministry of Justice, who is directly accountable to Parliament for safeguarding public funds.

Operational Performance during 2013–14

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

Results for the year

The Statement of Comprehensive Net Expenditure (SoCNE) for the year is shown on page 24. The Statement of Changes in Taxpayers' Equity is shown on page 27.

Operating costs

The net operating cost before tax for 2013–14 stands at £2,932k compared to £1,878k for 2012–13. The reason for the increase is rise in the current cost of post retirement benefits.

Statement of Financial Position and Statement of Cash Flows

The Statement of Financial Position and Statement of Cash Flows are on pages 25 and 26.

The net liabilities position has increased from £42,876k at March 2013 to £43,081k at March 2014. The sole reason for the reduction in net assets of £205k is the increase in the Trust's share in the Local Government Pension Scheme (LGPS) deficit.

Payment of creditors

In the year to 31 March 2014, the Trust paid 6,737 trade invoices with a value of £5.323 million. The percentage of undisputed invoices paid within 30 days by the Trust was 96% compared to 94% 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.

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 8.7 days across the Trust (2012–13 9.6 days).

Personal data related incidents

There were no significant personal data related incidents in 2013–14 (2012–13 – Nil) which required formal reporting to the Information Commissioner's Office (ICO).

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 (NPS) and a Community Rehabilitation Company (CRC), 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. The proportion of staff transferring to the NPS/CRC is approximately 47:53. Refer to **Note 25** of the Accounts for further details.

Sustainable development

The Trust falls within the scope of reporting under the Greening Government commitment. As such we have produced a separate sustainability report showing performance against sustainability targets for greenhouse gas emissions, waste minimisation and management and the use of finite resources and their related expenditure. The Sustainability Report is shown on pages 55 to 57.

Mutuals

During the year management and staff members have contributed, through a not-for-profit limited company, Innovation Wessex, to the development of a bid for the CRC by the Shaw Trust. The Trust (DCPT), in facilitating the provision of support, is doing so as development work relating to the future delivery of probation services and therefore in accordance with their delegated powers under current arrangements with the Secretary of State and in accordance with Managing Public Money.

Adequate safeguards have been put in place by the Trust to ensure that the integrity of the competition is maintained.

In June 2014 the Shaw Trust withdrew from the competition to take ownership of the CRC.

Going Concern

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

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

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

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

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

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

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

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

Staff diversity

The Trust is committed to equality of opportunity, both in its employment of staff and also in the delivery of its services to the people of Devon and Cornwall. It will oppose discrimination based on prejudice and bias, advance equality of opportunity and work to foster good relations between people from different groups.

The Trust has set up an Equalities group to scrutinise and consider all matters relating to equality and diversity across the functions of DCPT, and to advise and make recommendations to the Board as appropriate. The Group has the delegated authority from the Board to be a decision-making forum. Staff equalities data is published alongside data on outcomes for Service Users in the DCPT Equality Duty Compliance Annual Report yearly, available at www.dcpt.co.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 22.

Total audit fees reported in the Accounts are £25k for the audit of the statutory accounts only.

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 Devon and Cornwall Probation Trust Management Board

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

Details of the remuneration of the Management Board are set out in the Remuneration Report on pages 12 to 14.

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

Position	Name
Chief Executive	Rob Menary
Chair	Alan Wooderson
Member	Nicholas Ball
	Catherine Elliot
	Liz Firth
	Derek Laws
	Robbie Nairn

All members served for the whole of the year.

There are no conflicting interests for individuals mentioned above.

All Board Members can be contacted via DCPT Head Office address:
Queen's House, Little Queen Street, Exeter, Devon, EX4 3LJ

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

Rob Menary
Accountable Officer
16 June 2014

3. Remuneration Report

Appointments

The Chair and other members of the Trust Board, apart from the Chief Executive, are all appointed by the Secretary of State in line with the Commissioner for Public Appointments “Guidance on Appointments to Public Bodies”.

The salary and pension entitlements of the senior managers and non-executive members of the Trust Board 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.

	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
Rob Menary Chief Executive Officer	85–90	80–85	0–5	0–5	Nil	Nil	70–75	70–75	160–165	155–160
Alan Wooderson Chair	20–25	15–20	Nil	Nil	Nil	Nil	Nil	Nil	20–25	15–20
Nicholas Ball Board member	5–10	0–5 (full year equivalent 5–10)	Nil	Nil	Nil	Nil	Nil	Nil	5–10	0–5 (full year equivalent 5–10)
Catherine Elliot Board member	5–10	5–10	Nil	Nil	Nil	Nil	Nil	Nil	5–10	5–10
Liz Firth Board member	5–10	5–10	Nil	Nil	Nil	Nil	Nil	Nil	5–10	5–10
Derek Laws Board member	5–10	0–5 (full year equivalent 5–10)	Nil	Nil	Nil	Nil	Nil	Nil	5–10	0–5 (full year equivalent 5–10)
Robert Nairn Board member	5–10	5–10	Nil	Nil	Nil	Nil	Nil	Nil	5–10	5–10

The Board approved 4% performance related pay for the Chief Executive for 2013/14. This was based on meeting the following objectives:

- effective management and achievement of a balanced budget position at year end (within 0.5%)
- delivery against the NOMS contract requirements by achieving a rating of 3 or better
- taking action to complete any new and historical recommendations arising from Audit reports
- management of the Transforming Rehabilitation programme to ensure a safe and smooth transfer to the two newly created organisations.

All of the above were successfully achieved.

All MoJ 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. Trusts at their 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	£85k–£90k	£85k–£90k
Median for other staff	£27,373	£27,102
Pay multiple ratio	3.23:1	3.15:1

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 ratio between the total remuneration of the highest paid Director and the median for other staff. The increase in the Pay Multiple ratio is as a result of the nationally negotiated pay award for Chief Executives of 3.49% being higher than that of other staff.

Salary

'Salary' includes the gross salary; overtime and stand-by payments.

Benefits in kind

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

B) PENSION BENEFITS – AUDITED

	Total accrued pension at pension age as at 31 March 2014 & related lump sum	Real increase/ (decrease) in pension and related lump sum at pension age	CETV at 31 March 2014	CETV at 31 March 2013	Real increase/ (decrease) in CETV after adjustment for inflation and changes in market investment factors
	£000s	£000s	£000s	£000s	£000s
Rob Menary Chief Executive Officer	50–55 plus lump sum of 95–100	0–5 plus lump sum of 0–5	908	829	78

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.

Rob Menary
Accountable Officer
16 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 Devon and Cornwall 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

As Accountable Officer, I have responsibility for maintaining a sound system of corporate governance and risk management arrangements that support the achievement of Devon and Cornwall Probation Trust's (DCPT) mission and vision. These requirements are underpinned by clear policies and procedures to safeguard the public funds and departmental assets for which I am personally accountable, in accordance with the responsibilities assigned to me in Government Accounting.

The Annual Delivery Plan (ADP) sets out the aims and objectives for DCPT and incorporates the contract requirements agreed with the Senior Community Manager on behalf of The National Offender Management Service (NOMS). Financial out-turn and performance against contract targets are regularly monitored by the Board and NOMS. Corporate risks associated with the delivery of the plan are identified within a DCPT risk register that is reviewed quarterly by the Audit & Assurance, Governance and Value For Money (VFM) Board sub-group with key issues reported to the full Board.

The staff of DCPT work within the framework of policies and financial regulations provided by NOMS, enhanced by those developed locally and approved by the Trust Board. Governance of the work of the Chief Executive and staff is achieved by non-executive Board members fulfilling a number of specific functions on behalf of, or in addition to the full Trust Board that meets bi-monthly. These functions include, a member linked with each Local Delivery Unit (LDU)/Department, chairing or participating in sub-groups, special projects and wider association with other strategic bodies. Following a review in 2012/13 of the way the Board conducted its business and ensured governance a more clearly focused and accountable structure of sub-groups consisting of non-executive directors and executive officers was put in place. Much of the Trust activity and accountability was refocused into 5 areas:

- Audit & Assurance, Governance and VFM,
- Quality Assurance of Offender Management,
- People,
- Provider / Interventions development,
- Business Development and Commercial.

In addition a sub group to review the arrangements for the closure of the Trust and the transition to separate NPS and CRC organisations was established; the Transforming Rehabilitation board sub-group.

As the Chief Executive of DCPT, I am involved in a number of significant inter-agency activities. These include the Local Criminal Justice Board, Police and Crime Commissioner Advisory Group, partnerships with the Police and others on the management of high risk of harm offenders through the multi-agency public protection (MAPP) arrangements and TurnAround (prolific offenders), partnerships with the Prison Service in the resettlement of offenders and a series of inter-agency partnerships involving Criminal Justice agencies, the National Health Service and local authority services in relation to child protection, drug misuse, the administration of justice and the resettlement of offenders. The scope of Trust strategic activity is enhanced through the involvement of Assistant Chief Officers with devolved authority, in inter-agency activities at regional, county and local level. I also Chair, Devon and Cornwall Partnership, an independent charity and limited company that supports 3rd sector development in the fields of victim and offender services and the enhancement of criminal justice through collaboration.

The purpose of the Annual Governance Statement

The Annual Governance Statement is designed to set out, in one place, how the Trust operates, with particular emphasis upon the nature and scale of risks and how they have been managed and monitored, including failure in controls, fraud risk and the likelihood of risks crystallising. As such, the Trust's governance arrangements are designed to discharge its policies, aims and objectives economically, efficiently and effectively and to manage risk to a reasonable level rather than to eliminate all risk of failure. It can therefore only provide reasonable and not absolute assurance of effectiveness.

Underpinning the Trust's approach to good and effective governance is a comprehensive suite of plans derived from and supporting the one year Annual Delivery (Business) Plan together with governance and control documentation including the Trust's Scheme of Delegation, Standing Orders, Standing Financial Instructions and detailed financial procedures. The Probation Trust Board, through the Chief Executive, ensures that arrangements are in place to meet its accountabilities to the NOMS agency and consequently to Parliament. The Board is led by its Chair who is responsible for ensuring the effectiveness of all aspects of its role and determining its agenda.

The Trust's governance arrangements are based on an ongoing process designed to identify and prioritise the risks to the achievement of NOMS Agency (Probation), Devon and Cornwall Probation Trust and departmental policies, aims and objectives. It also evaluates the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. These governance arrangements have been in place in DCPT for the year ended 31 March 2014 and up to the date of approval of the annual report and accounts.

Capacity to handle risk

The Trust's risk management strategy underpins the risk management arrangements in place to successfully achieve the objectives of the service. These arrangements clearly define management responsibility for the identification, evaluation and control of significant risks through the following processes:

- As part of the business planning process the Strategic Leadership Group consider the current risk register detailing the existing critical risks that face the organisation and identify those emerging from the new annual delivery plan objectives and priorities for the coming year. A summary risk register is compiled from this review and is included within the annual delivery plan itself and regularly reviewed each quarter by the Board.
- Responsibility for the ongoing assessment and management of risk is allocated to individual members of the senior management team (the Risk Owners) within their individual areas of expertise. The overall responsibility for risk management processes has been delegated to the Treasurer by the Trust Board.
- The Strategic Leadership Group formally reviews the risk register on a quarterly basis as part of their performance review cycle but it is a dynamic process and changes are highlighted monthly where required. The group ensures that those risks already identified are being well managed and identify and consider any emerging risks. Assessment of risk considers both probability of occurrence and the potential impact on DCPT given the controls in place. The group receive individual reports from each of the Risk Owners on the steps being taken to manage the risks assigned to them together with a commentary on the action to be taken to minimise the risk further wherever possible. A colour coded traffic-light system is used to focus attention on the key risk areas. Risk registers are also kept at LDU/Department/Corporate Services level and for projects, with high risks being escalated to the Trust register where necessary.
- The risk register is reviewed and robustly challenged to ensure adequacy at each Audit & Assurance, Governance and VFM Board sub-group meeting (quarterly).
- The organisation continues to embed the risk management process across all aspects of work. Each business unit is required to include a risk register in their unit plan for the year, considering the risks specific to their own area of operation as well as those which link with, and impact on, the key organisational risks identified in the Annual Delivery Plan. These are reported annually to the Audit &

Assurance, Governance and VFM Board sub-group and there is a process in place for these to be escalated to the Trust risk register if required.

- The Audit & Assurance, Governance and VFM Board sub-group receives regular reports from the Internal Auditors, other external sources of assurance and the External Auditors which provide an independent opinion on the adequacy and effectiveness of the Trust's system of internal control, together with recommendations for improvement. The Audit & Assurance, Governance and VFM Board sub-group reviews progress against recommendations made at each meeting.
- A methodology for the prioritisation of workload by staff is in place to ensure that the level of risk is minimised in the event of any shortfall in available resources.
- The reporting framework in place across the organisation ensures that all reports presented for consideration and approval at the Trust Board, sub-groups or Strategic Leadership Group meetings systematically consider:
 - Risk implications
 - Financial implications
 - Links to Annual Delivery Plan objectives

Our business risk management arrangements were audited in 2011–12 and rated as good (green). These arrangements are still maintained by the Trust and we have every reason to believe that they remain adequate.

Risk and control framework

The key elements of the Trust's risk and internal control environment include:

- Standing Orders, Standing Financial Instructions, Scheme of Delegation and Terms of Reference for individual Board sub-groups which establish the overall arrangements for policy setting and decision making and the delegation of powers to the Trust Board and officers.
- A clear annual delivery planning process which sets clear objectives and targets and reconciles policy priorities and targets with financial resources.
- A system of regular monitoring and reporting of the area's performance against the delivery plan and contracted targets. This includes both individual and group accountability meetings between the Chief Executive and members of the Strategic Leadership Group.
- Established budget setting and budgetary management systems, ensuring the economical, effective and efficient use of resources and regular reporting of financial performance to officers and the Trust Board.
- A structure of centrally monitored, devolved financial management that promotes management of the Trust's finances at the appropriate organisational level.
- The risk management policy sets out the Trust's commitment to systematic risk assessment and provides the framework to properly manage and control both business and operational risk. This includes development and training for Board members and staff as required.
- Management and control of information risks. The Trust is compliant with current NOMS guidance on information security. There were 10 Freedom of Information requests in 2013–14.
- Arrangements for dealing with complaints and whistle-blowing, and for combating fraud and corruption.
- An established and reviewed system for recording information assets.
- Regular customer and stakeholder engagement and feedback that is systematically evaluated and acted upon.

Review of effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of governance arrangements in the Trust. My opinion of their effectiveness is based on the comprehensive nature of the risk register and the analysis of “controls in place” it records, is also informed by the work of the internal auditors and other sources of external assurance, the senior managers within DCPT who have responsibility for the development and maintenance of the internal control framework, and the comments made by the External Auditors in their management letter and in their reports issued to the Trust Board during the year. DCPT has maintained an Assurance Framework which identifies ‘other’ sources of assurance in addition to audits carried out by Internal and External Auditors, covering all aspects of Trust activity and are routinely reported to the Audit, Assurance, Governance and VFM sub-group.

The Board have reviewed its effectiveness in relation to the Corporate Governance Code for central government and is assured of its compliance. This is evidenced in the paragraphs below.

The way the Board fulfils its governance function (see Annex 3) reflects a ‘learning organisation’ that consistently examines its effectiveness and implements the necessary changes. This would also be true for the work of the Strategic Leadership Team (SLG) and the way both SLG and the Board engage with NOMS in the delivery of services.

In maintaining and reviewing the effectiveness of the Trust’s governance arrangements, the following have been considered:

- Reports received by the Audit, Assurance, Governance and VFM Board sub-group. The Audit, Assurance, Governance and VFM Board sub-group receives and discusses the plans, reports and recommendations of both the Internal and External Auditors and other providers of external assurance to ensure development of the internal control environment. During the year NOMS Internal Audit carried out 5 audits covering topics within the areas of corporate governance, financial systems, service delivery and support services. In addition we commissioned 4 reviews from other specialist external providers. Actions to address recommendations are systematically monitored by the Audit & Assurance, Governance and VFM Board sub-group to ensure their timely implementation.
- Information security and assurance matters have been reviewed at the Audit, Assurance & Value for Money sub-group, giving the Board and the Chief Executive reassurance that any information/data security matter is dealt with and any external notification either to NOMS or the Information Commissioner’s Office is made.
- The Annual Report of Internal Audit Activity 2013/14. The report summarises the work of internal audit within the Trust during 2013–14 and presents an overall assessment of this. The assessment in their report for 2013–14 stated that they were able to give a “high” level of assurance on the adequacy and effectiveness of the system of governance, risk management and internal control. (“High” is defined by Internal Audit as follows: “Our work only identified low rated findings and we do not consider it necessary for any of these weaknesses to be reported as significant control issues in the annual Governance Statement. Consequently we can give a high level of assurance on the adequacy and effectiveness of the system of governance, risk management and internal control.”)
- Reports received by the Strategic Leadership Group and Board on budget management and forecasting. Internal audit reports on financial controls have consistently given this aspect of practice a rating of at least amber / green.
- Reports received by Quality Assurance of Offender Management Board sub-group. This sub-group receives and discusses incidents of serious harm committed by offenders on supervision by the Trust (SFO) and safeguarding children’s reports (SCR) and resulting actions to ensure development of the internal control environment. In 2013/14 there were 5 SFOs and 1 SCR. (In 2012/13 there had been 6 SFOs and 1 SCR.) The sub-group also reviews other cases of concern or where there has been a serious potential risk, to ensure organisational learning.
- Reports received by the Audit, Assurance, Governance and VFM Board sub-group in the VFM section. The sub-group reviews plans to rationalise our property usage and the risks associated with this, facilities management issues which may require escalation, progress on procurement plan

projects and progress on implementing the Specification, Benchmarking and Costing (SBC) programme which includes the innovation workshops which are reviewing current processes and developing revised standard process which are compliant the specification and offer optimum efficiency. The SBC activity was halted in Oct 2013 in light of the TR changes.

- Reports received by the Audit & Assurance, Governance and VFM Board sub-group in the External Funding section. The sub-group reviews potential bid opportunities and contracts and the associated risks.
- Reports from any external sources that impact on or reflect Trust activity. At the end of 2010/11 the Trust was the subject of an Offender Management Inspection by HM Inspectorate. The overall result rated the Trust as 'average'. This resulted in a Quality Improvement Programme which has continued to be a major activity for the Trust in 2013–14.
- Quarterly reviews of the risk register by the Senior Leadership Group and the Audit, Assurance, Governance and VFM Board sub-group.
- Two new risks related to TR were added to the risk register in September 2013:
 - failure of the programme to deliver the change required by Ministers and on time
 - reduction in Trust's performance levels during the change process
- Monthly performance 'exception' reports presented to and scrutinised by the Strategic Leadership Group
- Monthly sickness absence monitoring reports
- The Trust has agreed several new strategies and policies and revised and updated existing ones
- The Trust agreed that as part of the TR competition it would support a small group of staff in developing a Mutual organisation. The Board reassured itself that these arrangements complied with the rules of the competition and the establishment of ethical walls to ensure that any staff engaged in the development of a Mutual signed 'Letter B' as stipulated by the Ministry of Justice, and that processes were in place to exclude these staff from access to Competition Sensitive Ministry of Justice communications.

Significant internal control issues

On the basis of the review of the sources of assurance set out in this statement, I am satisfied that DCPT has in place satisfactory governance arrangements and a satisfactory system of internal control which facilitates the effective exercise of its functions and which includes arrangements for the management of risk.

As part of my review, I am required to identify and disclose any significant internal control issues and make the following comments below.

There were no Priority 1 (critical) recommendations made by the MoJ Internal Audit and Assurance Unit in 2013–14.

No other significant control issues have been identified.

However the system of internal control must be subject to continuous review and to ensure that it continues to meet the needs of the service and to operate effectively. This will be particularly important in light of the TR changes and for the areas we wish to develop further, to include:

- the delivery of multi-agency, integrated services supported by multiple funding streams and with staff operating within different contractual arrangements and employers but for whom we will have a management or engagement responsibility.
- the development of new products and services delivered under contract to others
- the growth and management of income from sources other than NOMS

This Annual Governance Statement has been reviewed by the Audit & Assurance, Governance and VFM Board sub-group.

Board Activity

Details of Board activity and attendance over the year are detailed below:

Meeting Schedule: 2013/14

Meeting	April	May	June	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Board		20	28	15		16	28	18	12	20	17	31
Audit & Assurance, Governance and VFM			10			9			9			11
People	17			10			15			29		
Quality Assurance of Offender Management	19			26			18			17		
TR Sub Group							23	18	3	15	3	11

Attendance at meetings April 2013 to March 2014

	Board	Audit & Assurance, Governance and VFM	People	Quality Assurance of Offender Management	TR Sub Group
Rob Menary	10/10	4/4		3/4	6/6
Alan Wooderson	9/10		3/4		
Robert Nairn	9/10	4/4			
Liz Firth	10/10			4/4	
Catherine Elliot	8/10		4/4		
Derek Law	6/10		3/4		5/6
Nicholas Ball	8/10	4/4			5/6

Rob Menary
Accountable Officer
16 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 Devon and Cornwall 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 Devon and Cornwall 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 Reporting Manual the financial statements have been prepared on a going concern basis.

Sir Amyas C E Morse
Comptroller and Auditor General

1st 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	<i>Restated</i> £000
Expenditure			
Staff costs	3(a)	15,480	14,801
Other expenditures	6	4,275	4,658
Total Expenditure		19,755	19,459
Income	7	(18,732)	(18,959)
Net operating costs		1,023	500
Net interest cost on pension scheme	4(c)	1,909	1,827
Net operating costs before taxation		2,932	2,327
Taxation	5	15	2
Net operating costs after taxation		2,947	2,329

Other Comprehensive Expenditure

		2013–14	2012–13
	Notes	£000	£000
Net (gain)/loss on revaluation of property, plant and equipment	8	(1)	(11)
Re-measurement of post employment benefits	22	(2,741)	322
Total comprehensive expenditure for the year ended 31 March 2014		205	2,640

The notes on pages 28 to 52 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	108	159
Intangible assets	9	0	0
Deferred tax asset		0	0
Trade and other receivables	12(a)	0	0
Total non-current assets		108	159
Current assets			
Assets classified as held for sale	11	0	0
Deferred tax asset		0	0
Trade and other receivables	12(a)	1,439	2,186
Cash and cash equivalents	13	28	43
Total current assets		1,467	2,229
Total assets		1,575	2,388
Current liabilities			
Trade and other payables	14(a)	(654)	(1,293)
Provisions	15	0	0
Taxation payables	14(a)	(429)	(603)
Total current liabilities		(1,083)	(1,896)
Non-current assets plus/less net current assets/(liabilities)		492	492
Non-current liabilities			
Trade and other payables	14(a)	0	0
Provisions	15	0	0
Pension liability	4(c)	(43,573)	(43,368)
Total non-current liabilities		(43,573)	(43,368)
Assets less liabilities		(43,081)	(42,876)
Taxpayers' equity			
General fund	22	(43,107)	(42,901)
Revaluation reserve – property, plant and equipment	23	26	25
Revaluation reserve – intangible assets		0	0
		(43,081)	(42,876)

The financial statements on pages 24 to 27 were approved by the Board on 16 June 2014 and were signed on its behalf by

Rob Menary
Accountable Officer
16 June 2014

The notes on pages 28 to 52 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	22	(2,947)	(2,329)
Adjustments for non-cash transactions	6	51	63
Adjustments for pension cost	4(c)	2,946	2,329
(Increase)/decrease in receivables	12(a)	747	(23)
Increase/(decrease) in payables	14(a)	(813)	(64)
Utilisation of provisions	15	0	0
Less movements in property, plant and equipment payable	14(a)	0	0
Net cash outflow from operating activities		(16)	(24)
Cash flows from investing activities			
Purchase of property, plant and equipment	8	0	0
Purchase of intangibles	9	0	0
Proceeds on disposal of property, plant and equipment	8	1	1
Proceeds on disposal of intangibles	9	0	0
Net cash outflow from investing activities		1	1
Cash flows from financing activities			
Net financing received in year		0	0
Net financing		0	0
Net increase/(decrease) in cash and cash equivalents in the period		(15)	(23)
Cash and cash equivalents at the beginning of the period	13	43	66
Cash and cash equivalents at the end of the period	13	28	43
Increase/(decrease) in cash		(15)	(23)

The notes on pages 28 to 52 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		(40,250)	14	(40,236)
Changes in taxpayers' equity for 2012–13				
Net operating cost after taxation	SocNE	(2,329)		(2,329)
Net gain/(loss) on revaluation of property, plant and equipment	23		11	11
Transferred to General Fund from property, plant and equipment revaluation reserve	23	0	0	0
Net gain/(loss) on revaluation of intangibles			0	0
Transferred to General Fund from tangibles revaluation reserve		0	0	0
Movement in donated assets	23	0	0	0
Transferred from revaluation reserve	23	0	0	0
Re-measurement of post employment benefits	22	(322)	0	(322)
Net NOMS financing received in year	23	0	0	0
Balance as at 31 March 2013		(42,901)	25	(42,876)
Changes in taxpayers' equity for 2013–14				
Net operating cost after taxation	SocNE	(2,947)		(2,947)
Net gain/(loss) on revaluation of property, plant and equipment	23		1	1
Transferred to General Fund from property, plant and equipment revaluation reserve	23			
Net gain/(loss) on revaluation of intangibles			0	0
Transferred to General Fund from tangibles revaluation reserve				
Movement in donated assets	22	0	0	0
Transferred from revaluation reserve	22	0	0	0
Pension actuarial (loss)/gain	22	2,741	0	2,741
Net NOMS financing received in year		0	0	0
Balance as at 31 March 2014		(43,107)	26	(43,081)

The notes on pages 28 to 52 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 26**.

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 £5,000, 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. Under IAS 36, Intangible Assets under construction should be tested for impairment annually.

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 £5,000, 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 is shown as Other Expenditures. All programme income is shown within one classification. This change has been made for fairer presentation of the accounts. The Trust had neither Programme Income nor Programme Expenditure in 2013–14 or 2012–13 therefore no restatement was necessary.

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 2013.

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

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

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

1.14 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 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.

1.18 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.

1.19 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.

1.20 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**.

2. Statement of Operating Costs by Operating Segment

The trust reports on a Functional basis namely Offender Management and Interventions

The Trust operates a full absorption basis for centrally incurred costs therefore the total of the reported segments will equal the total Trust's Net Operating Costs however this technique can not be adapted to allocate centrally held assets, in particular debtors and cash balances, to specific functions and as a consequence the Trust aggregates all current assets.

Function	Operating Costs	Operating Costs	Segment Assets	Segment Assets
	2013–14	2012–13	2013–14	2012–13
	£000	£000	£000	£000
Offender Management	12,427	13,355	1	4
Interventions	5,478	4,823	107	155
Aggregated current assets	-	-	1,467	2,229
Total Operating Costs before taxation	17,905	18,178	1,575	2,388

Reconciliation to the Statement of Comprehensive Net Expenditure

The statement of Comprehensive Net Expenditure includes the income charged by the Trust to the sponsoring department. This is added back to show the full net operating income.

There are certain charges and credits in the Statement of Comprehensive Net Expenditure that are not directly under the control of local management and consequently not reviewed routinely by the Board.

	2013–14	2012–13
	£000	£000
Functional segments	17,905	18,178
IAS 19 pension costs (see Note 4)	2,946	1,880
Income from sponsoring department – added back	(17,919)	(18,180)
Statement of Comprehensive Net Expenditure	2,932	1,878

3. Staff numbers and related costs

3a. Staff costs consist of:

	2013-14			2012-13
	Total £000	Permanently- employed staff £000	Others £000	Total £000
Wages and salaries	12,526	11,932	594	12,570
Social security costs	902	902	0	918
Other pension costs	3,139	3,139	0	2,656
Sub-total	16,567	15,973	594	16,144
Less recoveries in respect of outward secondments	(1,087)	(1,087)	0	(1,343)
Total staff costs	15,480	14,886	594	14,801

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**.

2 persons (2012-13: 1 person) 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
400	378	22	390
400	378	22	390

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	3	3
£10,000-£25,000	0	0	0	0	2	2
£25,000-£50,000	0	0	0	0	1	1
£50,000-£100,000	0	0	0	0	2	2
£100,000-£150,000	0	0	0	0	0	0
£150,000-£200,000	0	0	0	0	0	0
£200,000+	0	0	0	0	0	0
Total number of exit packages by type	0	0	0	0	8	8
Total resource cost £000	0	0	0	0	229	229

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.

4. Pensions costs

4a. Pension costs

The provisions of the Local Government Pension Scheme (LGPS) cover past and present employees, which is statutory and fully funded. The Trust participates in the LGPS administered by Peninsular Pension Services. Employees in the Scheme contribute in the range of 5.5% to 7.5% (2013: 5.5% to 7.5%) of pensionable salary. The annual investment return used to roll forward the trust's asset share has been estimated from the results of the triennial Actuarial Valuation as at 31 March 2013 and index returns appropriate to the mix of assets to get the total return for the year to 31 March 2014. Asset values were provided by the Administering Authority as at 31 March 2014. The expected return on assets is based on the long-term future expected investment return for each asset class as at 1 April 2013 for the year to 31 March 2014. The return on gilts and other bonds are assumed to be the gilt yield and corporate bond yield (with an adjustment to reflect default risk) respectively at the relevant date. The return on equities is then assumed to be a margin above gilt yields.

A full actuarial valuation was carried out at 31 March 2013 by Barnett Waddingham. The full results of the triennial valuation have been fully incorporated into the IAS 19 disclosure. For 2013–14, employers' contributions of £2,102,370 were payable to the LGPS (2012–13 £2,016,724) at a rate of 18.6%. The schemes' Actuary reviews employer contributions every three years following the 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.

Partnership accounts are excluded under IAS19.

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

For the two months ended 31st May 2014 the Trust paid contributions to the LGPS at a rate of 18.6%. After that date the Trust is no longer required to pay employer contributions to the fund.

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

	2013–14	2012–13
	%	%
Inflation assumption	3.6%	3.4%
Rate of increase in salaries	4.6%	4.8%
Rate of increase for pensions in payment and deferred pensions	2.8%	2.6%
Discount rate	4.5%	4.5%

The post retirement mortality tables adopted by the Actuary are the S1PA tables with a multiplier of 100% for males and 90% for females. These base tables are then projected using the CMI 2012 model, allowing for a long term rate of improvement of 1.5% per annum. Thus the life expectancy from age 65 for males retiring as at 31st March 2014 is 22.7 years and for females 26.0 years. For males retiring in 20 years life expectancy from age 65 is 24.9 years and for females 28.3 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	57,625	
Funded liabilities	(99,018)	0	
Unfunded liabilities	(1,975)	0	
Opening balance at 1 April (restated)	(100,993)	57,625	(43,368)
Current service costs	(2,888)	(32)	(2,920)
Past service costs (including curtailments)	(219)	0	(219)
Gains and losses on settlements	0	0	0
	(3,107)	(32)	(3,139)
Net Interest (cost)/income	(4,490)	2,581	(1,909)
Remeasurements			
Returns on plan assets, excluding amounts included in interest cost/(income)	0	94	94
Gain/(loss) from change in demographic assumptions	325	0	325
Gain/(loss) from change in financial assumptions	(1,808)	2,760	952
Experience gains/(losses)	1,370	0	1,370
Change in asset ceiling, excluding amounts included in interest cost	0	0	0
	(113)	2,854	2,741
Foreign exchange differences	0	0	0
Effect of business combinations on disposals	0	0	0
Contributions			
Employers	0	2,102	2,102
Plan participants	(700)	700	0
Unfunded benefits	0	0	0
Payments from plans			
Benefit payments	3,347	(3,347)	0
Unfunded benefit payments	135	(135)	0
Closing balance at 31 March	(105,921)	62,348	(43,573)
Plan assets	0	62,348	
Funded liabilities	(103,785)	0	
Unfunded liabilities	(2,136)	0	
Closing balance at 31 March	(105,921)	62,348	(43,573)

	2012–13 (restated)		Total £000
	Present value of obligation £000	Fair value of plan assets £000	
Plan assets	0	51,268	
Funded liabilities	(89,996)	0	
Unfunded liabilities	(1,989)	0	
Opening balance at 1 April	(91,985)	51,268	(40,717)
Current service costs	(2,620)	(25)	(2,645)
Past service costs (including curtailments)	(11)	0	(11)
Gains and losses on settlements	0	0	0
	(2,631)	(25)	(2,656)
Net interest (cost)/income	(4,183)	2,356	(1,827)
Remeasurements			
Returns on plan assets, excluding amounts included in interest cost	0	3,996	3,996
Gain/(loss) from change in demographic assumptions	0	0	0
Gain/(loss) from change in financial assumptions	(4,318)	0	(4,318)
Experience gains/(losses)	0	0	0
Change in asset ceiling, excluding amounts included in interest cost	0	0	0
	(4,318)	3,996	(322)
Foreign exchange differences	0	0	0
Effect of business combinations on disposals	0	0	0
Contributions			
Employers	0	2,154	2,154
Plan participants	(687)	687	0
Unfunded benefits	0	0	0
Payments from plans			
Benefit payments	2,674	(2,674)	0
Unfunded benefit payments	137	(137)	0
Closing balance at 31 March	(100,993)	57,625	(43,368)
Plan assets	0	57,625	
Funded liabilities	(99,018)	0	
Unfunded liabilities	(1,975)	0	
Closing balance at 31 March	(100,993)	57,625	(43,368)

4d. Plan assets are comprised as follows

	2013-14				2012-13			
	Quoted	Unquoted	Total	%	Quoted	Unquoted	Total	%
	£000	£000	£000		£000	£000	£000	
Equities	32,570	4,838	37,408	60%	33,393	1,758	35,151	61%
Government Bonds	7,126	355	7,481	12%	7,042	449	7,491	13%
Property	0	5,611	5,611	9%	0	4,610	4,610	8%
Cash and cash equivalents	0	1,249	1,249	2%	0	1,729	1,729	3%
Other	0	10,599	10,599	17%	0	8,644	8,644	15%
Total	39,696	22,652	62,348	100%	40,435	17,190	57,625	100%

4e. Sensitivity analysis

	+0.1%	0%	-0.1%
	£000	£000	£000
Adjustment to discount rate			
Present value of total obligation	104,044	105,921	107,833
Projected service cost	2,477	2,537	2,598

	+1yr	none	-1yr
	£000	£000	£000
Adjustment to mortality age rate assumption			
Present value of total obligation	102,205	105,921	109,671
Projected service cost	2,451	2,537	2,624

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	15	2
Total	15	2

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

6. Other Expenditure

	2013–14		2012–13	
	£000	£000	£000	£000
Rentals under operating leases	70		45	
Interest charges	0		0	
Accommodation, maintenance and utilities	1,432		1,535	
Travel, subsistence and hospitality	321		292	
Professional services	52		90	
IT services	736		767	
Communications, office supplies and services	241		344	
Other staff related	153		362	
Offender costs	201		208	
Other expenditure	979		917	
External Auditors' remuneration – statutory accounts	25		24	
External Auditors' remuneration – other	0		0	
Internal Auditors' remuneration	14		11	
		4,224		4,595
Non-cash items				
Depreciation of tangible non-cash assets	52		63	
Amortisation of intangible non-cash assets	0		0	
Impairment of non-current assets	0		0	
Profit/(loss) on disposal of tangible non-cash assets	(1)		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	
		51		63
Total		4,275		4,658

7. Income

	2013-14		2012-13	
	£000	£000	£000	£000
Income receivable from the sponsoring department – NOMS	17,919		18,180	
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	
		17,919		18,180
EU income from NOMS		0		0
EU income from other Government departments		0		0
Other EU income		0		0
Other income received from Probation Trusts		7		17
Other income from NOMS		78		69
Other income from rest of MoJ Group		15		5
Other income from other Government departments		298		235
Miscellaneous income		415		453
		18,732		18,959
Interest received:				
From bank	0		0	
From car loans	0		0	
From other sources	0		0	
Total interest received		0		0
Total income		18,732		18,959

8. Property, plant and equipment

	2013–14		
	Plant and machinery	Transport equipment	Total
	£000	£000	£000
Cost or valuation			
As at 1 April 2013	48	474	522
Additions	0	0	0
Disposals	(11)	(59)	(70)
Transfers	0	0	0
Reclassifications	0	0	0
Impairments	0	0	0
Indexation/revaluation	0	2	2
As at 31 March 2014	37	417	454
Depreciation			
As at 1 April 2013	44	319	363
Charge in year	3	49	52
Disposals	(11)	(59)	(70)
Transfers	0	0	0
Reclassifications	0	0	0
Impairments	0	0	0
Indexation/revaluation	0	1	1
As at 31 March 2014	36	310	346
Carrying value as at 31 March 2014	1	107	108
Carrying value as at 31 March 2013	4	155	159
Asset financing			
Owned	1	107	108
Finance leased	0	0	0
Carrying value as at 31 March 2014	1	107	108

8. (Continued)

	2012–13		
	Plant and machinery	Transport equipment	Total
	£000	£000	£000
Cost or valuation			
As at 1 April 2012	46	465	511
Additions	0	0	0
Disposals	0	(19)	(19)
Transfers	0	0	0
Reclassifications	0	0	0
Impairments	0	0	0
Indexation/revaluation	2	28	30
As at 31 March 2013	48	474	522
Depreciation			
As at 1 April 2012	38	261	299
Charge in year	5	58	63
Disposals	0	(18)	(18)
Transfers	0	0	0
Reclassifications	0	0	0
Impairments	0	0	0
Indexation/revaluation	1	18	19
As at 31 March 2013	44	319	363
Carrying value as at 31 March 2013	4	155	159
Carrying value as at 31 March 2012	8	204	212
Asset financing			
Owned	4	155	159
Finance leased	0	0	0
Carrying value as at 31 March 2013	4	155	159

9. Intangible assets

The Trust held no Intangible assets at 31st March 2014 (2013 – Nil).

10. Impairments

There were no impairment charges made through the Statement of Comprehensive Net Expenditure during the year. (2013 – Nil)

11. Assets held for sale

The Trust held no assets for sale at 31st March 2014. (2013 – 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	63	57
VAT	0	0
Deposits and advances	9	7
Receivables due from Trusts	0	5
Receivables, Accrued Income and Prepayments due from NOMS Agency	1,215	1,928
Receivables, Accrued Income and Prepayments due from MoJ Group	0	0
Receivables, Accrued Income and Prepayments due from other Government departments	16	28
Other receivables	13	6
Prepayments	85	75
Accrued income	38	80
	1,439	2,186
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	1,439	2,186

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)	1,224	1,936	0	0
Balances with local authorities	7	27	0	0
Balances with NHS bodies	0	0	0	0
Balances with public corporations and trading funds	0	0	0	0
	1,231	1,963	0	0
Balances with bodies external to Government	208	223	0	0
Total	1,439	2,186	0	0

13. Cash and cash equivalents

	2013–14	2012–13
	£000	£000
Balance at 1 April	43	66
Net change in cash and cash equivalents	(15)	(23)
Balance at 31 March	28	43
The following balances at 31 March are held at:		
Government Banking Service	0	0
Commercial banks and cash in hand	28	43
Balance at 31 March	28	43

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	48	68
Other payables	38	252
Accruals	368	414
Deferred income	0	32
Staff payables	6	128
Bank overdraft	0	0
Payables due to Probation Trusts	0	6
Payables, Accruals and Deferred Income due to NOMS Agency	68	268
Payables, Accruals and Deferred Income due to MoJ Group	0	0
Payables, Accruals and Deferred Income due to other Government departments	51	4
Unpaid pensions contributions due to the pensions scheme	75	121
Long-term liabilities due within one year	0	0
Non-current asset accruals	0	0
	654	1,293
Tax falling due within one year		
VAT	414	588
Corporation tax	15	15
Other taxation and social security	0	0
	429	603
Total amounts falling due within one year	1,083	1,896
Amounts falling due after more than one year		
Staff payables	0	0
Other payables	0	0
	0	0
Total	1,083	1,896

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)	498	949	0	0
Balances with local authorities	50	134	0	0
Balances with NHS bodies	0	1	0	0
Balances with public corporations and trading funds	0	0	0	0
	548	1,084	0	0
Balances with bodies external to Government	535	812	0	0
Total	1,083	1,896	0	0

15. Provisions for liabilities and charges

The Trust had no Provisions for Liabilities and Charges. (2013 – Nil)

16. Capital commitments

The Trust had no Capital Commitments at 31st March 2014 for which no provision has been made. (2013 – Nil)

17. Commitments under lease

17a. Operating leases

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

Obligations under operating leases for the following periods comprise:

	2013–14	2012–13
	£000	£000
Other		
Not later than one year	58	12
Later than one year and not later than five years	62	14
Later than five years	0	0
Total	120	26

The Trust leases motor vehicles for periods of 3 years and photocopying equipment of 5 years

17b. Finance leases

The Trust has no obligations under Finance leases (2013 – Nil).

18. Other financial commitments

The Trust has not entered into any non-cancellable contracts (which are not leases) (2013 – Nil).

19. 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.

20. Contingent liabilities

There are no contingent liabilities. (2013 – Nil)

21. Losses and special payments

21a. Losses statement

	2013–14		2012–13	
	Number of cases	Total value £000	Number of cases	Total value £000
Cash losses	0	0	1	4
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	1	4
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

In 2012–13 as a result of non compliance with internal controls an Agency worker over claimed for work they had not undertaken. The sum overcharged was not recoverable neither from the Agency nor from the worker.

21b. Special payments schedule

The Trust made no Special Payments during the 12 months to March 2014. (2013 – Nil)

22. General fund

	2013–14 £000	2012–13 £000
Balance at 1 April	(42,901)	(40,250)
Financing	0	0
Net transfers from Operating Activities:		
Statement of Comprehensive Net Expenditure	(2,947)	(2,329)
Movement in donated assets	0	0
Transferred from revaluation reserve	0	0
Re-measurement of post employment benefits	2,741	(322)
Balance at 31 March	(43,107)	(42,901)

23. Revaluation reserve

Property, plant and equipment

	2013–14	2012–13
	£000	£000
Balance at 1 April	25	14
Arising on revaluations of PPE during the year (net)	1	11
Transferred to General Fund	0	0
Balance at 31 March	26	25

24. Related party transactions

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

The Trust agreed that as part of the TR competition it would support a small group of staff in developing a Mutual organisation. The Board reassured itself that these arrangements complied with the rules of the competition and the establishment of ethical walls to ensure that any staff engaged in the development of a Mutual signed 'Letter B' as stipulated by the Ministry of Justice, and that processes were in place to exclude these staff from access to Competition Sensitive Ministry of Justice communications.

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.

25. 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.

26. 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
Extract from the 2012–13 accounts before restatement:	£000
Net operating expenditure after taxation	1,880
Other comprehensive expenditure	760
Total comprehensive expenditure	2,640
Restatement:	
Increase in programme expenditure (interest costs)	449
Decrease in remeasurement of defined benefit obligation (previously actuarial loss)	(449)
	0
Extract from the 2012–13 accounts after restatement:	
Net operating expenditure after taxation	2,329
Other comprehensive expenditure	311
Total comprehensive expenditure	2,640

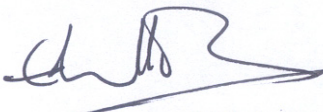
Extract from the statement of changes in taxpayers' equity

	2012–13
Extract from the 2012–13 accounts before restatement:	£000
General fund balance as at 31 March 2013	(42,901)
Restatement:	
Increase in net operating expenditure	449
Decrease in remeasurement of defined benefit obligation (previously actuarial loss)	(449)
General fund balance as at 31 March 2013 after restatement	(42,901)

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 second Sustainability Report for the 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 12 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.

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	321.4	273.1	296.5	201.1	208.2
	Scope 2 (indirect): Supplied energy (electricity and heat)	282.3	171.2	328.8	278.6	224.1
	Scope 3 (other indirect): Business travel & transmission losses from supplied energy	123.0	124.0	122.0	99.9	117.7
	Total gross GHG emissions	726.7	568.4	747.3	579.6	550.0
	Electricity: green/renewable	70.6	42.8	82.2	69.6	56.0
	Total net GHG emissions	656.1	525.6	665.1	510.0	494.0
Non-financial indicators (kWh)	Electricity: Grid, CHP & non-renewable	428,816	288,242	553,577	469,039	377,277
	Electricity: renewable	142,939	96,081	184,526	156,346	125,759
	Gas	1,261,223	1,021,742	997,766	492,597	583,633
	Other energy sources	0	0	0	0	0
	Total energy	1,832,978	1,406,065	1,735,868	1,117,982	1,086,669
Financial indicators	Expenditure on energy (£)	111,840	65,232	115,735	79,479	90,666
	Expenditure on official business travel (£)	357,578	245,962	251,286	284,035	350,405

Waste

			2009–10	2010–11	2011–12	2012–13	2013–14
Non-financial indicators (tonnes)	Non-hazardous waste	Landfill waste	47.8	29.7	46.7	24.4	37.4
		To recovery (AD & composting)	0	0	0	0	0
		To incineration	0	0	0	0	0
		Reused/recycled waste	81.5	54.6	85	45.7	11.4
		Energy from waste	0	0	0	0	0
		Total waste arising	129.4	84.3	131.7	70.1	48.8

Water

		2009–10	2010–11	2011–12	2012–13	2013–14
Non-financial indicators	Total water consumption (cubic metres: m³)	9,984	5,854	4,420	3,728	3,795
Financial indicators	Total water supply costs (£)	43,862	26,123	19,691	14,883	20,110

Paper

	2009–10	2010–11	2011–12	2012–13	2013–14
Cost (excluding VAT) £	24,592	12,139	18,310	13,126	12,287

Performance commentary (including targets)

The Trust finds it difficult to comment on the performance as it remains far from clear as to the accuracy of the information coming from the nationally contracted facility managers. Where the Trust is able to exert pressure on usage and cost, for example in relation to Travel emissions and paper usage, we can see that those elements have stayed reasonably constant but fuel inflation has meant that the costs remain stubbornly high.

Controllable impacts commentary

The Trust continues to actively apply downward pressure on travel, investing in video conferencing technology for example. The Trust also continues an active staff awareness campaign to reduce unnecessary travel.

Annex 1

ADP Workstream	Final report summary
To continue with the Offender Management Quality Programme to ensure consistent high quality provision.	<p>Post HMIP QA and Development Programme was agreed in August SLG and Board. Key workstreams have now been uploaded onto PAM and have QDM leads working to indentified timetable. Workstreams on ROH Aide Memoir refresh to focus upon better protection of victims and children has been completed and the Aide Memoir has been launched.</p> <p>To implement Trust Instruction re rolling MAPPA L1 Middle Manager review programme and ensure compliance with programme – Trust Instruction was released in July. First high review shows that all teams across the trust are now running regular MAPPA L1 reviews. This was further verified by the Nov/Dec Middle Manager practice benchmark audit.</p> <p>Updated guidance via MAPPA practice standard released in September, awaiting Spring audit that should further verify adherence to standard and ensure Trust wide compliance. Middle Manager oversight aide memoir and monitor via dip sampling.</p> <p>To develop and implement structured 1:1 programme module for violent offenders – This is now an additional module to the 1:1 Engage Programme, launched as part of the CPD events in Oct.</p> <p>To continue with the implementation of risk of harm focused Improvement & Development Plans/ Capability Action Planning in each LDU for both SPO's and Offender Management staff – Guidance developed; this went out by October outlining middle managers roles and responsibilities with regard to staff improvement and development. QDMs prepare, coach and mentor PSO cohort, supported by PSO developers. Over 30 staff were enrolled and allocated a PSO development officer.</p> <p>Implementation of SEEDS Continuous Professional Development Events for all OMs and Middle Managers – These were fully implemented by the end of Oct 13. Run workshop event with key Cornwall managers identified potential barriers to implementation and what additional support, actions and resources are required to successfully implement improvement plan.</p>
To increase the number of staff undertaking and successfully completing the Probation Service Officer (VQ3) qualification	Achieved.
To implement an evidence-based supervision system (Citizenship), and increase the quality of engagement between staff and offenders by extending the successful pilot, 'skills for effective engagement, development and supervision' (SEEDS) programme, throughout the Trust area.	Now being delivered as part of Workstream 1.

ADP Workstream**Final report summary**

To implement a multi-agency, integrated and co-located provision for the management of all MAPPA category offenders and other high risk, dangerous and extremist offenders across the Trust area.

Completed, Plymouth Police Public Protection Team co-located at St Catherine's House Probation Office on 9.4.14. Consideration is also being given to a co-located MAPPA team in South Devon, based at the local Magistrates Court; however, this is contingent upon the current Turnaround Team relocating. Both the Devon and Cornwall Police Chief Constable and Public Protection Lead Chief Superintendent are keen to progress MAPPA co-location arrangements across the peninsula

To work with partners to ensure that the needs of victims are central to the development of effective Criminal Justice services. This will include the development of a sustainable, multi-agency approach to Restorative Justice

DCPT's Victim Liaison officers are required to work closely with the witness care unit. Following some issues in relation to effective information sharing, a new information sharing agreement has been signed up to by both organisations. This has resulted in a significant improvement in victim referrals from the unit and increased caseloads for the VLOs. In addition, both VLO and witness care unit staff have had joint meetings to build upon further meetings at both local and regional levels.

Further partnership working has been developed with RJ Solutions and Victim Support via the Pathfinder project at Truro Crown Court, delivering pre-sentence restorative justice interventions. The Pathfinder has now commenced and a number of "In scope" cases have currently been identified. In March 2014, 5 staff from DCPT were trained by the University of Ulster to deliver RJ interventions. These staff will become accredited through the RJ Council and will provide RJ interventions across both the NPS and CRC organisations. RJ Champions have also been identified in each LDU that will aim to raise the profile of RJ and comply with the new guidance in the Victims' Charter, which requires all statutory agencies to inform victims that they can access RJ conferencing facilities.

Probation staff are also attending the newly formed RJ forums that are a multi-agency meeting aimed at developing a consistent and qualitative approach to the delivery of RJ across Devon and Cornwall. These RJ forums also link to the reducing re-offending pathway as part of the community safety partnerships.

To develop the existing framework of interventions and community resources to ensure that DCPT is able to address all key re-offending factors and that resulting provision reflects the different risk and needs profile of offenders.

Programmes. Audit action plan now fully implemented and improvements in treatment management/use of IAPS achieved. OBP Delivery plan has been implemented and there have been improvements in the number of commencements and completions to date. At present the OBP completion target is significantly above profile.

A review of the suite of programmes has been undertaken and analysis of demand. This has identified that there is greatest demand for BBR and a specific violence programme such as Rezone. This has been raised with NOMS in preparation for 14/15. All programmes completions are exceeding profile.

UPW. New requirements of SBC for intensive UPW, 7-hour working day and speedy induction have been implemented and DCPT is compliant with the SBC. UPW has been inputted into Nimbus and costs are now below national average. Other efficiencies have been achieved in relation to equipment, vehicle and fuel costs. However, income targets have not been achieved. UPW completions are exceeding profile at present although there are risks if commencements fall off. Completion rates are good, especially in West.

ETE SAR has been developed and implemented across the Trust. After a slow start commencements have improved but completions are currently below profile. Work is ongoing to ensure completions are correctly recorded.

ADP Workstream	Final report summary
To develop and deliver a range of responsive services to women offenders	<p>A trust wide provision for women has been re procured and awarded to Open, already providers for Cornwall. The Trust wide provision (for the same cost as two LDUs) commenced on 1st October. The SAR has been renamed Engage Women to tie in with the Engage Project, and was relaunched at a series of magistrates' events in October. LDU leads have been involved in procurement and in pre start meetings with the provider to agree process, implementation and ongoing monitoring.</p> <p>FoSAR completions are on profiled target and overall target should be achieved. This project is now almost complete, apart from ongoing performance monitoring.</p>
To provide an effective enhanced regime in the Trust's Approved Premises.	<p>An audit of both our Approved Premises has been undertaken to assess level of compliance with the approved premises manual and action plans have been developed. A review of action plan implementation was undertaken in September and there has been significant progress. Work has also been undertaken to harmonise process and the regime of the two APs to improve consistency. Areas addressed to date include: bad debt management, handover and, key skill session structure. A module of Engage is being developed based on the Good Lives Model and staff have been trained in SEEDs and Good Lives.</p> <p>A range of purposeful activities that have been implemented to achieve outcomes in relation to health and well-being, life skills, conflict resolution, as well as pro social activities.</p> <p>A Stakeholder and Community Engagement Strategy has been developed and is now implemented – DCPT are now fully compliant with SBC.</p>
To ensure that community resources are properly targeted to reflect the risk of harm/re-offending and that services are proportionately deployed.	<p>This workstream has been overshadowed by the Transforming Rehabilitation programme. The DCPT tiering matrix and guidance has been refreshed and re-issued to ensure that offenders receive a layered service that is commensurate with their level of risk and complexity. The low risk offender hub pilots with Homemaker (Devon) and Shekinah (Plymouth) will be extended to March 2015. Quarterly contract review and evaluation meetings with Shekinah show performance against targets have exceeded that achieved by DCPT i.e. better compliance, employment outcomes etc. This project was also been shortlisted to the last 3 for a national 'No Offence' Redemption & Justice Award.</p> <p>Development of the ENGAGE model and associated community hubs continues with hubs now live in North Devon and Cornwall, and progress being made elsewhere.</p>
To develop mentoring provision to assist in the effective rehabilitation of offenders on community orders/licences and to extend this to prisoners who have been sentenced to a period of less than 12 months on a voluntary basis.	<p>This was withdrawn in light of the TR programme and the need to roll forward the Just People contract as part of the contract variation process. This will be an action for the CRC.</p>
DCPT will seek to influence offender health access and provision within the new Health structures. In particular the focus will be on mental health, learning difficulty, personality disorder and those with social care needs.	<p>Progress against this objective has been tempered by focus on the TR programme, however, the following outcomes have been achieved: meeting with Directors of Public Health to place offender health needs on their agenda; Contact made with Clinical Commissioning Group leads but as yet no significant development. Mental Health Liaison and Diversion Pilot Scheme launched in Devon (including Plymouth and Torbay); Pilot Personality Disorder provision contract has been let and launched; In house GP and mental health provision retained in Plymouth; The Mental Health Gateway in Devon and Torbay has been subsumed within the new Liaison & Diversion Scheme.</p>

ADP Workstream

Final report summary

Local Authority responsibility for public health services that will include alcohol and drug provision from 2013–14.

Commissioning responsibility for drug and alcohol services passed to Local Authorities in April 2013. Since then there has been a bedding in period, due to this and the fact that many of the existing contracts are not yet due for review/re-commissioning achieving demonstrable change has been slow.

The following outcomes have, however, been achieved: Meeting with area Directors of Public Health to establish offender substance misuse needs as a priority; Engagement with Public Health commissioning managers and forums to ensure influence at a local LDU level; Meeting with Devon and Cornwall DAAT leads to influence commissioning plans; Work with Public Health/DAAT managers to promote the commissioning of Alcohol Treatment Requirements as part of their wider commissioning activity, rather than DCPT contracting separately; Initial discussions with commissioners to explore the inclusion of Alcohol Specified Activity Requirements in wider commissioning activity.

The PCC has a public mandate to tackle crime and a reciprocal duty to work closely with DCPT and other criminal justice agencies to achieve wider crime reduction and community safety work. The PCC's budgetary and commissioning responsibility for Devon and Cornwall Police also provides an opportunity for DCPT to reinforce and extend the integrated work that already exists with the police, further improve victim and witness care and extend diversionary activity that keeps people out of the criminal justice system.

We have developed an excellent working relationship with the Police and Crime Commissioner which has consolidated the integrated management of persistent and prolific offenders between police and probation, working alongside other drug and accommodation agencies. Our work in contributing to future PCC policing and crime plans has ensured that the needs of victims, restorative justice and problems associated with alcohol use remain high on the local agenda.

The Troubled Families Programme concentrates on delivering interventions that focus on the family as a whole to tackle entrenched problems. Crime and anti-social behaviour are often aspects of troubled families that will bring the work of probation into the Programme and which also supports our desistance approach of wider family engagement.

The troubled families programme across Devon and Cornwall continues to develop and build capacity in line with agreed government targets. DCPT have various methods of influence into the TF agenda according to each project. In some LDUs there is a more integrated approach of seconded staff from the TF programme, whilst in other LDUs there is a dedicated probation staff member who acts as a SPOC for the TF project and attends their monthly planning meetings. Some examples of best practice include: the Draceana Centre in Cornwall that is set up as a Probation Hub, where a dedicated member of staff from the Together for Families project and probation service who work together two days a week and share information; In Plymouth, a probation officer who attends the TF meetings and cross references families on the TF caseload with that of probation. There are ongoing discussions between TF managers and Partnership managers about influencing the profile of troubled families to include those families of prisoners and adult offenders. This is still being consulted on.

ADP Workstream	Final report summary
Community Safety Partnerships influence local spending decisions and DCPT will be particularly seeking to influence the provision of accommodation services and support for the victims of domestic violence.	<p>DCPT attend key meetings of the Community Safety Partnership and associated sub groups. A significant objective this year has been to promote and influence the provision of accommodation services for victims of domestic violence, and raise the profile of this need as part of any gap analysis within the CSP partnership and business delivery plan.</p> <p>DCPT are also able to influence accommodation services for DA victims via the contract with WRASAC who work with female offenders as part of the “OPEN” project.</p> <p>Likewise, DCPT managers are able to raise the profile of accommodation services for victims of domestic violence through local safeguarding children’s boards and sub groups given the link between DV and the welfare of children.</p>
DCPT will strengthen partnership working with mainstream learning and employment support providers to maximise opportunities for offenders. This will include DCPT working with Job Centre Plus to ensure that eligible offenders gain access to the Work Programme.	<p>Significant work has been undertaken by the Tribal-funded Partnership Manager to facilitate access to mainstream provision through SLAs. DCPT is achieving good ETE outcomes across all indicators with over half of offenders in employment at termination. Achievement of the cash linked New Futures contract targets is on track and has been exceeded on a number of the outcomes. There are a range of initiatives linked to improved outcomes for women and young people as well as a peer mentoring scheme that has attracted additional funding from Tribal. Excellent outcomes have been achieved and feedback following NOMS audits in Plymouth, Torquay and Cornwall. The introduction of the ETE SAR has supported improved ETE outcomes for those sentenced to unpaid work and a SPOC has been established in JCP for staff working with those offenders sentenced to intensive UPW.</p>
DCPT will continue to expand its links with 3rd sector and community agencies so that the support for offenders and their families lasts beyond the end of the sentence.	<p>This business plan objective has been overtaken by the activity linked to the TR programme. As a consequence the Trust is having to maintain and reconsider its link with third sector and community agencies as post 2014 the Trust will not exist but will be replaced by local representatives of the NPS and the CRC. Consequently this objective is withdrawn from the ADP. Any activity will in future be associated with either the contract exit management plan or the TR programme. Updates will be found on these two specific project plans.</p>
To improve Trust performance rating to achieve a level 4 rating in two or more areas.	<p>This objective was scaled down in the light of the Governments Transforming Rehabilitation programme that became clearer in the first quarter of 2013/14. Given the major changes that are potentially envisaged, it was agreed by SLG and ratified by the Board that maintaining existing levels of performance in a challenging environment would be a significant achievement. DCPT has continued with its Quality Improvement programme, reinforced by the outcome results from the HMIP inspection of adult offenders who have been convicted of offences of violence.</p>
To meet contract requirements. This includes DCPT’s offer of services that will be delivered in 2013–14 to meet NOMS Commissioning Intentions (summary in Appendix 1) and contract requirements agreed with other commissioners.	<p>DCPT has maintained good performance in the first 5 reported months. Emerging issues have been addressed quickly and remedial action taken where necessary. A major issue has been an overall fall in the number of cases coming to court and subsequently receiving a community sentence. This is a pattern across E&W and has been noted by the commissioner. The use of ETE SARs needs to be ramped up, ironically because the services are already available to staff and extremely well used. First quarter review with commissioner was very positive.</p>
To achieve closer alignment with specification (of service) benchmark and average costs in those areas where DCPT is an outlier, unless there are good business reasons not to do so.	<p>During a review of the ADP on 2.10.13, SLG agreed that we would cease further development of new standard processes via SBC Innovation Workshops and, with the exception of continuing to report on compliance with specifications to NOMS, would close down the related tasks on PAM.</p>

ADP Workstream**Final report summary**

To implement a staffing strategy that defines role activities for the different grades of staff in OM and Interventions with specific reference to increasing the activity for PSOs involved in the delivery of offender Accredited Programmes and court work

In light of the TR programme, the redefining of the role activities has not been undertaken. PSOs do play an increased role in the delivery of accredited programmes but in Court activity a decision was taken to not expand PSO activity to increased PSR writing. This would be a matter taken up by the NPS.

To continue to develop the market of providers of offender services, especially the greater use of agency placements for the provision of Community Payback.

The TR programme has made this ADP objective redundant in its broadest sense. The Trust has no future beyond the end of May 2014 therefore there is no requirement to develop the market of offender services because there will be no direct benefit for the Trust.

The Trust will continue to ensure that CP placements make the most of single agency opportunities but this will be undertaken in the course of business as usual rather than any ADP strategic objective. Consequently this ADP objective was closed at September 2013.

Additionally at the September board meeting planning day the sub group that covered provider intervention development was withdrawn and replaced by a TR programme sub group.

Implement the DCPT and Criminal Justice Digital Efficiency Programme phases 1 & 2.

DCPT is fully compliant with current CJESP arrangements and has been highlighted as a high performing South west Trust in respect of this project.

All Court teams are now receiving CPS paperwork via e-mail and on the whole working from desktop or laptops rather than paper hard copies of documents. As yet Wi-Fi has not been installed in Courts across the Trust that prevents court staff from logging onto DCPT systems in real time. 3G connectivity was explored but connections were slow/unreliable so not feasible. 'Live links' are about to begin in some Trust courts, allowing witnesses to give evidence via video link, reducing travel time and costs. A 'Virtual Court' pilot is taking place in Barnstaple Magistrates Court, allowing defendants to appear via video link and DCPT are engaged with this initiative.

DCPT has installed new video conferencing hardware across the Trust, making our equipment compatible with other agencies (notably prisons and courts). This will enable increased use of video conferencing with prisons and potentially in the future 'virtual' appearances at court, both of which will offer potential budget savings.

Courts across the Trust have amended their matrix from October 2013, meaning fewer courts sitting and more centralised sittings for some offences. DCPT's court duty arrangements have changed in response to this. The provision of DCPT staff to cover Saturday/Bank Holiday Courts has been reviewed, reduced and a more robust process instigated. At present this has resulted in some monetary savings and offers the potential for more as use of technology increases.

ISBN 978-1-4741-0383-1



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