



# **ANNUAL REPORT AND ACCOUNTS 2009/10**



The Youth Justice Board for England and Wales

# ANNUAL REPORT AND ACCOUNTS 2009/10

Presented to Parliament pursuant to Schedule 2, paragraphs 8 (2) and 9 (4) of the Crime and Disorder Act 1998

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# FOREWORD

**The youth justice system is a complex network of organisations that work together to administer justice and help children and young people to live a life free of crime and anti-social behaviour. The Youth Justice Board ensures the coherence of this system at national level, providing strong leadership to the 157 youth offending teams (YOTs) in England and Wales that bring key organisations together at local level.**

The achievements secured in the youth justice system during 2009/10 demonstrate the value of this national and local coherence. We are pleased to report in 2008/9 the number of first-time entrants to the youth justice system fell by 21% compared to the previous year, a trend that has continued into 2009/10. Since 2000, the frequency of youth reoffending has fallen by 24% and the number of young people sentenced to custody continues to decline. In March 2010 2,209 young people were in custody, a reduction of 16% from the number in March 2009.

The successes achieved this year are a testament to the dedication of staff and volunteers working with young people in both the community and in the secure estate. With reduced numbers of young people in custody we have decommissioned 280 places in two young offender institutions (YOIs) at Brinsford and Castington. Since the financial year-end, we have also been able to decommission Huntercombe YOI, in addition to 54 beds elsewhere within the YOI estate, totalling 414 places. The full year saving resulting from these decisions amounts to £28 million in a full year.

During the year we also delivered on our commitment to improve the secure estate for young people in the many ways outlined in this report, in particular by demonstrating the value of our investment in the Keppel Unit for vulnerable young men at Wetherby YOI. In her July 2009 report Her Majesty's chief inspector of prisons, Anne Owers wrote the unit was, "among the most impressive custodial facilities to have opened in recent years".

During the year the YJB was subject to a comprehensive review, co-chaired by Dame Sue Street. The review's report, *Safeguarding the Future*, recognised the significant part the YJB has played in the progress made to date, and challenged us to achieve more through our leadership role. The report includes a number of important recommendations: on many of these we have already taken action, including a major initiative to ensure we gather and disseminate to YOTs more powerfully the evidence of what works in preventing offending and reducing reoffending by young people.

At a time of great pressure on financial resources we will play our part by continuing to drive down our core costs and by delivering budget reductions as a result of lower numbers in the secure estate.

In 2009/10 we continued to prioritise prevention work in order to direct young people from offending and to minimise the need for expensive secure accommodation, providing the taxpayer with value for money. In all areas of youth justice activity, we also expect to build on the already substantial contribution of volunteers and voluntary and community organisations. This will be a key area for future development.



*Frances Done*

**Frances Done**  
Chair



*John Drew*

**John Drew**  
Chief Executive

# WHO WE ARE AND WHAT WE DO

**The YJB is a non-departmental public body created by the Crime and Disorder Act 1998 that oversees the youth justice system for England and Wales. During 2009/10 we were jointly sponsored by the Department for Children, Schools and Families (DCSF) – now Department for Education – and the Ministry of Justice, with our Board members appointed by the two Secretaries of State. We also receive funding from the Home Office.**

The YJB influences, shapes and advises across the youth justice system for the benefit of children and young people, and their communities. Our vision is of a youth justice system that is trusted by the public, that holds children and young people who offend to account and helps them to live successful, crime-free lives.

The youth justice system in England and Wales is made up of a network of organisations that work together to administer justice and help children and young people live free from crime and anti-social behaviour. This network consists of:

- the YJB
- 157 youth offending teams
  - these are local statutory partnerships made up of partners from the police, probation, children’s services and health
- police and the Crown Prosecution Service
- courts and the judiciary
- secure accommodation providers
  - young offender institutions, secure training centres and secure children’s homes.

Specifically, we:

- advise the Secretary of State on the operation of, and standards for, the youth justice system
- monitor the performance of the youth justice system
- purchase places for, and place, children and young people remanded or sentenced to custody
- identify and promote effective practice
- make grants to local authorities or other bodies to support the development of effective practice
- commission research and publish information.

## SECTION

# 1

# REVIEW OF THE YEAR 2009/10

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**We work across the youth justice system to make improvements. Our achievements in 2009/10 are set out in this section.**

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# SUMMARY OF PERFORMANCE

Our business plan for 2009/10 was focused on delivery against the YJB's four strategic objectives:

- prevent offending by children and young people;
- reduce reoffending by children and young people;
- increase victim and public confidence in the youth justice system; and
- ensure safe and effective use of custody.

To support our progress towards these objectives, we also have an organisational objective to build the capacity of the YJB.

An important development for the YJB as an organisation in 2009/10 was a review of the YJB's governance and operating arrangements, *Safeguarding the Future*. This review was announced by the Justice Secretary and the Secretary of State for Children, Schools and Families on 16 September 2009 and concluded in February 2010. The review was co-chaired by Dame Sue Street and Frances Done, chair of the YJB.

The review recognised the significant part the YJB has played in progress made to date, with a fall in the number of young people entering the criminal justice system for the first-time and a fall in the rate of reoffending.

## Preventing offending and reducing reoffending

During 2009/10 the YJB led cross-government delivery for the reduction in the frequency of youth reoffending by 10% between 2005 and 2011, and for reducing the level of serious reoffending by children and young people. The most recent data<sup>1</sup> shows an 8.9% fall in the frequency of reoffending by children and young people from 125.0 reoffences per 100 offenders in 2005 to 113.9 per 100 offenders in 2008. Between 2000 and 2008, the frequency of reoffending fell by 24.8%. The number of juvenile reoffences classified as serious fell from 0.90 serious offences per 100 offenders in 2005 to 0.84 in 2008 (however, because of the small numbers of serious offences, these figures should be interpreted with caution).

We are also seeing a significant reduction in the number of young people who are first-time entrants to the Criminal Justice System from 94,666 in 2007/08 to 74,412 in 2008/09, a fall of 21%<sup>2</sup>. Data for the first half of 2009/10 suggest these numbers are still falling. The numbers of young people in custody have also fallen over the past year, with provisional data showing a reduction of 2,625 in custody in March 2009 and 2,209 in March 2010. These are the lowest annual figures since the YJB took over the young people's secure estate in 2000.

These achievements are, of course, testament to the dedicated work undertaken by professionals working in partnership across the youth justice system and led by the YJB. In addition to using our expertise to support improvements in the performance and effectiveness of local authorities YOTs and of the secure estate, the YJB has made a comprehensive contribution to improvements in the youth justice system over the past year, as outlined in this report. Our role allows us to operate across the whole of the youth justice system and it is our ongoing priority to help build and maintain the partnerships that are so vital to effective and integrated services. For safe and effective custodial services our national leadership is key; for prevention, early intervention and community-based services this is about enabling local partnerships to flourish in order to deliver the results we outline in this report.

We have set out below our key achievements, in accordance with our 2009/10 Corporate and Business Plan.

<sup>1</sup> Published on 18 March 2010 by the Ministry of Justice.

<sup>2</sup> Data for England from the Department for Education.



## Strategic objective 1 Preventing offending

### Key deliverable 1

#### Performance management framework for YOTs

Maintain a focus on prevention within the Youth Justice Planning Framework and support YOTs to strengthen and adapt prevention strategies in the context of the wider service changes.

#### Outcome

In 2009/10, we launched the new Youth Justice Performance Improvement Framework (YJPIF). The framework is designed to drive forward improvements in YOT performance and practice and, through this, improve outcomes for young people and make communities safer. The framework helps the YJB to identify at the earliest opportunity areas of risk and concern – particularly in relation to safeguarding and public protection – and to respond swiftly through challenge and support to address these concerns. (Key deliverable 8 provides more information on how the framework operates.)

The new framework has a clear focus on prevention, alongside reducing reoffending and other key youth justice outcomes. Part of the framework involves an annual YOT capacity and capability self-assessment, ensuring YOTs benchmark their practice against key service standards, identifying areas of strength as well as weakness, and developing improvement plans to address these gaps. These self-assessments are then validated by the YJB, so we can identify areas of risk at the earliest opportunity and respond to these swiftly and effectively, by deploying YJB regional teams and/or our specialist improvement team.

These teams provide support and challenge to help YOTs make improvements.

YJB regional teams also work alongside Government Office children's services networks to improve working between youth justice services and wider children's prevention services, with a particular focus on safeguarding children and early intervention. For example, this involves helping local safeguarding children's boards (LSCBs) focus on young people in the youth justice system; ensuring that youth crime prevention is firmly embedded within local children's plans; strengthening working between YOTs and Targeted Youth Support services so that at-risk young people can access targeted prevention services; supporting YOTs in the development of Triage services within police custody suites, which help to divert vulnerable young people away from the YJS into diversion schemes and other support; facilitating regional prevention forums to spread good practice – enabling prevention practitioners from a range of professional disciplines, including the voluntary sector, to share best practice and spread learning across the sector.

The success of this work can, in part, be seen by the significant reductions in first-time entrants to the criminal justice system both nationally and across all regions.

### Key deliverable 2

#### Monitor YJB-funded targeted prevention programmes

Monitor YJB-funded targeted prevention programmes to check performance against the expectation that the proportion of young people who have participated in a YJB-funded prevention programme who then go on to become first-time entrants to the criminal justice system has decreased by 1.5% per annum.

#### Outcome

Where possible, our work is evidence-based, to help make the case for improvements in services. Preventing children from becoming involved in crime is fundamental to our role. We have put in place data collection to monitor the impact of prevention programmes: in July 2010, YOTs will report to the YJB on the number of young people who joined prevention programmes between April and June 2009, and the proportion of these young people who then went on to enter the criminal justice system for the first time, as at the end of June 2010. These figures will be compared with a proxy baseline of 12.7% to see if there has been an improvement. (The proxy baseline is based on young people joining a YJB-funded prevention programme between April and September 2007, of whom 12.7% became first-time entrants to the criminal justice system.)

### Key deliverable 3

#### With the Youth Task Force and other partners, support crime prevention programmes and other reforms

Work with partners to support the effective implementation of new and expanded youth crime prevention programmes, and systemic reforms to help ensure they reach the young people who come in to contact with the youth justice system.

### Outcome

This work included the following:

- Using our knowledge of practice in the youth justice system, we worked with the Youth Task Force and Ministry of Justice to develop new approaches to out-of-court disposals. The Triage scheme was established in 69 areas, piloting and evaluation of the Youth Restorative Disposal took place and Youth Conditional Caution pilots were launched. (See key deliverables 4, 14a and 14b).
- We supported the DCSF<sup>3</sup> (Department for Children, Schools and Families) to expand the Family Intervention Project (FIP) in order to reach more of the families of young people who offend: we have required YOTs to allocate a proportion of their prevention grants for FIPs, and they also participate in the governance of FIPs to help ensure these meet the needs of the families of young offenders.

- Learning from the Young Victim Pilots was rolled out via the *Good Practice for Supporting Young Victims of Crime* guidance, and promoted at roadshows and conferences. The Youth Task Force also provided funding for pilots of specialist young witness support schemes, running in seven areas from January 2010.

YOTs continued to play a leading role in delivering these initiatives.

### Key deliverable 4

#### Work with the Welsh Assembly Government to support the *All Wales Youth Offending Strategy (AWYOS)* aim of preventing first-time offending.

### Outcome

Through the AWYOS, targeted prevention programmes in Wales were funded and monitored, including jointly monitoring prevention work on five community safety partnerships. SPLASH Cymru, a school holidays programme of activities for 13 to 17-year-olds, was also made available to all Youth Offending Services areas in Wales. Working with the police service, we have promoted restorative justice work in preparation for roll-out the Youth Restorative Disposal. Provisional data shows that all regions in Wales saw a decrease in the number of first-time entrants to the criminal justice system in 2009/10. More on our work in Wales is shown later in this section.

### Key deliverable 5

#### Work with the Association of Chief Police Officers (ACPO) to reduce offending

Work within ACPO's Children and Young People's business area to continue to develop and introduce innovative pre-court disposals and other programmes such as the Youth Restorative Disposal, Youth Conditional Caution, Triage services, the Youth Toolkit and Safer School Partnerships.

### Outcome

We have worked closely with ACPO on these and other areas:

- We worked with ACPO, the Home Office and the DCSF to update the Safer School Partnerships guidance document, and supported YCAP partners' work to promote Safer School Partnerships through new leaflets and via conferences.
- The Triage scheme, where YOT workers' expertise is brought into police stations to make rapid assessments of young people so that timely support can be provided, was developed and rolled-out to all 69 YCAP priority areas. We played a full role on the implementation group, using our expertise to shape the scheme, and our influence and contacts to support successful implementation on the pilot sites. Early findings from the two Triage pilots indicated a reduction in first-time entrants to the criminal justice system and improved information sharing and partnership working between agencies.

<sup>3</sup> Since May 2010, Department for Education.

## Strategic objective 2 Reducing reoffending

- We worked with ACPO, the Home Office, the National Policing Improvement Agency (NPIA) and the DCSF to produce new local policing guidance on early intervention and prevention (published by the NPIA in March 2010), and took a lead role in promoting this, presenting at conferences and at regional ACPO meetings.

See key deliverables 14a and 14b for information about the Youth Restorative Disposal, Youth Conditional Caution and Youth Toolkit.

### Key deliverable 6

**Produce updated joint guidance on the role of Individual Support Orders (ISOs) and support local areas to achieve improved processes based on a tiered approach to tackling anti-social behaviour.**

### Outcome

In consultation with the DCSF and the Home Office, it was agreed that guidance on ISOs would not be produced in 2009/10: however we continued to provide support and guidance to any YOTs who needed assistance in this area.

### Key deliverable 7

**Lead delivery of the cross-government plan to reduce youth reoffending, including the most serious reoffending.**

### Outcome

In 2009/10, the YJB's chief executive jointly chaired the cross-government Reducing Adult and Youth Reoffending Programme Board, with particular responsibility for coordinating delivery of work to reduce levels of youth reoffending and serious youth reoffending. Main elements of the programme are described in key deliverables 8-12.

### Key deliverable 8

**Improve Youth Offending Team Performance**

Improve YOT partnership performance by:

- supporting poorly performing areas through the YJB's Wales and England regional teams, and the performance improvement teams,
- enabling areas to undertake better analysis of their performance and target resources more effectively, and
- contributing to the new local government performance arrangements in England and Wales.

### Outcome

We launched the new Youth Justice Performance Improvement Framework (YJPIF) in 2009/10. The framework supports local YOT partnerships in improving their performance and practice, resulting in better outcomes for young people and safer communities. It also helps the YJB to identify and address areas of risk and concern at the earliest opportunity.

The YJPIF involves a number of elements:

- Capacity and Capability self-assessment: YOTs undertake an annual self-assessment against nine key youth justice outcomes: reducing reoffending, prevention, use of custody, public protection, safeguarding, victims and public protection, access to universal and specialist services, assessment and interventions, and workforce and resources. With reference to key youth justice service standards, YOTs identify where things are working well and where there are gaps and develop an improvement plan for the year. Our YJB regional teams validate the self-assessments, monitor delivery of improvements and support YOTs in taking these forward.
- performance against the five youth justice national indicators.
- the YJB uses the data and information from the self-assessment, quarterly national indicator performance and recent HM Inspector of Probation inspections of YOTs to identify those YOTs that are performing poorly. We then deploy our regional and/or specialist improvement teams to support and challenge those YOTs and drive forward improvements.

Performance improvement activity in 2009/10 has delivered promising results. We worked with all YOTs to monitor and support improvements, but have worked more intensively with 35 of these, a number of which had very poor (“drastic”) inspection outcomes. The majority of YOTs that we have worked with are now showing solid improvements as evidenced through the most recent Capacity and Capability self-assessments, the quarterly national indicator scores, and more recent HMIP inspection findings.

As we move into 2010/11, our numbers of high concern (priority) YOTs are now falling to around 25 out of 157.

YJB regional teams have also worked through Regional Effectiveness and Improvement Partnerships and alongside Government Offices to deliver improvements, also working with wider partners. This ensures efficiencies of scale and increases the impact of improvement programmes.

As a result of the YJPIF, we now also have a much stronger evidence base on what is being delivered well and where, as well as information about where there are significant gaps in practice – both locally, regionally and nationally. The YJB can respond to this – at a national level in our work to influence and support policy change, at a regional level, where our regional teams support improvements and spread good practice with clusters of YOTs and wider stakeholders, and at a local level through our direct support and challenge to YOT partnerships.

### Key deliverable 9

**Improve effective practice, assessment and workforce development by:**

#### 9a

**Supporting YOTs to implement the Scaled Approach and Youth Rehabilitation Order (YRO), and launching the revised National Standards for Youth Justice and Case Management Guidance.**

#### Outcome

The Scaled Approach and YRO were launched in November 2009 and revised national standards and case management guidance were made available on the YJB website in their final form in April 2010. On the Scaled Approach, the YJB worked closely with YOTs to develop the detailed assessment for young people and supported local implementation, providing training and briefings for practitioners, material to help them change their processes to the new approach and to help them engage with their partners locally. YOTs can now tailor their interventions for a young person based on a detailed assessment, helping to reduce their likelihood of reoffending and their risk of causing serious harm to others. We will continue to support practitioners in applying the Scaled Approach during 2010/11.

#### 9b

**Helping YOTs identify and share promising and emerging practice through research and use of our Directory of Emerging Practice.**

#### Outcome

We relaunched the Directory of Emerging Practice in autumn 2009. The directory gives practitioners internet access to a range of good practice, offering a way of sharing ideas and helping them to improve their services without starting from scratch. We improved ways of searching the directory and simplified the way for users to submit their good practice. Since the relaunch, use of the directory, in terms of submissions provided and downloaded, has increased. There are now upwards of eighty resources available across a number of key themes. Contributions have come from a wide range of sources, including YOTs, secure establishments and the third and private sectors. A regular feature in the YJB’s bi-monthly *YJ* magazine highlights recent submissions to the directory and, where possible, includes comments from practitioners about how they have used the Directory of Emerging Practice in helping them find resources to use in their work with young people.

9c

**Implementing year two of the Workforce Development Strategy 2008-11.**

**Outcome**

The second year of the Workforce Development Strategy included delivery of the Youth Rehabilitation Order/Scaled Approach training which began in April 2009. More than 5,000 people registered on one or other of the Open University (OU) YRO/Scaled Approach courses or attended YJB briefing sessions. The first of the OU courses is a credit-bearing distance learning course and the second is one of many learning opportunities available through the Youth Justice Interactive Learning Space (YJILS). Funding was made available through the Ministry of Justice (MoJ) and YJB for the development and delivery of the OU courses, which were made available without charge to YOTs during 2009/10.

YJILS was launched in November 2007 and, by April 2010, 6,350 people had registered. We make a range of interactive professional development resources available on YJILS for staff in YOTs and a successful pilot has taken place with secure establishments.

Over 5,500 people have now registered on the Professional Certificate in Effective Practice in Youth Justice since the development of the Youth Justice National Qualifications Framework in 2002. Provision through the OU has been achieved at a much-reduced cost and an improved completion rate.

9d

**Laying the foundations for a new assessment, planning, intervention and supervision strategy for youth justice.**

**Outcome**

In 2009, the YJB began a project to develop and consult on possible models for assessment, planning, intervention and supervision of young people in the youth justice system. The existing assessment framework was introduced 12 years ago and we are reviewing how to align it better to research on effective practice and government policy, so that practitioners are better placed to identify risks to the young person and public, and to select the interventions and make the multi-agency referrals that will be most effective for the young person. We are consulting widely with practitioners, academics, government departments and other agencies, and the project will make proposals by the end of 2010.

9e

**Aligning young people who require intensive interventions under the Scaled Approach with the Prolific and Priority Offender Deter group.**

**Outcome**

In November 2009, the Office for Criminal Justice Reform, Home Office and YJB jointly published supplementary guidance to support alignment of the Deter Young Offenders (DYO) scheme with the Scaled Approach, while also taking into account local partnership priorities. We played a key role in bringing partners together to align these schemes in a flexible, workable way so that local areas have one single group of priority young people to support through their multi-agency partnership.

**Key deliverable 10**

**Improve compliance and enforcement by:**

10a

**Supporting local areas to deliver the programmes and systemic reforms announced through the Youth Crime Action Plan (YCAP).**

**Outcome**

We used our influence and expertise in the youth justice system to support delivery of a range of YCAP programmes and reforms, including supporting the roll-out of programmes such as Triage in the 69 YCAP priority areas. More details are provided in key deliverables 3 and 5.

10b

**Working on a range of measures to improve the effectiveness of sentences and judicial confidence in all sentences, including following through *Criminal Justice: Simple, Speedy and Summary* (CJSSS) reforms and the *Referral Order Action Plan*.**

### Outcome

As part of the delivery of CJSSS, in November 2009, the YJB jointly published with HM Courts Service (HMCS) a revision of *Making it Count in Court*, guidance and good practice for YOTs and key court stakeholders. The guidance helps YOTs provide the best possible information for their cases, and aims to give court professionals and partners confidence in the range of different sentence options available. The guidance has now been distributed to 28,000 key stakeholders, including legal advisers, YOTs, police, Crown Prosecution Service, magistrates and defence lawyers. This has been well-received and, with HMCS, we are now developing a toolkit to help court partnerships improve local delivery in relation to youth justice. See also key deliverable 10e.

10c

**Working with the Youth Task Force to increase the number of parenting interventions, including contracts and orders where engagement is not achieved voluntarily.**

### Outcome

The YJB contributed its expertise to cross-government work that focused on increasing the number of parenting assessments made by setting out clear “triggers” for when these assessments should be made. An increase in the number of assessments is likely both to increase the number of parenting interventions and to identify more parents unwilling to engage voluntarily in an intervention. We anticipate that this will lead to increased usage of parenting contracts and orders requiring parents to participate and there are now many more trained YOT practitioners able to deliver parenting programmes and promising pilots underway.

10d

**Working with the Association of Chief Police Officers (ACPO) to develop its new strategy for children and young people, and improve alignment between police services and wider children’s services.**

### Outcome

We contributed to the development of ACPO’s Children and Young People’s Strategy, which emphasises the need for early intervention and the prevention of crime and aims to reduce the unnecessary

criminalisation of young people. The Strategy was launched at the ACPO Children & Young People Conference in June 2010, with the YJB as a principal sponsor, speaking at the conference and running workshops to promote good practice. See also key deliverable 5.

10e

**Continuing work to improve courts’ confidence in YOT work through updated guidance and improved feedback to sentencers.**

### Outcome

We worked with the Magistrates’ Association to produce a data sentencing toolkit for Magistrates that was circulated to YOTs and all youth bench chairs in March 2010. The toolkit provides improved feedback to sentencers, as well as local and national YOT data on custody, remands, reoffending rates, local offences and disposals. The toolkit has been very well received by YOTs and other partners, helping them to identify where to compare their practices with those of similar areas and giving them ideas for making improvements. Locally, YOTs can share their data with partners quarterly, and we aim to refresh the toolkit yearly.

**Key deliverable 11**

**Improve access to mainstream and specialist services by:**

**11a**

**Piloting new resettlement consortia to improve services for children and young people leaving custody, and introducing more comprehensive packages of care.**

**Outcome**

Two consortia were set up, in North West England to support young people released from Hindley Young Offender Institution (YOI), and in South West England, to support young people leaving Ashfield YOI. The consortia bring together senior members from the secure estate, YOTs, voluntary services and local authorities, providing a coordinated approach for all young people leaving custody, so that they will get access to the services and support they need to help prevent them reoffending.

Partners are well-engaged, and we have early indications that, in the North West, young people leaving custody have improved access to education and accommodation. (The South West consortium is preparing for its full launch.) Both consortia will be evaluated during 2010/11.

**11b**

**Reviewing the deployment of Resettlement and Aftercare Provision (RAP) schemes by learning the lessons from the first three years of operation.**

**Outcome**

This formed a key part of our work to support young people leaving custody. We published a new Integrated Resettlement Framework for YOTs in July 2009: in addition to existing funding for resettlement and aftercare provision in 59 YOT areas, new grants were allocated to a further 48 YOTs in England to fund integrated resettlement support. We also allocated funding to pilot Resettlement Support Panels in six YOTs in Wales. We published new guidance for Integrated Resettlement Support (IRS) at the beginning of 2010, taking into account lessons from the first three years of RAP: for example, ensuring that the schemes are working in partnership with local authorities (in particular children's services, education and housing), and emphasising the importance of the relationship with the resettlement worker in providing the young person with support. All YOTs in receipt of RAP and IRS funding migrated their programmes to the new IRS framework by April 2010.

**11c**

**Working with the Youth Task Force to support the alignment of youth justice services with targeted youth support to ensure improved continuity of care for young people before, during, and after justice interventions.**

**Outcome**

Working with the DCSF, we have consulted widely to develop draft guidance for youth justice and children's services practitioners on targeted youth support. This aims

to help professionals ensure that there are no gaps in the support provided to young people when they enter and leave the youth justice system and that they transfer seamlessly between mainstream and more specialist services.

**11d**

**Working with the Department of Health on the Children and Young People's Offender Health Strategy to meet PSA 23 objectives.**

**Outcome**

The *Healthy Children, Safer Communities* strategy was published by the Department of Health in December 2009 and is the first health strategy solely focusing on the youth justice system. It seeks to provide an overarching framework for the provision of healthcare in the youth justice system, both for young people in the community and in custody. It promised a renewed strategic approach to commissioning health services, whilst also focusing on early intervention. A work plan for the strategy is now in place and we are a major stakeholder in key areas, for example, in a feasibility study into changing commissioning in secure training centres and secure children's homes to the NHS, as is the case for young offender institutions. The work plan also includes a project to produce integrated substance misuse provision across the youth justice system and a new protocol for the secure transfer of young people from the secure estate into secure hospitals under the Mental Health Act 1983.

11e

**Developing triage services for those with mental health, substance misuse and learning difficulties.**

### Outcome

With the Department of Health and the Sainsbury Centre for Mental Health, we are conducting six Youth Justice Liaison and Diversion pilots across England. The aim is to identify those with mental health and other vulnerabilities as early as possible in the criminal justice process so they can get rapid access to treatment or other support services, reducing the chance of reoffending and addressing the young person's welfare needs. The pilots are funded by the Department of Health, and we have played a key role in shaping, developing and managing these, supporting the specialist YOT workers involved in assessing young people in police custody suites. The pilots are being evaluated currently, with positive early indications.

11f

**Working with the Department for Education to ensure that the aspirations set out in *Raising Expectations* and *Back on Track* deliver real benefits to young people who offend and those at risk of offending.**

### Outcome

*Raising Expectations* and *Back on Track* both set out aspirations for providing education to young people. Following their publication, the Apprenticeship, Skills, Children and Learning Act received Royal Assent in November 2009 and as a result,

in September 2010 local authorities will take over responsibility from the Learning and Skills Council (now Young People's Learning Agency) for education of young people in YOIs. This change will help mainstream services for young people in custody and help ensure continuity of provision of education for them. Ahead of this major change we worked closely with the Learning and Skills Council to improve the existing contracts for education in YOIs. Previously, provision of education varied depending on where a young person was placed in custody. We have introduced clearer, more transparent and consistent contracts: for example, now, all young people are entitled to 15 hours a week in education, regardless of placement. The contracts are in a good position to be taken on by local authorities and we are working closely with partners to support the transition in September.

11g

**Collaborating with the DCSF and local authorities to ensure that the new requirements to secure education in custody and improve post-custodial outcomes are developed and implemented effectively.**

### Outcome

See key deliverable 11f.

11h

**Working with Communities and Local Government (CLG), the new Homes and Communities Agency and local authorities to promote joint working between housing and children's services, including the involvement of housing departments on YOT management boards.**

### Outcome

Following cross-government discussion, we decided to commission an "audit" of the accommodation available for young people in the youth justice system in order to provide more detailed information about the local relationship between housing supply and accommodation issues. This was successfully completed and will form the basis of an action plan to improve performance. We also held regional fora to improve the skills and knowledge base of practitioners and to develop better strategic links between youth justice and housing services at local level. We also introduced a new web-based discussion board for practitioners.

In May 2009, the House of Lords made a landmark ruling in the case of *R (G) v Southwark*, which made clear the responsibilities of children's services in providing housing for homeless 16 and 17-year-olds. Following this the YJB has worked with cross-government partners to ensure that new guidance in this area will specifically address the issues affecting young people in the youth justice system.



11i

**Continuing to work in partnership with the National Treatment Agency to reduce the prevalence of young people misusing drugs, alcohol and volatile substances (glue, gas and solvents), and to ensure that children and young people get appropriate support and access to treatment services where necessary.**

**Outcome**

We work in partnership with the National Treatment Agency to ensure that the substance misuse needs of young people in contact with the YJS are met through targeted, universal and specialist treatment provision. In 2009 we redrafted the YJB National Specification for substance misuse in the secure estate to ensure there was a clearer definition of services required and promote better performance and value for money. We also worked jointly on the implementation of the Drug Testing Requirement, Drug Treatment Requirement and the Intoxicating Substance Requirement aspects of the Youth Rehabilitation Order (introduced in 2009), to ensure that these take advantage of the opportunity to address the young person's treatment and health and wellbeing needs while also reducing the risk of reoffending.

**Key deliverable 12**

**Reduce the most serious reoffending**

Reduce the most serious reoffending by:

- implementing the Scaled Approach, which will require YOTs to deliver more intensive interventions to those children and young people assessed as having a high or very high risk of committing serious harm against others
- working with partners to ensure that the Prolific and Priority Offender Deter group includes serious reoffenders
- guiding and supporting YOTs in risk assessment, including Multi-Agency Public Protection Arrangements (MAPPA)
- working to reduce group and weapons offences.

**Outcome**

The Scaled Approach was launched in November 2009. Deter Young Offenders (DYO) guidance and supplementary guidance published during the year supported the alignment of the DYO scheme with the Scaled Approach, while also taking into account local partnership priorities. (See key deliverables 9a and 9e)

See key deliverable 14c for more information about developments in multi-agency public protection arrangements.

The Knife Crime Prevention Programme was rolled out to 97 YOTs in Tackling Knives Action Programme (TKAP) areas. In the programme, YOTs form partnerships with police, local health services, victims, ex-offenders and other partners to get young people understanding and changing their attitudes to carrying knives and understanding the consequences of carrying them. With practitioners, we have designed the framework, set up pilots and supported wider roll-out to YOTs, for example with regional knowledge-sharing days and visits. There has been good take-up of the programme by YOTs, with very positive feedback from practitioners and partners. Formal evaluation of the programme started in March 2010 and we are currently supporting a further eight YOTs to implement the programme this year.

## Strategic objective 3 Increasing victim and public confidence

### Key deliverable 13

**Use data from validated youth justice planning framework submissions to identify and share emerging practice and develop initiatives, where necessary, to ensure that young people from black and minority ethnic communities are not unfairly dealt with at every stage of the youth justice system. We will aim to:**

#### 13a

**Share best practice for work that recognises the victim/offender overlap.**

### Outcome

Working in partnership with our sponsor unit, the Joint Youth Justice Unit<sup>4</sup>, in May 2009, we published revised Referral Order Guidance. This takes account of changes to the use of referral orders made possible by the Criminal Justice and Immigration Act 2008 and which came into effect in April 2009. The guidance covers the new concept of intensive referral orders and pre-sentence youth offender panels. These are designed to improve confidence in the use of referral orders for young people on the custody threshold. With over 25,000 referral orders handed down each year, the order is the principal method of delivering restorative justice, providing a formal opportunity for community volunteers to act as panel members and for victims to take part too.

YCAP victim pilots were completed and *Good Practice for Supporting Young Victims of Crime* guidance was

published by the OCJR in September 2009 providing a five-part model which includes: prevention, reporting, support, engagement, partnership. We supported the OCJR in setting up these pilots and provided our input to the guidance to help ensure it meets practitioners' needs.

#### 13b

**Encourage and share best efforts in giving a voice to children and young people in the criminal justice system.**

### Outcome

Listening to the views of young people will help us improve services both locally and nationally. The revised Youth Justice Performance Improvement Framework that we introduced in 2009/10 specifically requires YOTs to assess how they seek, obtain and act on feedback from young people in the criminal justice system, with YOT partnerships building actions into their improvement plans for the year where there are gaps.

Also, the YJB's Directorate of Secure Accommodation commissioned User Voice to obtain the views of young people in custody in four key safeguarding areas: full searches; separation; complaints and helplines. Young people's views will inform our reviews in these areas and help shape the final recommendations for practice change. We are carrying this principal of consultation with young people into other projects this year, including in our review of the assessment framework.

On an individual basis, where practitioners can effectively engage with a young person they will be more likely to understand and successfully complete their sentence. In 2009/10, in Wales, we initiated a project with partners to develop guidance and tools that will help practitioners consult with and encourage participation of young people in the youth justice system. See key deliverable Wales 6 later in this section for more on this.

#### 13c

**Share best practice in YOT consultation with local communities on reparation activities and their visibility to the public.**

### Outcome

*Making Good*, the YJB's scheme directly involving the public in proposing reparation activities for young offenders, and improving their understanding and interaction with the youth justice system was launched successfully across the North East and Yorkshire and Humberside, having been piloted in the North West. *Making Good* will continue its region-by-region roll-out during 2010.

Reinforcing this work, the revised YJPIF introduced in 2009/10 specifically requires YOTs to assess their work in relation to community consultation on reparation projects. Through a better understanding of reparation schemes we aim to promote public confidence in the youth justice system.

<sup>4</sup> Now the Youth Justice Policy Unit.

**Key deliverable 14**

**Work with partners to improve victim and public confidence**

We will continue to support YOTs to help police services to achieve public confidence targets, and work with YOTs, ACPO, the OCJR, the Youth Justice Policy Unit, and NOMS on wider government initiatives to improve the youth justice system and increase victim and public confidence. These initiatives include:

**14a**

**Supporting the Youth Restorative Disposal (YRD) pilot.**

**Outcome**

This intervention gave the pilot police forces involved the opportunity to deal with minor offending by challenging and holding the young person to account, without criminalising them. It is only used with the consent of all parties, including the victim. We worked closely with ACPO to develop the YRD, jointly producing guidance, and supporting ACPO's leadership to police forces in implementing this. The official pilot came to a close on 30 September 2009. The final evaluation report is at a draft stage, and the interim evaluation report was positive, with pilot sites reporting significant improvement in victim satisfaction with this disposal (90%) compared with other disposals (40-50%). Offending is dealt with quickly, in a way that requires the young person to take responsibility for their actions, repair the harm caused in a positive way and improve their behaviour. The YRD is also designed to save police and youth justice system time.

**14b**

**Supporting the Youth Conditional Caution pilot by working with ACPO and the National Policing Improvement Agency to agree the model, finalise the evaluation and provide recommendations for rolling out the youth toolkit of effective practice.**

**Outcome**

The Youth Conditional Caution is the highest tariff out-of-court disposal for young offenders, with conditions that aim to support rehabilitation, reparation or punishment. The pilot launched in five sites across England in January 2010 and will run for approximately 12 months. We are monitoring and providing support to those YOTs involved in the pilots, as they have a key role in assessing cases, recommending, supervising and delivering caution conditions. We worked with ACPO and other partners to develop the standard operating practice for the Youth Toolkit, with national policing guidance on early intervention and youth crime prevention published in March 2010.

**14c**

**Involvement in Restorative Action in Neighbourhoods (RAiN – led by the National Policing Improvement Agency); developing triage processes and guidance; strengthening YOT involvement with MAPPA and developing a young people's annex to NOMS' MAPPA guidance; standard notification and referral procedures for young people to MAPPA.**

**Outcome**

We advised ACPO on the development of RAiN, using learning from our involvement in the roll-out of the Youth Restorative Disposal pilots. ACPO will be reviewing its guidance on the police approach to restorative justice more widely and it is likely that RAiN will be incorporated into a revised approach.

Standard operating procedures for Triage were also produced (see key deliverable 5).

MAPPA (Multi-Agency Public Protection Arrangements) is a local partnership arrangement involving police, probation, prisons and other partners, including YOTs. The partnerships ensure that a risk management plan is drawn up for the most serious sexual and violent offenders, with information, skills and resources shared by the agencies involved, protecting the public and increasing confidence in the criminal justice system. We worked closely with NOMS to ensure that, for the first-time, a specific children and young people's section was included in the NOMS MAPPA guidance (this was published in March 2009).

We also developed standard notification and referral procedures (July 2009), to help YOTs ensure that those few young people who most need to be covered by these public protection arrangements are brought to the notice of the local MAPPA partnership.

14d

**Improving outcomes for victims by promoting restorative justice and implementing the *Youth Crime Action Plan* initiative Young Victim Pilot Projects.**

### Outcome

YCAP victim pilots were completed and we contributed to the *YCAP Good Practice for Supporting Young Victims of Crime* guidance, published by the OCJR in Sept 2009. All 69 YCAP priority areas completed self assessments on the support offered to young victims and developed plans to address gaps in provision. Their plans were implemented from January 2010, with the Youth Task Force monitoring support provided to young victims. A National Offer for Young Victims was also agreed and launched by the Youth Task Force and, as a key stakeholder, the YJB has given its formal support to this pledge.

### Key deliverable 15

**Rebalance debate by supporting positive communications about young people.**

### Outcome

Activities to support this included proactive engagement with national media and features on prevention in publications aimed at professionals working with young people, including subject-specific supplements in key trade publications. We promoted media toolkits for YOTs and, in March 2010, we started pilots with 10 YOTs to support them in delivering local communications promoting public confidence in the youth justice system. We have also promoted the *Making Good* pilot which engaged the public in suggesting reparation activities for young people.

### Key deliverable 16

**Publish reparation guidance for YOTs.**

### Outcome

We published reparation guidance for YOTs before the start of 2008/09. Reparation remained a priority and is recognised in the YJPIF. We launched the *Making Good* website in November 2009 to pilot public suggestions on local reparation ideas and more on our work to support other approaches to restorative justice is described under key deliverables 13a, 13c and 14a.

## Strategic objective 4 Ensuring safe and effective use of custody

### Key deliverable 17

**Develop our new strategy for the secure estate for children and young people.**

### Outcome

A new commissioning plan for the secure estate is being finalised, in line with our statutory role for commissioning and purchasing all places for 10 to 17-year-olds committed to custody by the courts. This commissioning plan will set out YJB's proposals for the next three years, taking account of decreases in the numbers of children in custody. To support this plan and working with the Ministry of Justice, we will also develop a policy document setting out the principles, vision and aims for the secure estate.

### Key deliverable 18

**Take forward the action plan developed following the independent review of safeguarding in the secure estate.**

### Outcome

We are committed to ensuring young people's experiences in custody are as safe as possible, and through service level agreements with NOMS we have continued to enforce ring-fencing of the safeguarding manager's role in young offender institutions, which we consider makes an important contribution to this aim.

We made good progress in a number of other areas and key successes in 2009/10 include investment in improving CCTV coverage in known

bullying hotspots across young offender institutions, secure children's homes and secure training centres, significant progress on the YJB reviews of full searches and separation and we are also currently finalising a review of complaints. We will continue to work closely with NOMS, the DCSF and our providers of secure accommodation to develop safeguarding practice in other areas in 2010/11.

#### Key deliverable 19

**Contribute to the delivery of the changes proposed following the Government's independent review of restraint.**

#### Outcome

As recommended in the review, we commissioned work across the secure estate to explore a number of key issues around the use of restraint of young people with findings expected in 2010/11. We supported NOMS in its development of a new behaviour management system for use in young offender institutions and secure training centres.

We developed guidance and ensured that all secure establishments now have Restraint Minimisation Strategies in place, with progress tracked as part of YJB's regular assurance monitoring approach for the secure estate. We developed a new exception reporting system, which will capture all warning signs and injuries during and following the use of restraint across the secure estate. These reports will be analysed by the newly-formed Restraint Accreditation Board.

#### Key deliverable 20

**Staff development in the secure estate.**

Work with suppliers and stakeholders to map out how to improve management capacity and capability in the sector, along with proposals for introducing and continuing the professional development of staff working with children and young people in custody.

#### Outcome

We want to ensure that those working in the secure estate have the right skills to work effectively with young people and we have managed a joint workforce development programme with NOMS. Highlights in 2009/10 included developing core competencies for staff working in the children and young people's secure estate. We also developed an induction process for senior managers and a young person-specific job simulation, which new prison officers must pass before being able to work in the Prison Service young people's estate. The Youth Justice Interactive Learning Space was also successfully piloted in the secure estate, and we will roll this out further this year so prison staff can easily access training materials over the Internet.

#### Key deliverable 21

**Develop a new 360 place young offender institution at Glen Parva.**

Develop a new 360 place young offender institution at Glen Parva in Leicester, enabling the discontinuation of less satisfactory YOI accommodation. Subject to business case and planning approval for the scheme we will appoint a construction contractor and begin work on site so it can be operational in late 2011/12.

#### Outcome

A full planning application was made in January 2010 to the relevant borough, district and city councils, with planning permission granted in May 2010. However, the need to realise savings across government means that this project will no longer be pursued<sup>5</sup>. We will apply the lessons learned on this project in terms of concepts, design and delivery frameworks to other improvements in the secure estate.

<sup>5</sup> As part of the Government's June 2010 Budget, this project was not taken forward.

## Key organisational objective Building YJB capacity

### Key deliverable 22

**Implement the new contracts arising from the secure children's homes (SCHs) re-tendering exercise.**

#### Outcome

As a result of the tendering exercise completed in March 2009, we awarded medium to long-term contracts to nine SCHs in England and one SCH in Wales for a total of 191 beds. The new contracts began between April and July 2009 and will run initially for periods of three-five years. Re-tendering gave us the opportunity to bring in improved measures for monitoring contract performance and by using an output-based specification we were able to allow accommodation providers more flexibility in delivering services that help meet the needs of young people placed in secure children's homes.

### Key deliverable 23

**Centralise improved young offender institution provision in the North West at Hindley.**

#### Outcome

We completed a major programme of capital work at Hindley in October 2009. Hindley now has all facilities and accommodation available to deliver a full service to the 440 places commissioned by the YJB and the establishment is now being managed via the service-level agreement with the Prison Service.

### Key deliverable 24

**Governance – Introduce a portfolio management framework to ensure that decisions on resource investment in programmes and projects align with YJB's strategic priorities and aims.**

#### Outcome

We introduced a new business case screening process and portfolio management framework to ensure new major projects are aligned to strategic objectives, are achievable, affordable and have costs and benefits identified early on. We support this with templates, guidance and advice to project managers and project sponsors.

### Key deliverable 25

**Governance – Embed the newly refreshed YJB Board governance arrangements.**

#### Outcome

The year saw the implementation of new governance arrangements that were signed off by the Board in December 2008. This process included a review of the committee arrangements and the Scheme of Delegation. In year, an independent review of Board effectiveness made further recommendations to improve governance including in the areas of risk management and forward planning and these are now being implemented. We are also responding to recent Treasury guidance on reforming arm's length bodies to increase transparency, making it easier for the public to hold the YJB to account.

### Key deliverable 26

**Governance – Consult widely on the business case for a new organisation to take the lead in the youth justice system ICT.**

#### Outcome

The Wiring Up Youth Justice programme was successfully concluded in March 2010. During the year we worked closely with the Ministry of Justice to look at options for future development of ICT for the youth justice system. It was concluded that the YJS and YJB's ICT should be integrated within the Ministry of Justice's ICT department, and we have worked closely together to agree the principles by which the MoJ will supply ICT services to the Youth Justice Board and will support live youth justice system ICT services. The YJB remains responsible for capturing requirements and commissioning business-led ICT developments on behalf of youth justice partners.

### Key deliverable 27

**People – Introduce a new leadership and management development programme to ensure YJB managers have the appropriate skills and capabilities to lead the organisation.**

### Outcome

Our staff combine professional expertise in their field with practical knowledge and contacts across the youth justice system. They are committed to supporting and improving practice, working in partnership with practitioners, other government departments, third sector and other service providers. In 2009/10 we substantially revised our competency framework and performance appraisal process to support our staff in further developing the skills they need to influence partners and support change. To support our managers in implementing the new competencies across their teams, deliver new ways of working and encourage behaviours in line with our values, we delivered a series of modules to develop interpersonal, leadership and managerial skills.

### Key deliverable 28

**People – Review all our human resource (HR) policies to ensure they are fit for purpose.**

### Outcome

The YJB's HR team is fully committed to periodically reviewing and developing all HR policies to comply with legislative changes,

corporate requirements and good practice. 2009/10 involved a number of HR policy reviews, some of which have been published, some of which are being finalised.

These included revised maternity, annual leave, redeployment and travel and subsistence policies. Other policy reviews currently being finalised cover grievance and discipline, home working and temporary promotion. We undertake all our reviews with a commitment to consult both trade unions and staff and to maintain a fair and consistent approach to managing our staff.

### Key deliverable 29

**People – Deliver on the objectives outlined in our *Equality and Diversity Action Plan*.**

### Outcome

The steering group for our equality and diversity action plan is chaired by the YJB's chief executive and the plan covers work to support both YJB staff and practitioners to address issues of disproportionality, equality and diversity in the YJS and in the workplace. Diversity was given its own section in the relaunched Directory of Emerging Practice in 2009, so we could actively promote new work in this area. We also supported YOTs in the West Midlands to address their disproportionality issues and we will be reviewing this and other work to spread good practice across regions. We ensured that equality and diversity considerations were built into revised case management guidance as part of roll-out of the Scaled Approach, and within the new YJPIF

we emphasise the importance of YOT staff having an understanding of diversity and disproportionality issues.

We introduced training and tools to help YJB staff and managers understand and fulfil our responsibilities with regard to equality and diversity legislation, including training and advice on how to apply equality impact assessments to the work we do that could affect the wider youth justice system or YJB staff. We also reviewed our recruitment process and are monitoring its impact on the make-up of YJB staff. For staff across the wider youth justice system, we shared data to help ensure that under-represented staff groups have access to the skills and practice development to help them progress.

### Key deliverable 30

**Ways of working – Use the relocation of the YJB's headquarters to provide an improved working environment and introduce new ways of flexible working.**

### Outcome

We completed our headquarters relocation in March 2010. The new offices provide an improved working environment, improved information security through clear desk policies and use of information technology, promote flexible and home working through new mobile technology for staff and are Disability Discrimination Act compliant. In particular, the new offices offer good value for money, allowing us to drive down desk-to-staff ratios and rationalise the YJB's London

presence by giving up expensive privately leased accommodation and moving into an existing building on the government estate.

#### Key deliverable 31

**Ways of working – Introduce the new internal ICT system to enable more flexible working and improve support and access for staff.**

#### Outcome

Our staff are based across England and Wales, and our role involves keeping close contact with partners across the country: our staff need to be able to work and contact colleagues while on the move. We achieved this by deploying new technology as part of the YJB relocation, including wireless connectivity on laptops to aid more home working and an improved phone system and centralised printers that support flexible working in our headquarters and across the regions. We also introduced standard network and desktop technology so we can provide more efficient and effective support to staff.

#### Key deliverable 32

**Ways of working – Complete the set up of our new Corporate Services Directorate to provide effective and efficient support to YJB directorates.**

#### Outcome

We aim to keep our central functions as efficient as possible to support staff in our core business. We set up a new Corporate Services Directorate including: introducing a business partner model for our HR and Finance functions; a new Corporate Governance Unit; and new project and programme control processes. The next phase is to take forward options for reducing transactional costs of HR, procurement and finance, allowing a focus on more value-added activities.

#### Key deliverable 33

**Ways of working – Review the Wales and regional delivery model to ensure it is fit for purpose.**

#### Outcome

The revised strategic model for Wales has been operating since April 2009. This comprises the Youth Justice Committee for Wales, its six sub-committees overseeing key priorities of the 2009/11 All Wales Youth Offending Strategy Delivery Plan and six Wales Youth Justice Indicators. This model continues to meet expectations, driving delivery of objectives for the YJB in Wales. The YJPIF also remains on track to deliver a more co-ordinated and consistent monitoring and improvement model for both England and Wales. See also key deliverables for Wales later in this section.

#### Key deliverable 34

**Deliver a programme of efficiency savings to reduce YJB overheads by 10%.**

#### Outcome

We examined budgets across the YJB and all our directors identified savings. As a result, at the start of the financial year 10% efficiency savings were built into our directorate budgets, and all our directors were held to account for delivering these. Overall we delivered the 10% reductions and managed their impact. The year did present challenges with one-off budget pressures for the organisation as a whole including additional accommodation costs beyond the YJB's control.

#### Key deliverable 35

**Implement our new communications strategy to strengthen relationships with stakeholders and increase confidence in the YJB and the youth justice system.**

#### Outcome

Key activities included a new approach to the Youth Justice Service Managers Conference, held successfully in March 2010, where for the first-time we developed the agenda with the support of a panel of practitioners. We also piloted and began roll-out of the *Making Good* reparation scheme and have begun pilots to support YOTs in promoting public confidence. (See also key deliverables 13c and 15).



## Wiring Up Youth Justice

### Key deliverable WUYJ 1

**Consolidate the use of new procedures and new computer systems that have been put in place to ensure they deliver lasting benefit to the youth justice system.**

#### Outcome

Take up of e-Asset, the electronic sentence management system, rose to more than 75% usage in the secure estate, with some sites as high as 90%. This application will be made available to some YOTs as a trial. The Youth Justice Management Information System (YJMIS) established a service for youth justice managers and practitioners to monitor and improve data quality. More generally, we have put in place collective commissioning arrangements so that YOTs, the secure estate and the YJB can jointly drive continued effective management of youth justice information systems. We also invested in information assurance processes to strengthen security across Wiring Up Youth Justice products.

### Key deliverable WUYJ 2

**Support the Association of YOT Managers and YOT Managers Cymru in their plans to develop a new, national case management system as a shared service for YOTs.**

#### Outcome

The first module of the new case management system, supporting YOTs' assessments of young people, went live in six pilot YOTs in March 2010. Across England and Wales, YOT support for the proposed new service is strong and the project team is currently developing options in the light of a financially constrained environment.

### Key deliverable WUYJ 3

**Support the DCSF in the implementation of ContactPoint, the children's information sharing index for England.**

#### Outcome

The CareWorks and CACI ContactPoint system enablement solution, which supports data transfer between the case management systems used by YOTs (YOIS and CareWorks) and the DCSF, was successfully accredited by the DCSF. Also, eAsset 6.1 functions relevant to ContactPoint were developed and tested on time (March 10) by the WUYJ Programme. Next steps are being reviewed due to the recent announcements regarding the future of ContactPoint.

### Key deliverable WUYJ 4

**Improve the exchange of information between YOTs and Probation, and between YOTs and Attendance Centres.**

#### Outcome

We set up an information-sharing project to publish and manage national data standards for youth justice and to improve information sharing between youth justice and partner agencies. The first version of data standards has been published on the YJB website, and information sharing pilots are underway for YOT access to eAsset, to probation and to attendance centres.

### Key deliverable WUYJ 5

**Work with HM Courts Service so that their new national system for magistrates' courts, Libra, can be made available to YOTs.**

#### Outcome

The formal YJB project for Libra ended on 31 March 2010 and the YJB ICT department, in conjunction with Her Majesty's Courts Service (MoJ) and Department of Work and Pensions (Government Connect), has continued to provide a light-touch engagement to complete the technical deployment of Libra to 16 pilot YOTs. The legacy of this work will be the creation of a DWP Government Connect guide to allow for other YOTs to connect to the Libra service if they wish to.

## Wales

**In Wales, we will pursue our key objectives to prevent offending, reduce reoffending, increase victim and public confidence and ensure safe and effective use of custody by:**

### Key deliverable Wales 1

**Overseeing delivery of the *All Wales Youth Offending Strategy (AWYOS)* objectives through the joint chairing of the Youth Justice Committee for Wales and its sub-committees.**

### Outcome

The new Youth Justice Committee for Wales arrangements and sub-committee structure are well embedded, with the YJB and Welsh Assembly Government (WAG) working closely together, and with WAG senior officials chairing a number of committees. This has strengthened oversight of the AWYOS and driven delivery objectives with 94% of milestones met in the first year, against a target of 85%. In particular these arrangements have driven progress in some of the more difficult to achieve objectives, such as the provision of mental health services to Parc Young Offender Institution so that young Welsh people in custody do not need to transfer to facilities in England for these services.

### Key deliverable Wales 2

**Preparing joint guidance for substance misuse work in YOTs in conjunction with the Welsh Assembly Government (WAG) and its Department for Social Justice and Local Government.**

### Outcome

WAG and the YJB worked together to produce joint guidance on substance misuse. Our team in Wales engaged with YOTs and used their knowledge of practices to ensure the guidance met practitioners' needs. The guidance was published in February 2010 and the work has acted as a catalyst for a wider examination of how to improve substance misuse services to all children across Wales.

### Key deliverable Wales 3

**Monitoring national, regional and local performance against the six performance measures in the Wales YOT indicator set.**

### Outcome

The indicators are regularly monitored through the Youth Justice Committee for Wales and its sub-committees. The YJB in Wales has also put in place processes for monitoring the Wales Youth Justice Indicator Set (WYJIS), so that our senior performance and strategy advisors oversee the performance of a portfolio of YOTs. The YJB publishes quarterly reports to YOTs on performance against this data, describing national, regional and local performance and areas that have persistent poor performance receive support. The 2009/10 data shows success, with falls in the number of first-time entrants to the youth justice system (18.9% down from the 2007/08 baseline), reductions in frequency of reoffending (down 33.5% against the 2005 baseline<sup>6</sup>) and a reduction in the rate of use of custody from 6.6% of disposals in 2008/09 to 5.8% in 2009/10.

### Key deliverable Wales 4

**Assisting the Department for Health and Social Services to develop integrated family support services.**

### Outcome

We contributed to drafting legislation, guidance and processes to support Integrated Family Support Services, and published a briefing for YOT workers, police and courts on their interface with the new arrangements. The legislation redefines the way that social services operate in Wales and three pioneer areas are now operational, with multi-agency teams in place to provide family support. We are advising the Welsh Assembly Government on monitoring and oversight of these schemes.

### Key deliverable Wales 5

**Offering advice and knowledge to inform the new inspection arrangements for Children and Young People's Plans by the Care and Social Services Inspectorate for Wales (CSSIW).**

### Outcome

Our support for this work was not required in this area as CSSIW plans changed following the publication of our 2009/10 corporate and business plan.

<sup>6</sup> This is the nine month reoffending rate and is provisional data. The 12 month reoffending rate will be finalised and published at the end of August 2010.

**Key deliverable Wales 6**

**Working with the Children's Commissioner for Wales to embed consultation with, and the participation of, children and young people in the youth justice system.**

**Outcome**

We initiated an important project working in partnership with the Children's Commissioner's Office for Wales, Nacro Cymru (National Association for the Care and Resettlement of Offenders operating in Wales) and the WAG Participation Consortium. With them, we reviewed how increased participation of young people in the youth justice system should deliver tangible positive benefits. As a result, our work on participation is aimed at improving the ability of practitioners to communicate with children using language they can understand and in a style that matches their learning needs. We are working with partners to develop tools for practitioners, with the YJB in Wales managing this work and providing youth justice expertise. The promotion of participation in the youth justice system will lead to benefits such as increasing the extent to which sentences are completed successfully and reducing breach rates and recalls on license.

**Key deliverable Wales 7**

**Implementing the Youth Crime Action Plan in Wales in partnership with the Welsh Assembly Government.**

**Outcome**

Cardiff Youth Offending Service and Newport Youth Offending Service received funding over two years (2009/10 and 2010/11) to implement aspects of the YCAP intensive package. As a result reparation activities are being delivered during evenings and weekends in both areas. Street-based teams are also in place in Newport and the Triage scheme has begun in Newport and Cardiff so that rapid assessments of young people can be made by YOT workers in police custody suites in order to provide timely support to young people.

**Key deliverable Wales 8**

**Consolidating and broadening locally-based resettlement and aftercare provision for children and young people leaving the youth justice system, in particular those leaving custody.**

**Outcome**

We are piloting Resettlement Support Panels in six Welsh YOT areas (nine local authorities). These are a new approach to multi-agency planning for release from custody, based upon youth inclusion and support panels. The panels include partners from YOTs, housing, social services, police, voluntary sector and others. Before a young person is released from custody the panel reviews what training, accommodation or other services they require. To learn lessons from these panels, our team in Wales completed a first round of monitoring visits and published supplementary guidance for pilot areas to help

share learning. Early indications are that young people released from custody are getting better access to the services they need, and an evaluation will take place in 2010/11.

**Key deliverable Wales 9**

**Implementing a Welsh language action plan to provide Welsh learning options for children and young people from Wales housed in secure establishments.**

**Outcome**

All documentation used by the YJB Placements teams now contains a means by which first language choice can be recorded and eAsset now contains a field for recording language choice. YOT case management guidance has been amended to emphasise the importance of establishing and providing for first language Welsh speakers. Staff are now required to identify the young person's first/preferred language on admission to secure establishments.

For those secure establishments most likely to take Welsh young people, Ashfield Young Offender Institution (YOI) now has a Welsh language tutor in place and Eastwood Park YOI fulfils current language requirements for induction, library materials and communication with home. In 2010/11 we will look at ways of providing Welsh classes at Eastwood Park YOI in ways proportionate to the levels of demand.

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## SECTION

# 2

# MANAGEMENT COMMENTARY

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The YJB oversees the youth justice system in England and Wales. This section describes how we operated during 2009/10.

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**The YJB was established on 30 September 1998 as an executive non-departmental public body under the Crime and Disorder Act 1998. During 2009/10 we were jointly sponsored by the Department for Children, Schools and Families – DCSF – (now Department for Education) and the Ministry of Justice, with our Board members appointed by the two Secretaries of State. In May 2010 the Ministry of Justice assumed sole responsibility for the YJB.**

### Principal activities

The YJB oversees the youth justice system in England and Wales. We work to prevent offending and reoffending by children and young people under the age of 18, and to ensure that custody for them is safe, secure, and addresses the causes of their offending behaviour.

Specifically, we:

- advise the Secretary of State (formerly Secretaries of State) on the operation of, and standards for, the youth justice system
- monitor the performance of the youth justice system
- purchase places for, and place, children and young people remanded or sentenced to custody
- identify and promote effective practice
- make grants to local authorities or other bodies to support the development of effective practice
- commission research and publish information.

We base our work on evidence, where this exists.

### Basis of accounts

The statement of accounts has been prepared in a form directed by the Secretary of State issued in accordance with the Crime and Disorder Act 1998 and the Government Financial Reporting Manual (FRoM).

### Auditors

The financial statements are audited by the Comptroller and Auditor General who is appointed by statute. The audit fee is disclosed in note 4 (see page 48) and includes no fees for non audit work (2008/09: NIL).

### Board members and senior management

The Act provides that the YJB shall have between 10 and 12 Board members, appointed by the Secretary of State. Board members are appointed for periods of between three and five years. The Board members who served during the year were:

**Frances Done\***  
(Chair)  
**Dr Alan Billings\***  
**Charles Clark OBE QPM**  
**Chris Holmes CBE**  
(left September 2009)  
**Jennifer Izekeor**  
**Rosanna O'Connor**  
**Graham Robb\***  
**Bob Reitemeier\***  
**Angela Sarkis CBE**  
**David Simpson\***  
**John Wrangham**

The members of the Board have corporate responsibility for ensuring that the YJB properly discharges its statutory functions and complies with statutory and administrative requirements for the use of public funds.

The YJB adopted a *Code of Practice for Members* at its first meeting on 16 October 1998 and this was last revised in April 2009. The code of practice provides for a Register of Members' Interests that is available under the YJB Publication Scheme.

Members of the Board, in consultation with the YJB's sponsoring departments, appoint the chief executive, although they may not give instructions that conflict with the chief executive's duties as the YJB's Accounting Officer. The Accounting Officer's responsibilities are stated on page 35.

The Audit and Risk Committee reviews the YJB's internal control arrangements, the operation of the internal audit service, and the management of risks.

For biographical details of the YJB's Board members, go to [www.yjb.gov.uk/board](http://www.yjb.gov.uk/board)

\* Member of the Audit and Risk Committee.

### Executive Management Group

The executive management group consisted of the Chief Executive, the Director of Corporate Services, the Director of Secure Accommodation, the Director of Strategy, the Director of Performance and the Director of Communications.

#### John Drew

Chief executive

#### Lucy Dawes

Director of performance

#### Brendan Finegan

Director of strategy (to 30 April 2010)

#### Adam Morris

Director of communications

(from 30 November 2009)

#### Martin Skeats

Director of secure accommodation

(from 01 December 2009)

#### Craig Watkins

Director of corporate services

Paul Bowers left as director of secure accommodation on 30 November 2009. Claire Forbes left as director of communications on 30 November 2009. Mike Mackay left as chief information officer on 9 November 2009. Following a restructure of the Wiring Up Youth Justice programme, Andy Weller, as interim chief information officer (from 17 November 2009), acts as an adviser to the executive management group rather than a full member.

The chief executive, as Accounting Officer, ensures all public funds made available to the YJB are used for the purposes intended by Parliament, adequate internal controls are maintained, and proper accounts are prepared. Further details of the responsibilities of the Accounting Officer are given in the statement on page 35.

### Summary of performance against targets

See pages 4 to 24.

### Financial review

The YJB received funding of £504.2m:

- £432.8m (86%) from the Ministry of Justice
- £45.1m (9%) from the DCSF
- £26.1m (5%) from the Home Office
- £0.3m from the Arts Council

The YJB incurred expenditure of £503.9m (excluding the *notional cost of capital charge*).

£305.6m (61%) was used to purchase places for children and young people in secure accommodation compared to £298.0m (61%) in the previous financial year. Demand for beds declined during the year from 2,625 places in March 2009 to 2,209 in March 2010.

The YJB continued to fund community based youth offending teams (YOTs). Effective Practice grants of £52.6m were paid to YOTs, based on the achievement of, or progress towards, performance targets (£53.8m in 2008/09).

Grants of £34.2m were made available to YOTs for Intensive Supervision and Surveillance – a robust community based alternative to custody (£33.2m in 2008/09).

The YJB incurred expenditure of £34.1m on crime prevention programmes (£36.5m in 2008/09). Home Office funding to the YJB for prevention schemes fell by £3m year on year.

£22.1m was incurred on the Wiring Up Youth Justice programme (£16.6m in 2008/09). The development of eAsset sentence management software was a significant in year project.

The YJB's running costs\* of £16.8m represent 3% of total expenditure (£17.0m in 2008/09). One-off expenditure was incurred during 2009/10 on headquarters relocation and an employee early departure scheme.

### Equal opportunities

We have an equal opportunities policy that states that we are committed to ensuring that all eligible persons shall have equality of opportunity for employment and advancement on the basis of their ability, qualifications and suitability for the work.

We aim to set an example of best practice among equal opportunities employers, and consequently the current equal opportunities policy goes beyond the legislative framework within which all United Kingdom employers must operate. The policy states there must be no discrimination, directly or indirectly, against any eligible person on grounds of race, colour, nationality, gender, disability, sexual orientation, religion, or any other irrelevant factor, whether in recruitment, training, promotion or in any other way. It is our policy to follow the codes of practice issued by the Equality and Human Rights Commission. The Director of Corporate Services has overall responsibility for ensuring the policy operates effectively for employment issues.

\* Running costs are defined as the core staff costs of permanent staff and board members (Note 3 on page 47) and of non-programme costs (Note 4 on page 48).

As an organisation, the YJB is committed to promoting equality and embracing diversity. The YJB's Equality and Diversity Strategy reflects this commitment by articulating our duties, our objectives and detailing how we intend to integrate equality and diversity into our core business. The strategy contains our overarching statement of commitment to the equality and diversity agenda, definitions of what we mean when we use the terms "diversity" and "equalities" and informs staff about the type of culture we want to engender at the YJB. The Equality and Diversity Action Plan complements the strategy and is a comprehensive work plan which breaks down the areas of work and responsibilities across directorates. The actions associated with this plan are monitored by the Equality and Diversity project board which meets quarterly and is chaired by the chief executive.

The YJB is also committed to conducting Equality Impact Assessments in any instances where the development or amendment of legislation, policies, strategies, projects or new methods of service delivery are being considered. This ensures our equality duties have been delivered.

### Employee relations

We aim to follow best practice in the management of staff, including giving proper attention to communication, consultation, and motivation of staff. We seek to create an environment in which all employees contribute their best to their own and the YJB's success.

All HR policies are reviewed and amended in line with current employment legislation and best practice, following consultation with employees and trade unions.

Regular meetings are held so information flow, both upward and downward, is maintained. Senior staff have regular meetings with their line managers. A weekly bulletin, *InterCom*, is distributed to all staff. An all-staff conference is held annually.

### Disabled persons

At 31 March 2010, the number of registered disabled people employed was 3 (2009: nil). When advertising posts, we specifically welcome applications from disabled persons. We also operate a scheme whereby disabled persons who meet the criteria for a post are guaranteed an interview. In accordance with the principles set out in our recruitment, selection and induction policy and procedure, we acknowledge that we have a duty under the Disability Discrimination Act 1995 to make reasonable adjustments to the working environment or conditions of appointment that would enable a disabled person to compete for, and carry out, a job on an equal basis.

One of the notable outcomes of the recent relocation of the YJB HQ to Drummond Gate was to significantly improve access and facilities for disabled employees and visitors in comparison to our previous headquarters at Carteret Street.

### Staff absence

The average number of days taken by staff due to sickness was 2.98 in the financial year ending March 2010.

### Pension Liability

Details of how pension liability is treated within the accounts is given in the Remuneration Report (page 31) and Note 1 to the accounts (page 45).

### Environment

The YJB is committed to minimising any negative environmental impact its operations have on wider society. We are seeking to preserve natural resources where possible, improve our use of energy and avoid environmental pollution. In the past year we have relocated our headquarters and sought to ensure that we maintain and improve our recycling capability. We recycle paper, glass, plastic bottles, cardboard packaging, toner cartridges, batteries and mobile phones. We actively support staff in cycling to work and have introduced energy saving measures (e.g. internal lighting and video conferencing). We also aim to reduce the use of paper having centralised photocopying, scanning and printing double-sided. We will benchmark our use of resources in 2010-11 with other organisations and will report on our use of resources at the end of the year.

### Better Payment Practice Code

Our standard terms are to make payments in respect of goods/services within 30 days of receipt of a valid invoice. The target under the Better Payment Practice Code is to pay 95% of the invoices within the agreed terms. A review of invoices paid in the year showed that 90% (2009: 88%) were paid in accordance with that policy.

### Disclosure of relevant audit information

As Accounting Officer, I confirm that there is no relevant audit information of which the auditors are unaware; and that I have taken all the appropriate steps to make myself aware of any relevant audit information, and to establish that the auditors are aware of that information.

### Personal data-related incidents

Further details on our arrangements relating to information assurance and incidents that tested our controls this year are given in the Statement on Internal Control (page 36). No personal data-related incidents were reportable to the Information Commissioner's Office during the year.

### Our principal risks and uncertainties

Our principal risks include:

- Failure of duty of care relating to our secure accommodation functions
- Challenging financial climate
- Ensuring our programmes continue to be aligned to government priorities
- Effectively managing the reputation of the YJB
- Ensuring we have the right people with the right skills in the right roles.

Further details of key risks and countermeasures are provided in the Statement on Internal Control (page 36).

### Future activities

Our plans are published annually in our corporate and business plan, which will be approved by the Ministry of Justice. This document sets out how we plan to deliver, including against the YJB's strategic objectives for 2008-11:

- prevent offending and reduce reoffending by children and young people under the age of 18
- increase victim and public confidence
- ensure safe and effective use of custody.

In addition, we have a key organisational objective to build the YJB's capacity to influence, shape and advise efficiently and effectively across the youth justice system.

For further information on the development and operation of the YJB's business, please refer to the review on page 4, which includes a summary of performance against our targets.

Signed on behalf of the YJB by

### John Drew

Chief Executive and  
Accounting Officer  
Date: 15 July 2010



## SECTION

# 3

# ACCOUNTS 2009/10

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The following section sets out our accounts for 2009/10 and describes our system of internal control.

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# REMUNERATION REPORT

## Remuneration policy

Our staff, whether on permanent or temporary contracts, are subject to levels of remuneration and terms and conditions of service (including superannuation) approved by the Ministry of Justice. Civil Service terms and conditions of service apply to the rates of pay paid to our staff seconded from the Ministry of Justice. Direct employees are paid at equivalent Civil Service rates or at rates approved by the Ministry of Justice. Payment is made in accordance with the Civil Service Management Code, except where prior approval has been given by the Ministry of Justice to vary such rates. We operate a performance-related pay scheme set annually by the Ministry of Justice.

## Service contracts

Appointment of Board members, including the chair, is for a fixed period of up to three years. Re-appointment is possible but members are prevented by statute from serving for a continuous period of more than ten years.

Early termination of Board members' contracts is at the discretion of the Secretary of State, on such financial terms as are deemed appropriate by the Secretary of State with the approval of HM Treasury.

Senior managers are permanent employees who hold appointments which are, unless otherwise stated below, open-ended. Early termination

would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme. Further information about the work of the Civil Service Commissioners can be found at [www.civilservicecommissioners.org.uk](http://www.civilservicecommissioners.org.uk)

## Remuneration committee

Our Remuneration Committee meets annually to agree the appraisal of the chief executive, and to consider his remuneration. The chair is Frances Done, and a quorum for the Committee is at least one other member of the Board plus the chair.

## Remuneration (audited information)

### Board members

In the year ended 31 March 2010, the Board members received remuneration as follows, based on the number of days worked\*.

Name	2010 Remuneration £'000	2010 Benefits in Kind £'000	2010 Total £'000	2009 Total £'000	Start date	Unexpired term from balance 31/03/2010
Frances Done	85	5.7	91	88	01/02/2008	10 months
Graham Robb	18	1.0	19	21	30/09/2007	5 months
Alan Billings	15	0.8	16	14	30/09/2007	5 months
Charles Clark	9	–	9	13	01/03/2007	2 years 10 months
Bob Reitemeier	15	–	15	12	01/06/2006	2 years 2 months
Chris Holmes (to 01/09/2009)	4	–	4	10	12/02/2003	–
Rosanna O'Connor	9	0.1	9	9	11/05/2007	2 years 11 months
Jennifer Izekor	9	–	10	–	09/04/2009	2 years 11 months
Angela Sarkis	9	–	8	–	09/04/2009	2 years
John Wrangham	12	–	12	–	09/04/2009	2 years

\*YJB is not charged by HM Courts Service for David Simpson's services as a Board member.

**Benefits in kind**

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

All Board members are reimbursed for their travel and subsistence costs incurred in attending Board business

at the YJB's central London headquarters and elsewhere. Since Board members are deemed by HMRC to be employees of the YJB, the amounts of these reimbursements are treated as benefits in kind and are disclosed in the table above. The taxation arising on such expenses is borne by the YJB.

The pension entitlements of the YJB chair were as below. None of the other Board members has any pension entitlements associated with their YJB positions.

Name and title	Accrued pension at 60 31/03/10 £'000	Real increase in pension at 60 31/03/10 £'000	Related lump sum at 60 £'000	Real increase in related lump sum at 60 £'000	2010 CETV @ 31/03/10 £'000	2009 CETV @ 31/03/09 £'000	Real increase in CETV £'000
<b>Frances Done</b> Chair	0 – 5	0 – 2.5	–	–	40	19	21

**Senior management**

The salary and pension entitlements of our senior management were as below.

Name and title	2010 Salary £'000	2009 Salary £'000
<b>John Drew</b> Chief executive	135-140	30-35 (135-140 full year equivalent)
<b>Paul Bowers</b> Director of secure accommodation (to 30/11/2009)	75-80 (110-115 full year equivalent)	110-115
<b>Martin Skeats</b> Interim Director of secure accommodation (from 01/12/2009)	25-30 (80-85 full year equivalent)	–
<b>Brendan Finegan</b> Director of strategy (to 30/04/2010)	85-90	95-100
<b>Lucy Dawes</b> Director of performance	90-95	90-95
<b>Craig Watkins</b> Director of corporate services	105-110	85-90 (95-100 full year equivalent)
<b>Claire Forbes</b> Director of communications (to 30/11/2009)	50-55 (70-75 full year equivalent)	55-60 (70-75 full year equivalent)

Mike Mackay, chief information officer, left the YJB on 9 November 2009. The YJB incurred expenditure of £0.179m on his CIO services, agency fees and VAT until 9 November.

Mike then transferred to the Ministry of Justice to work for the department and advise how the approach undertaken to the Wiring Up Youth Justice programme could be successfully applied to the adult system. A further £0.139m was incurred on his services, agency fees and VAT between 10 November 2009 and 31 March 2010. Mike Mackay was employed as a contractor and therefore was not a member of the YJB Senior Management team.

Adam Morris was appointed as interim director of communications on 30th November 2009. £0.031m was paid to Adam Morris Communication Limited for his management services during 2009/10.

**Salary**

Salary includes gross salary; performance pay or bonuses; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is

based on payments made by the YJB and thus recorded in these accounts.

**Compensation**

Brendan Finegan left under Compulsory Early Severance terms on 31 March 2010. He received payment of a compensation lump sum of £150,000. A further £30,000 per

annum and lump sum of £58,000 was preserved until he reaches the age of 60. Brendan Finegan's post will be deleted from the YJB establishment. To comply with the Cabinet office mandate to reduce senior civil servant equivalent costs by 20%, the chief executive is looking to restructure the executive team of the YJB.

**Civil Service Pensions**

Name and title	Accrued pension at 60 £'000	Real increase in pension at 60 £'000	Related lump sum at 60 £'000	Real increase in related lump sum at 60 £'000	CETV @ 31/03/10 £'000	CETV @ 31/03/09* £'000	Real increase in CETV £'000
<b>John Drew</b> Chief executive	0-5	2-2.5	–	–	60	12	48
<b>Paul Bowers**</b> Director of secure accommodation (to 30/11/2009)	25-30	(20-22.5)	–	–	426	671	(245)
<b>Martin Skeats</b> Interim Director of secure accommodation (from 01/12/2009)	10-15	2.5-5	–	–	192	143	49
<b>Brendan Finegan</b> Director of strategy (to 30/04/2010)	30-35	0-2.5	60-65	0-5	522	464	58
<b>Lucy Dawes</b> Director of performance	0-5	0-2.5	–	–	8	–	8
<b>Craig Watkins</b> Director of corporate services	25-30	0-2.5	40-45	0-5	366	320	46
<b>Claire Forbes</b> Director of communications (to 30/11/2009)	0-5	0-2.5	–	–	21	11	10

\*The figure may differ from the closing figure in last year's accounts. This is due to the CETV factors being updated to comply with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008.

\*\*Paul Bowers has taken actuarially reduced retirement and the figures disclosed are based on those 'reduced' figures.

\*\*\*Lucy Dawes was on secondment from the Department for Communities & Local Government until 30/11/09. Lucy became a permanent member of staff on 01/12/09.

\*\*\*\*Where directors left in year the CETV at 31/03/10 is actually the CETV at the given leaving date. Similarly where directors started in year, the CETV at 31/03/09 is actually the CETV at the given start date (except for Martin Skeats, where the CETV at 01/12/09 is unavailable).

**Other details (as required by EPN 268), relating to the pension benefits disclosed above are as follows:**

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes: either a final salary scheme (Classic, Premium, or Classic Plus) or a whole career scheme (nuvos). The statutory arrangements are unfunded, with the cost of benefits met by monies voted by Parliament each year. Pensions payable under Classic, Premium, and Classic Plus and nuvos are increased annually in line with changes in the Retail Prices Index. (RPI). Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a good quality money purchase stakeholder pension with a significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for Classic and 3.5% for Premium, Classic Plus and nuvos. Benefits in Classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For Premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike Classic, there is no automatic lump sum. Classic Plus is essentially a hybrid, with benefits in respect of service before 1 October 2002 calculated broadly as per Classic and benefits for service from October 2002 calculated as in Premium. In nuvos, a member builds up a pension based on their pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March), the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year, and the accrued pension is uprated in line with RPI. In all cases members may opt to give up (commute) pension for lump sum up

to the limits set by the Finance Act 2004. The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a selection of approved products. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

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

Further details about the Civil Service pension arrangements can be found at the website [www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk).

**Cash Equivalent Transfer Value**

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme, or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the pension benefits they

have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total service, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of buying additional pension benefits at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations and do not take account of any actual or potential reduction of benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn.

**Real increase in the value of the Cash Equivalent Transfer Value**

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

The senior managers are ordinary members of the Principal Civil Service Pension Scheme (PCSPS), and are employed by the YJB under permanent contracts, except for the chief information officer and the interim director of communications.

Signed on behalf of the YJB by

**John Drew**  
Chief executive and  
Accounting Officer  
Date: 15 July 2010

# ANNUAL ACCOUNTS FOR YEAR ENDED 31ST MARCH 2010

The Accounting Officer of the Ministry of Justice has designated the Chief Executive of the Youth Justice Board (YJB) as the Accounting Officer for the YJB. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, for keeping proper records and for safeguarding the YJB's assets, are set out in *Managing Public Money*, published by HM Treasury.

## Statement of Accounting Officer's responsibilities

Under the Crime and Disorder Act 1998, the Secretary of State for Justice, with the approval of HM Treasury, has directed the YJB to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the YJB and of its net expenditure, recognised gains and losses and cash flows for the financial year.

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

- observe the Accounts Direction issued by the Secretary of State for Justice, 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 any material departures in the financial statements; and
- prepare the financial statements on a going concern basis.

## Statement on internal control

### Scope of responsibility

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of the YJB's policies, aims and objectives while safeguarding the public funds and assets for which I am personally responsible in accordance with the responsibilities assigned to me in *Managing Public Money*.

In 2009/10, I was accountable to both the YJB Board and Ministers and senior officials in our (then) joint sponsor Departments<sup>1</sup>, the Ministry of Justice (MoJ) and Department for Children, Schools and Families (DCSF)<sup>2</sup>, with day-to-day business carried out in close collaboration with the MoJ/DCSF's Joint Youth Justice Unit.

Formal reporting on progress towards the strategic objectives set out in the YJB's business plan came through our quarterly corporate performance report and monthly/quarterly reporting to three cross-Government Programme Boards overseeing relevant Public Service Agreements (PSAs)<sup>3</sup>. In addition, the chair of the YJB Board and I met our sponsor Ministers in order to review performance, to set the strategic direction and to consider risks to the effective operation of the youth justice system.

The YJB governance structure includes:

### The Board and Committees

The Secretary of State for Justice appoints up to 12 Board members, who establish the organisation's overall strategic direction, ensure that we operate within the limits of our statutory authority, and agree corporate targets recommended by our Executive Management Group (EMG).

A sub-committee structure has been established to support the Board

### Chief executive and Executive Management Group (EMG)

The chief executive ensures that the YJB has a clear aim and targets that are approved by Ministers, and the EMG is in place to plan and deliver them. The EMG helps our organisation meet its corporate targets by agreeing corporate priorities, reviewing budgets and monitoring expenditure, and identifying and managing risk.

### Directorates

The overall YJB executive structure is based around six directorates to support the overall functions and objectives of the YJB. Three of our six directorates – Directorate of Secure Accommodation, Performance Directorate and Strategy Directorate, are responsible for delivering our strategic objectives, while the remaining three – Communications, Corporate Services and ICT – enables and supports them to deliver.

Our regional structure, which is part of the Performance Directorate, helps embed the YJB's work throughout England and Wales, and to develop working relationships at a local level.

### The Wales Business Group

The Wales Business Group has been set up as a way of bolstering our internal governance, understanding and approach, in matters relating to Wales.

The group is chaired by a national manager for Wales, and is made up of staff, nominated by directors, from all of the YJB's directorates to ensure we consider issues for Wales appropriately in all that we do.

### Purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives. It can therefore provide only reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the YJB's policies, aims and objectives; to evaluate the likelihood of those risks being realised and their impact should they be realised; and to manage those risks efficiently, effectively and economically.

The system of internal control has been in place in the YJB both for the year ended 31 March 2010 and up to the date of the approval of the accounts. It accords with HM Treasury guidance.

<sup>1</sup> From May 2010, sponsorship of the YJB became the responsibility solely of the Ministry of Justice.

<sup>2</sup> From May 2010, the Department for Education.

<sup>3</sup> PSAs existed until May 2010.

The main elements of the YJB system of internal control are as follows:

- The annual corporate and business planning process which sets out plans and budgets agreed with the Board and our sponsor departments.
- A committee structure to advise the Board on the YJB's business, which is subject to annual review. The committees are
  - Audit and Risk Committee
  - Remuneration Committee
  - Secure Accommodation Committee
  - Reducing Offending Committee
  - Youth Justice Committee for Wales (works jointly with the Welsh Assembly Government).
- A Serious Incidents Programme Board, whose functions include investigating and monitoring progress against recommendations in all serious incidents involving the death of a child or young person placed by the YJB.
- A corporate risk register which records the identification, assessment and management of risks. It is continuously updated to identify high-level risks and record countermeasures to control and mitigate risk.
- The embedding of risk management in YJB business via the following:
  - Quarterly risk profiling as part of the performance management framework for YOTs;
  - Contracting and monitoring arrangements for secure estate providers; and
  - A risk management framework for the YJB which is reviewed annually by the YJB Audit & Risk Committee and promulgated to all staff.
- A scheme of budget delegation, through directors to heads of unit, which includes monthly profiling of spend and forecasts so that any variance from budget can be quickly identified and available resources used to promote the YJB's objectives.
- A system of control for procurement, grant administration, pay and personnel which includes quarterly reporting to the Director of Corporate Services and a system of spot-checking to provide assurance to the chief executive that controls and procedures have been followed.
- An annual audit plan which identifies and scrutinises the business areas of greatest risk. Progress on internal and external audits as well as Public Accounts Committee recommendations are reported to the Audit and Risk Committee and Departmental Committee Meeting.
- Participation in regular gateway reviews by the Office of Government Commerce for any Private Finance Initiative procurement activity.
- A Business Continuity Plan, subject to an ongoing review, to ensure that a focus on appropriate and current business critical areas is maintained.

#### Capacity to handle risk

The YJB is well placed to manage risks at all levels of the organisation. Under my chairmanship, the YJB's Executive Management Group (EMG) provides leadership by modelling the behaviours and creating the corporate environment necessary for effective risk management across the YJB. The EMG takes ownership of corporate risks and significant risks escalated from programmes and projects, and members are allocated responsibility for owning the implementation of the mitigating actions for specific risks.

The EMG encourages staff to:

- Consider the risks relevant to their work;
- Utilise guidance provided on the YJB's approach to risk management to all staff;
- Access relevant training, including that provided by the Ministry of Justice (for example, Information Assurance training is compulsory for all staff).

For staff leading projects and programmes, the YJB's Change and Governance Unit provides bespoke support, advice and coaching on risk management, as well as general programme management support and reporting to EMG. The Unit also provides a dedicated resource to manage and coordinate the YJB's corporate level risk processes, enhancing the EMG's capacity to monitor and manage risks.

#### The risk and control framework

The YJB's risk management strategy seeks to ensure that adequate systems are in place to manage strategic and corporate risks, risks to policy development and delivery and operational risks (including information risks). It is reviewed annually and the Audit and Risk Committee is an intrinsic part of the process.

Day-to-day responsibility for identifying and managing risks lies with programme and project leads within the YJB's Directorates. The Executive Management Group (EMG), under my leadership, reviews risks on a monthly, quarterly and annual basis, through a formal examination and update of the YJB Corporate Risk Register. Members of EMG are responsible for owning, escalating,



monitoring and managing risks and controls within their areas of direct responsibility. They also demonstrate to the rest of the organisation the YJB's risk appetite, ensuring action is taken to reduce the likelihood that high scoring risks occur and to mitigate the impacts of high and medium scoring risks. On a quarterly basis the Audit and Risk Committee and the Board review the top risks on the corporate risk register, as well as those escalated by EMG. They are also involved in an annual risk review and review of the risk framework.

Risk management is embedded into the YJB's approach to its core business of supporting local authorities' youth offending teams (YOTs) and overseeing the secure estate for young offenders.

The YJB also engages in regular consultation with key stakeholders and partners on risk and specific risks are escalated to sponsor departments as necessary. The YJB has responded to changes to its risk profile, bringing risk management processes into line with that of its sponsor departments. The YJB's corporate risk register has been revised to follow the Ministry of Justice template, which has incorporated further scrutiny of risks.

In 2009/10, all staff were required to undertake information assurance training delivered by the Ministry of Justice in the form of computer based training (CBT). Since then, the Cabinet Office has produced a CBT that is better suited to our requirements. This new training will shortly be undertaken by all members of staff.

### The key risks on the corporate register:

We review the corporate risk register to ensure the following risks are included and reviewed regularly:

#### Safeguarding, duty of care and risk of serious harm

The YJB has commissioned work with a number of partner organisations in the youth justice system to evaluate and manage risks relating to the failure of duty of care in relation to serious incidents. A programme of work is ongoing with respect to the use of restraint in the secure estate, and the YJB is supporting the development of a new behaviour management system for use in young offender institutions and secure training centres.

We have increased staff capability and improved systems within our Placements and Casework Service and will continue to do so as necessary, to ensure that we make the most appropriate placement possible with the resources available. In addition, improved information provision, through our Wiring Up Youth Justice programme, ensures that secure accommodation providers now receive timely, relevant and accurate assessment information for the children and young people arriving at secure establishments.

#### Funding

We continue to work with our funding departments, the Ministry of Justice, the Department for Education and the Home Office on our plans for delivery in the current context of a challenging financial climate.

### Ensuring alignment to Government Priorities

We maintain an overview of emerging Government policy to ensure compatibility with YJB programmes. Our planning arrangements take account of Government priorities, including through consultation with stakeholders, partners and key Departments. We have representation on key Government programme boards and governance arrangements with our sponsor department at official and ministerial level. We also undertake regular bi-lateral meetings with senior officials in other government departments. This work is supported by activity such as stakeholder surveys and engagement with local communities (for example via YOTs and local criminal justice boards) to support our work to continually improve knowledge of and confidence in the youth justice system and to enable local partnerships to deliver on youth justice priorities.

### Review of effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. This is informed by the work of the internal auditors and the executive managers within the YJB who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in their management letters and other reports. Based on the specific reviews undertaken in 2009/10, as well as the ongoing processes to review and maintain the effectiveness of the system outlined below, a plan to address weaknesses and ensure continuous improvement of the system is in place:

## Specific reviews during 2009/10:

- A review of the YJB's governance and operating arrangements, *Safeguarding the Future*, was co-chaired by Dame Sue Street and Frances Done, Chair of the YJB. This was the first time that these arrangements had been examined since the YJB was established in 1998. The report examined the role, relationships, power and levers of the YJB and has set out a series of recommendations as to how the organisation can and should achieve better value for money. This review was informed by a report on the effectiveness of the YJB Board, and its relationship with its Civil Service sponsor unit, produced by William Roe Associates. Both of these reports contain important recommendations for YJB governance, which we will take forward subject to the Government's response to the reviews.
- The NAO reviewed the Youth Offending Team Case Management Service (YOT CM Service) project and made recommendations regarding governance arrangements on monitoring programmes and projects. As a result, we have put in place a Project Management Office to ensure risks are assessed appropriately and that there are no conflicts of interest between programmes and projects.
- A firm of accountants (Moore Stephens LLP) visited 10 YOTs to carry out an independent review of expenditure on behalf of the YJB. The purpose of the review was to obtain evidence that expenditure was regular and accorded with YJB grant conditions. The results of the review provided assurance that YJB grants to YOTs were utilised for the purposes intended.

Terms and conditions have been reviewed and changes made to the 2010/11 grant delegations. A further, more fundamental review of the use of grants will also be undertaken during 2010/11.

- An internal fraud risk self assessment was undertaken during the year. Senior managers identified processes and activities at risk of fraud. The nature and extent of vulnerability in each area was assessed based on the following criteria: inherent exposure, history, impact and likelihood. The conclusion drawn from the review was that the YJB's exposure to fraud is low.
- We continued to respond to recommendations made in the two value-for-money reports issued in 2004: the Audit Commission's report *Youth Justice 2004: A Review of the Reformed Youth Justice System* and the National Audit Office's report *Youth Offending: The Delivery of Community and Custodial Sentences* (report by the Comptroller and Auditor General HC 190 Session 2003–2004: 21 January 2004). Implementation of the recommendations has improved significantly and been classified as "on track" by NAO following the most recent review in December 2009.

## Ongoing YJB processes:

- The Audit and Risk Committee meet each quarter to consider the YJB's systems for risk management, financial control and corporate governance. After each meeting, the Committee provides advice to the YJB's Board and to me on the adequacy of those systems.

- MoJ's Internal Audit Team, operating to the standards set out in HM Treasury's *Government Internal Audit Standards*, draws up its audit plans based on an analysis of the risk to which the YJB is exposed and discussions with members of the Executive Management Group. The plans are endorsed by the Audit and Risk Committee and approved by me. Implementation of the recommendations of the subsequent internal audit reviews are monitored by the YJB Audit & Risk Committee and the Departmental Committee (which includes officials from the YJB's sponsor department) on a quarterly basis. At least annually, the head of internal audit provides me with a report on the internal audit activity in the YJB. The report includes internal audit's independent opinion on the effectiveness of the YJB's system of internal controls, risk management and governance, together with recommendations for improvement. During 2009/10, internal audit's work programme comprised 12 areas for review selected in discussion with the YJB. In addition the YJB conducted its own fraud risk review. The Internal Audit report for 2009/10 concluded that governance and control arrangements still need to be further strengthened, but that the chief executive can take a high/medium level of assurance. This is an improvement on the previous year, with YJB management focusing attention on perceived areas of greatest vulnerability and responding positively to audits.

- Spot-checking of controls is undertaken by senior managers on a quarterly basis. During 2009/10 findings were reported to me in quarterly certificates to confirm that managers had understood and followed procedures. The certificates and documentary evidence provided me with evidence that independent checks were completed on the systems of control and ensured that the procedures necessary to implement the HM Treasury guidance for the 2009/10 financial year were in place. In the forthcoming year, the Executive Management Group (EMG) will review and discuss the results of these checks on a quarterly basis.
- Checks are also routinely conducted by line managers and the Finance team on travel and subsistence claims and we have ensured that financial guidelines have been reviewed and all staff have been reminded about the guidance. EMG has also decided, following a review of Government Procurement Card (GPC) usage within the YJB, to greatly reduce the number of cards and where appropriate, restrict the use of these. This decision will aid in further reducing expenditure and the risk of fraud.
- We will continue to review internal systems and work with Internal Audit to make certain our controls prevent and/or detect fraudulent behaviour.
- We are committed to investing in our people. There is a regular programme of training which enables staff to keep up to date with relevant skills, whilst also improving communication and leadership. We will continue to ensure that comprehensive induction and security clearance is provided for all new starters.

- During 2010/11 EMG will review the Statement of Internal Control (SIC) at regular intervals to ensure that we understand and have actioned the content. The Audit & Risk Committee will continue to discuss and review the SIC and provide feedback to EMG which will provide valuable input for future planning and assurance.

#### Significant internal control issues

There were two incidents during 2009/10 which tested the YJB's control procedures.

- In June 2009, there was a break-in at the YJB's accommodation housing the Wiring up Youth Justice Team during which laptops and hard drives were stolen. No young person's personal information was lost as a result of the incident. The necessary escalation and reporting process was followed and security actions (such as changing passwords) were taken to ensure any risk to YJB systems and data was minimised. The police were involved in the incident which they concluded was opportunistic.
- A case management application that is used by YOTs to deal with referrals, information exchanges and monitoring as well as to compile and send reports was compromised. It transpired that there were some instances of asset reports containing incorrect information to that entered by YOTs. This presented the possibility that, as a consequence, inappropriate decisions might be taken by YOT workers in relation to the young people in their care. Manual systems were put in place to ensure that all information transcription was correct and all YOTs underwent system integration and testing for

connectivity. They completed user acceptance testing. In conjunction with this, the roll-out of a fix to ensure all information entered in the case management system was the same as that received, went to all subscribed YOTs and a User Manual was provided.

I am able to report that there were no significant weaknesses in the YJB's system of internal control in 2009/10. The above incidents did not detrimentally affect the achievement of the YJB's key aims and objectives and were dealt with appropriately.

#### John Drew

Chief Executive and  
Accounting Officer  
Date: 15 July 2010

# 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 the Youth Justice Board for the year ended 31 March 2010 under the Crime and Disorder Act 1998. These comprise the Net Expenditure Account, the Statement of Financial Position, the Statement of Cash Flows, the Statement of 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 Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Chief Executive as Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with 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 Youth Justice Board's circumstances and have been

consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Youth Justice Board; and the overall presentation of the financial statements.

In addition, I am required to obtain evidence sufficient to give reasonable assurance that the expenditure and income reported in the financial statements have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

## Opinion on Regularity

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions 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 Youth Justice Board's affairs as at 31 March 2010 and of its net expenditure, changes in taxpayers' equity and cash flows for the year then ended; and
- the financial statements have been properly prepared in accordance with the Crime and Disorder Act 1998 and directions issued thereunder by the Secretary of State for Justice.

## Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with the Crime and Disorder Act 1998 and

directions issued thereunder by the Secretary of State for Justice; and

- the information given in the Management Commentary and Summary of Performance, included within the Annual 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
- the financial statements are not in agreement with the accounting records or returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement of Internal Control does not reflect compliance with HM Treasury's guidance.

## Report

I have no observations to make on these financial statements.

## Amyas C E Morse

Comptroller and Auditor General  
National Audit Office  
157-197 Buckingham Palace Road  
Victoria  
London SW1W 9SP

Date: 16 July 2010

# ACCOUNTS

## Net Expenditure Account for the year ended 31 March 2010

	Notes	2009-10 £'000	Restated 2008-09 £'000
<b>Expenditure</b>			
Staff costs	3	14,970	12,742
Depreciation	4	3,510	2,994
Amortisation	4	248	–
Other expenditure	4	485,334	480,351
<b>Net Expenditure after cost of capital charge</b>		<b>504,062</b>	<b>496,087</b>
Cost of capital reversal		(2,117)	(2,447)
Interest payable	4	2,225	3,653
Interest receivable	5	(289)	(1,558)
<b>Net Expenditure after interest</b>		<b>503,881</b>	<b>495,735</b>

All results arise from continuing activities.

The notes on pages 45 to 55 form part of these accounts.

## Statement of Financial Position as at 31 March 2010

	Notes	2010 £'000	Restated 2009 £'000	Restated 2008 £'000
<b>Non-current assets</b>				
Property, plant & equipment	6	75,134	81,562	99,477
Intangible assets	7	991	1,054	–
<b>Total non-current assets</b>		<b>76,125</b>	<b>82,616</b>	<b>99,477</b>
<b>Current assets</b>				
Trade and other receivables	9	8,147	10,065	5,155
Cash and cash equivalents	10	24,033	24,581	19,587
<b>Total current assets</b>		<b>32,180</b>	<b>34,646</b>	<b>24,742</b>
<b>Total assets</b>		<b>108,305</b>	<b>117,262</b>	<b>124,219</b>
<b>Current liabilities</b>				
Trade and other payables	11	(24,423)	(25,927)	(16,713)
<b>Total current liabilities</b>		<b>(24,423)</b>	<b>(25,927)</b>	<b>(16,713)</b>
<b>Non-current assets plus net current assets</b>		<b>83,882</b>	<b>91,335</b>	<b>107,506</b>
<b>Non-current liabilities</b>				
Trade and other payables	11	(25,875)	(28,356)	(30,667)
<b>Total non-current liabilities</b>		<b>(25,875)</b>	<b>(28,356)</b>	<b>(30,667)</b>
<b>Assets less liabilities</b>		<b>58,007</b>	<b>62,979</b>	<b>76,839</b>
<b>Taxpayers' Equity</b>				
Revaluation reserve		7,950	13,523	27,365
General reserve		50,057	49,456	49,474
<b>Total capital and reserves</b>		<b>58,007</b>	<b>62,979</b>	<b>76,839</b>

### John Drew

Chief executive and Accounting Officer

Date: 15 July 2010

The notes on pages 45 to 55 form part of these accounts.

## Statement of Cash Flows for the year ended 31 March 2010

	Notes	2010 £'000	Restated 2009 £'000
<b>Cash flows from operating activities</b>			
<b>Net Expenditure after interest</b>		<b>(503,881)</b>	<b>(495,735)</b>
Depreciation & amortisation	4	3,758	2,994
Loss on re-indexation of non-current assets	4	703	1,687
Loss on write-off of non-current assets	4	83	–
Interest received		289	1,558
Interest paid		(415)	(2,039)
Decrease/(Increase) in trade and other receivables	9	1,918	(4,910)
(Decrease)/Increase in trade and other payables, excluding interest and PFI liabilities	11	(1,547)	9,536
Movements in payables relating to items not passing through Net Expenditure account	6	(258)	–
<b>Net cash outflow from operating activities</b>		<b>(499,350)</b>	<b>(486,909)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	6	(2,905)	(178)
Purchase of Intangible asset	7	(185)	(1,054)
<b>Net cash outflow from investing activities</b>		<b>(3,090)</b>	<b>(1,232)</b>
<b>Cash flows from financing activities</b>			
Grant-in-Aid from Ministry of Justice		432,750	431,697
Grants from Home Office		26,075	29,379
Grants from Arts Council		250	250
Grant funding from DCSF		45,127	33,961
Capital Element of payments in respect of on-balance sheet PFI contracts		(2,310)	(2,152)
<b>Net Financing</b>		<b>501,892</b>	<b>493,135</b>
<b>Net (Decrease)/Increase in cash and cash equivalents in the period</b>	10	<b>(548)</b>	<b>4,994</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>24,581</b>	<b>19,587</b>
<b>Cash and cash equivalents at the end of the period</b>		<b>24,033</b>	<b>24,581</b>

The notes on pages 45 to 55 form part of these accounts.

## Statement of changes in Taxpayers' Equity for the year ended 31 March 2010

	Notes	Revaluation reserve £000	General reserve £000	Total reserves £000
<b>Balance as at 31 March 2008</b>		27,365	49,474	76,839
Changes in accounting policy		–	–	–
Restated balance at 1 April 2008		<b>27,365</b>	<b>49,474</b>	<b>76,839</b>
<b>Changes in Taxpayer's equity 2008-09</b>				
Net (loss) on revaluation of property, plant and equipment		(13,411)	(1,687)	(15,098)
Release of reserves to the General reserve		(431)	431	–
Non-cash charges – cost of capital	4	–	2,447	2,447
Transfers between reserves		–	–	–
Retained (Deficit)		–	(496,495)	(496,495)
<b>Total recognised income and expense for 2008-09</b>		<b>(13,842)</b>	<b>(495,304)</b>	<b>(509,146)</b>
Grant from Parent		–	495,286	495,286
Balance at 31 March 2009		<b>13,523</b>	<b>49,456</b>	<b>62,979</b>
<b>Changes in Taxpayers' equity for 2009-10</b>				
Net (loss) on revaluation of property, plant and equipment		(5,294)	–	(5,294)
Release of reserves to the General reserve		(279)	279	–
Non-cash charges – cost of capital	4	–	2,117	2,117
Transfers between reserves		–	–	–
Retained Surplus/(Deficit)		–	(505,997)	(505,997)
<b>Total recognised income and expense for 2009-10</b>		<b>(5,573)</b>	<b>(503,601)</b>	<b>(509,174)</b>
Grant from Parent		–	504,202	504,202
<b>Balance at 31 March 2010</b>		<b>7,950</b>	<b>50,057</b>	<b>58,007</b>

The notes on pages 45 to 55 form part of these accounts.

# NOTES TO THE ACCOUNTS

## 1. Accounting Policies

### Basis of Accounts

These financial statements have been prepared in accordance with the Government Financial Reporting Manual (FReM) issued by HM Treasury. They are in a form as directed by the Secretary of State for Justice with the approval of Treasury and in accordance with section 41 of, and Schedule 2 to the Crime and Disorder Act 1998.

The following principal accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

#### a. Principal accounting policies

The accounts are prepared under the historical cost convention, modified to include non-current assets at their value to the business by reference to current costs. Without limiting the information given, the accounts meet the accounting and disclosure requirements of the Companies Act and accounting standards issued or adopted by the Accounting Standards Board so far as those requirements are relevant. The accounts are also consistent, where appropriate, with International Financial Reporting Standards (IFRS).

#### b. Net expenditure

Net expenditure is wholly attributable to the YJB's goal of providing leadership in the youth justice system. For this reason, it is not deemed necessary to disclose results by segment. The disclosure requirements of IAS 8 (Operating Segments) are met by Note 4 (Youth Justice Programme Expenditure). There is no income or expenditure relating to geographical areas outside the United Kingdom.

#### c. Grant-in-Aid

The YJB is principally funded by grant-in-aid received from the Ministry of Justice which is accounted for when received. Grant-in-Aid and Grant received to finance activities and expenditure which support the statutory and other objectives of the YJB are treated as financing, credited to the General Reserve, because they are regarded as contributions from a controlling party.

#### d. Grant Expenditure

Grants payable in respect of YJB expenditure are accounted for on an accruals basis. A liability is deemed to arise when the grant recipient carries out the specific activity, which forms the basis for entitlement. Funds provided, which have not been fully utilised by the grantee, are disclosed as a prepayment in the statement of financial position.

#### e. Value Added Tax

The YJB is not eligible to recover Value Added Tax (VAT) incurred and all costs are shown inclusive of any VAT charged.

#### f. Non-current assets

Tangible and Intangible Assets are capitalised if they are intended for use on a continuous basis for more than one year and their original cost, on an individual or grouped basis, is £1,000 or more. The cost of furniture is not capitalised (treated as expenditure in the year of acquisition).

Internal software development costs on projects are capitalised as Intangible Assets under IAS 38 where those projects are deemed to support future service delivery of YJB itself.

Professional valuations of freehold land and buildings are obtained approximately every three years and modified in the intervening years by use of appropriate indices. Buildings are valued on an existing use basis. The valuations are in accordance with Royal Institution of Chartered Surveyors (RICS) guidance. A surplus is taken to the revaluation reserve. A deficit is taken to the revaluation reserve only to the extent that a surplus for that particular asset exists within the revaluation reserve. Any further deficit is taken to the net expenditure account. Increased depreciation charges arising from the revaluation are matched by transfers from the revaluation reserve to the net expenditure account.

Modified Historic Cost Accounting is used as a proxy for fair value since the IFRS Financial Reporting Manual (FReM) does not allow the application of this cost model.

Other non-current Assets are valued at current replacement cost by using the *Price Index Numbers for Current Cost Accounting* published by the Office for National Statistics, except in the year of acquisition when their current and historical cost will not be materially different, or in subsequent years when the difference is immaterial.



Land and buildings at the four STC sites were professionally revalued by independent surveyors, Lambert Smith Hampton and CB Richard Ellis, at 31 March 2009. In the periods between professional revaluations, STC sites are valued at current cost by using published price indices.

Intangible non-current assets are generally not revalued or indexed but maintained at cost less depreciation or amortisation unless they have a readily ascertainable market value, in which case this valuation is used.

It is the Board's policy to charge a full year's depreciation charge in the first year (i.e. the year of acquisition), in which assets are recognised.

**g. Depreciation**

Depreciation is provided on all non-current assets, except land, on a straight-line basis to write off the cost or valuation (less any estimated residual value) evenly over the asset's anticipated life as follows.

Buildings core	Forty years for Hassockfield STC Fifty years for Medway, Oakhill and Rainsbrook STCs
Buildings machine and electrical equipment	Twenty-five years
Information Technology	Three years
Internally developed computer software	Five years
Office equipment	Five years
Leasehold improvements – Drummond Gate HQ (3 year lease)	Three years

**h. Cost of Capital Charge**

In accordance with Treasury's Financial Reporting Manual (FRM), a notional charge for the cost of capital employed in the year is included in the net expenditure account in arriving at the operating surplus or deficit along with an equivalent reversing entry in the net expenditure account. The charge for the year is calculated using the Treasury's discount rate of 3.5% applied to the mean value of capital employed during the year. The value of capital employed excludes the value of assets donated to the YJB.

**i. Research & Development**

Research expenditure into the evaluation of good practice within the youth justice system is written off fully in the period incurred. Software development costs are capitalised under IAS 38 as Intangible Assets where expenditure is deemed to support future service delivery by the YJB itself. Expenditure incurred on other Wiring Up Youth Justice projects is written off fully in the period incurred.

**j. Pensions**

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

**k. Operating Leases**

Operating lease expenditure is written off in the year in which it is incurred.

**l. Private Finance Initiative transactions**

Private Finance Initiative (PFI) transactions are accounted for in accordance with *Financial Reporting Manual (FRM) IAS 17 and IFRIC 12*. Where the balance of risks and rewards of ownership of the PFI property are borne by the YJB, the property is recognised as a non-current asset and the liability to pay for it accounted for as a finance lease. Contract payments are apportioned between an imputed finance lease charge and a service charge. The YJB has not entered into any off-balance sheet PFI contracts.

**m. STC Remands**

The YJB recovers one-third of the cost of remands made to secure training centres from local authorities. The net cost of STC placements is disclosed in the Financial Statements.

## 2. First-time adoption of IFRS

	General reserve £'000	Revaluation reserve £'000	Total £'000
Taxpayers' equity at 31 March 2009	48,473	13,523	61,996
Adjustments for:			
IAS19 Leave Accrual	(71)	–	(71)
IAS38 In-house software	1,054	–	1,054
<b>Taxpayers' equity at 31 March 2009 under IFRS</b>	<b>49,456</b>	<b>13,523</b>	<b>62,979</b>
Net Expenditure for 2008-9 under UK GAAP			496,718
Adjustments for:			
IAS19 Leave Accrual			71
IAS38 In-house software			(1,054)
<b>Net Expenditure for 2008-9 under IFRS</b>			<b>495,735</b>

## 3. Staff Numbers and related costs

	Board Members £'000	Permanent Staff £'000	Other (including agency) staff costs £'000	2010 Total £'000	2009 Total £'000
<b>Core Staff Costs</b>					
Wages and salaries	181	9,180	2,806	12,167	10,239
Social security costs	15	719	132	866	750
Other pension costs	21	1,609	307	1,937	1,753
	<b>217</b>	<b>11,508</b>	<b>3,245</b>	<b>14,970</b>	<b>12,742</b>
<b>Wiring up Youth Justice Staff Costs (Included within Programme Costs)</b>					
Wages and salaries	–	1,964	9,843	11,807	8,694
Social security costs	–	35	–	35	51
Other pension costs	–	(59)	–	(59)	118
	<b>–</b>	<b>1,940</b>	<b>9,843</b>	<b>11,783</b>	<b>8,863</b>

The cost of contractors and permanent staff employed on the Wiring Up Youth Justice programme is disclosed above, and forms part of the total cost of that programme as disclosed in Note 4. No staff costs were capitalised.

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme, but the YJB is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2007. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk)).

For 2009/10, employers' contributions of £1.879 million were payable to the PCSPS (2008/09 £1.871 million) at one of four rates in the range 16.7% to 24.3% of pensionable pay, based on salary bands. The scheme actuary reviews employer contributions every four years following 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.

Employees can opt to open a partnership pension account or a stakeholder pension with an employer contribution. No employees have taken this option during 2009/10 year (Nil in 2008/09). There were no contributions due to the partnership pension providers at the statement of financial position date.

### Average number of persons employed

The average number of whole-time equivalent persons employed by the YJB during the year, was as follows:

	2010	2009
Permanent and seconded staff	286	269 (Restated)
Temporary staff	106	101 (Restated)
<b>Total</b>	<b>392</b>	<b>370 (Restated)</b>

The increase in staff numbers is due to temporary staff working on change programmes, including the Scaled Approach, Secure Estate Planning and Capital Development teams.

## 4. Other Expenditure

	Notes	2010 £'000	2009 £'000
Accommodation costs		1,419	1,559
Audit fee external		49	47
Audit fee internal		118	65
Board meetings		78	99
Communications		728	742
Conferences		175	198
Consultancy		524	991
General administration		349	346
IT costs		65	316
Legal costs		173	298
Personnel costs		636	1,051
Professional fees		31	53
Loss on write-off of non-current assets	6	83	–
Travel and subsistence		661	886
<b>Programme Expenditure</b>			
Young offender institutions (HM Prison Service and PFI prisons) including escorts		214,291	205,362
Secure children's homes		39,812	42,221
Secure training centres		51,467	50,369
Direct YOT funding		52,551	53,761
Intensive Supervision & Surveillance		34,179	33,166
Crime prevention programmes		34,106	36,479
Substance misuse		14,007	18,103
Wiring Up Youth Justice ICT programme		22,082	16,598
Community education and youth justice practitioner training		9,370	9,629
Other grants for intervention programmes		2,415	2,651
Research		662	993
Other programme expenditure		2,483	234
<b>Net Expenditure for the year excluding Staff Costs</b>		<b>482,514</b>	<b>476,217</b>
<b>Non-cash costs</b>			
(Gain)/Loss on indexation of non-current assets other than land and buildings		(36)	33
Loss on Land & Buildings revaluation		739	1,654
Cost of capital charge		2,117	2,447
<b>Total pre interest and depreciation</b>		<b>485,334</b>	<b>480,351</b>
<b>Interest</b>			
Interest Receivable	5	(289)	(1,558)
Interest Payable to Ministry of Justice		289	1,558
Interest Payable PFI Debt		1,936	2,095
<b>Non-cash costs</b>			
Depreciation	6	3,510	2,994
Amortisation	7	248	–
<b>Total</b>		<b>491,028</b>	<b>485,440</b>

YJB paid capital grants of £9.56m to NOMS for infrastructure development projects at young offender institutions.

Included in the Programme Expenditure is the PFI Service Element of £48.050 million which was paid during the year (2008/09 £47.016 million).

Included in the external audit fee for 2009/10 is £5 thousand relating to the NAO's audit of YJB's restated 31 March 2009 "shadow" balance sheet prepared under International Financial Reporting Standards (IFRS), as required by HM Treasury's timetable for cross-government transition to these standards.

The apparent increase in internal audit fees is due to an under accrual in the prior year figures.

## 5. Income

	2010 £'000	2009 £'000
The YJB earned interest on funds deposited at the bank, which is payable to the Ministry of Justice.	289	1,558

Secure training centre remand income from local authorities amounted to £5.014 million during the 2009/10 year (2008/09: £3.728 million), as per the accounting policy this is netted off against the secure training expenditure in note 4.

## 6. Property, plant &amp; equipment

	Land £'000	Buildings £'000	Information technology £'000	Office equipment £'000	Leasehold improvements £'000	Total £'000
<b>Cost/Valuation at 01 April 2009</b>	10,097	88,556	1,389	63	885	100,990
Additions	–	–	99	–	3,064	3,163
Disposals/Write-offs	–	–	(287)	(61)	(871)	(1,219)
Revaluation/Indexation	(750)	(6,583)	92	–	(13)	(7,254)
<b>Cost/Valuation at 31 March 2010</b>	9,347	81,973	1,293	2	3,065	95,680
<b>Depreciation at 01 April 2009</b>	–	17,448	1,117	62	801	19,428
Charge for the year	–	2,184	221	1	1,104	3,510
Disposals/Write-offs	–	–	(204)	(61)	(871)	(1,136)
Revaluation/Indexation	–	(1,298)	55	–	(13)	(1,256)
<b>Depreciation at 31 March 2010</b>	–	18,334	1,189	2	1,021	20,546
<b>Net Book Value at 31 March 2010</b>	<b>9,347</b>	<b>63,639</b>	<b>104</b>	<b>–</b>	<b>2,044</b>	<b>75,134</b>
<b>Asset financing:</b>						
Owned	–	–	104	–	–	104
Finance Leased	–	–	–	–	2,044	2,044
On-balance sheet PFI contracts	9,347	63,639	–	–	–	72,986
<b>Net book value at 31 March 2010</b>	<b>9,347</b>	<b>63,639</b>	<b>104</b>	<b>–</b>	<b>2,044</b>	<b>75,134</b>

Additions during the year include a capital accrual of £0.258 million.

Land and buildings at the four STC sites were professionally revalued by independent surveyors, Lambert Smith Hampton and CB Richard Ellis, at 31 March 2009. The revaluations are based on the Depreciated Replacement Cost of the Buildings i.e. their value in existing use, in accordance with the methodology described in the RICS Appraisal and Valuation Manual. All land and buildings are held under PFI contracts (see Note 13), at the end of which the ownership of the relevant freeholds will revert to YJB. Other non-current assets were revalued using published price indices.

	Land £'000	Buildings £'000	Information technology £'000	Office equipment £'000	Leasehold improvements £'000	Total £'000
<b>Cost/Valuation at 01 April 2008</b>	17,289	98,090	1,283	63	882	117,607
Additions	–	–	178	–	–	178
Disposals/Write-offs	–	–	(1)	–	–	(1)
Revaluation/Indexation	(7,192)	(9,534)	(71)	–	3	(16,794)
<b>Cost/Valuation at 31 March 2009</b>	10,097	88,556	1,389	63	885	100,990
<b>Depreciation at 01 April 2008</b>	–	16,751	795	60	524	18,130
Charge for the year	–	2,359	358	2	275	2,994
Disposals/Write-offs	–	–	(1)	–	–	(1)
Revaluation/Indexation	–	(1,662)	(35)	–	2	(1,695)
<b>Depreciation at 31 March 2009</b>	–	17,448	1,117	62	801	19,428
<b>Net Book Value at 31 March 2009</b>	<b>10,097</b>	<b>71,108</b>	<b>272</b>	<b>1</b>	<b>84</b>	<b>81,562</b>

## 6. Property, plant &amp; equipment (continued)

	Land £'000	Buildings £'000	Information technology £'000	Office equipment £'000	Leasehold improvements £'000	Total £'000
<b>Asset financing:</b>						
Owned	–	–	272	1	–	273
Finance leased	–	–	–	–	84	84
On-balance sheet PFI contracts	10,097	71,108	–	–	–	81,205
<b>Net book value at 31 March 2009</b>	<b>10,097</b>	<b>71,108</b>	<b>272</b>	<b>1</b>	<b>84</b>	<b>81,562</b>
<b>Cost/Valuation at 01 April 2007</b>	15,560	88,281	951	63	851	105,706
Additions	–	–	498	–	–	498
Disposals	–	–	(175)	–	–	(175)
Revaluation/Indexation	1,729	9,809	9	–	31	11,578
<b>Cost/Valuation at 31 March 2008</b>	17,289	98,090	1,283	63	882	117,607
<b>Depreciation at 01 April 2007</b>	–	12,693	518	56	421	13,688
Charge for the year	–	2,648	335	4	88	3,075
Disposals	–	–	(61)	–	–	(61)
Revaluation/Indexation	–	1,410	3	–	15	1,428
<b>Depreciation at 31 March 2008</b>	–	16,751	795	60	524	18,130
<b>Net Book Value at 31 March 2008</b>	<b>17,289</b>	<b>81,339</b>	<b>488</b>	<b>3</b>	<b>358</b>	<b>99,477</b>
<b>Asset financing:</b>						
Owned	–	–	488	3	–	491
Finance Leased	–	–	–	–	358	358
On-balance sheet PFI contracts	17,289	81,339	–	–	–	98,628
<b>Net book value at 31 March 2008</b>	<b>17,289</b>	<b>81,339</b>	<b>488</b>	<b>3</b>	<b>358</b>	<b>99,477</b>

## 7. Intangible Assets

	Inhouse Software Development £'000	Total £'000
<b>Cost/Valuation at 01 April 2009</b>	1,054	1,054
Additions	185	185
Disposals	–	–
Revaluation/Indexation	–	–
<b>Cost/Valuation at 31 March 2010</b>	1,239	1,239
<b>Depreciation at 01 April 2009</b>	–	–
Charge for the year	248	248
Disposals	–	–
Revaluation/Indexation	–	–
<b>Depreciation at 31 March 2010</b>	248	248
<b>Net Book Value at 31 March 2010</b>	<b>991</b>	<b>991</b>
<b>Asset financing:</b>		
Owned	991	991
Finance Leased	–	–
On-balance sheet PFI contracts	–	–
<b>Net book value at 31 March 2010</b>	<b>991</b>	<b>991</b>
<b>Cost/Valuation at 01 April 2008</b>	–	–
Transfers	1,054	1,054
Additions	–	–
Disposals	–	–
Revaluation/Indexation	–	–
<b>Cost/Valuation at 31 March 2009</b>	1,054	1,054

## 7. Intangible Assets (continued)

	Inhouse Software Development £'000	Total £'000
<b>Depreciation at 01 April 2008</b>	–	–
Charge for the year	–	–
Disposals	–	–
Revaluation/Indexation	–	–
<b>Depreciation at 31 March 2009</b>	–	–
<b>Net Book Value at 31 March 2009</b>	<b>1,054</b>	<b>1,054</b>
<b>Asset financing:</b>		
Owned	1,054	1,054
Finance Leased	–	–
On-balance sheet PFI contracts	–	–
<b>Net book value at 31 March 2009</b>	<b>1,054</b>	<b>1,054</b>

There were no intangible assets in 2007/08

## 8. Financial Instruments

International Financial Reporting Standard IFRS 7, *Financial Instruments: Disclosures*, requires disclosure of the role which financial instruments have had during the year in creating or changing the risks an entity faces in undertaking its activities. At the year end, there were funds on short term deposit, but short term assets and liabilities are excluded from IFRS 7. Because of the largely non-trading nature of its activities and the way in which non-departmental public bodies are financed, the YJB is not exposed to the degree of financial risk faced by business entities.

Moreover, financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which IFRS 7 mainly applies. The YJB has no powers to borrow or purchase foreign currency with grant-in-aid. Surplus grant may be held on deposit, but interest must be repaid to the Ministry of Justice. Financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing the YJB in undertaking its activities.

### Credit risk

The YJB's net revenue resource requirements are financed by submitting plans to the Ministry of Justice annually, as is its capital expenditure. The YJB is, therefore, not exposed to significant credit risks.

### Liquidity risk

The YJB's net revenue resource requirements are financed by submitting plans to the Ministry of Justice annually, as is its capital expenditure. The YJB is, therefore, not exposed to significant liquidity risks.

### Market risk

The YJB has no long term interest bearing deposits, and any interest earned on short term deposits is paid to the Ministry of Justice. There is an imputed interest cost for the PFI creditor calculated at 8% for all STCs, except for Oakhill where the rate is 5.5%. As this is a fixed rate for the term of the contract, the YJB does not face market risk.

### Interest rate profile

The following table shows the interest rate and currency profiles of the YJB's financial liabilities.

At 31 March 2010	Total £'000	Fixed rate financial liabilities £'000	Fixed rate	Weighted average Period until maturity Years
Sterling – Medway STC	2,233	2,233	8%	3 years, 1 month
Sterling – Rainsbrook STC	2,689	2,689	8%	4 years, 2 months
Sterling – Hassockfield STC	3,317	3,317	8%	4 years, 6 months
Sterling – Oakhill STC	20,118	20,118	5.5%	19 years, 5 months
<b>Total</b>	<b>28,357</b>	<b>28,357</b>		

The financial liabilities included above all relate to PFI projects.

### Foreign currency risk

All material assets and liabilities are denominated in sterling, so the YJB is not exposed to currency risk.

## 8. Financial Instruments (continued)

**Fair Value**

The book values and fair values of the financial liabilities differ due to discounting of the long term creditors at 3.5% per annum to determine their fair value, while cash flows include imputed interest calculated at 8% per annum for all STCs, except for Oakhill where the rate is 5.5%. The rate of 3.5% has been used as this is the notional cost of capital adopted by the YJB in compliance with the Treasury's guidance for non-departmental public bodies.

<b>Financial Liabilities</b>	<b>Book Value as at 31 March 2010 £'000</b>	<b>Fair value as at 31 March 2010 £'000</b>	<b>Notional Discount Rate</b>
Sterling – Medway STC	2,233	2,077	3.5%
Sterling – Rainsbrook STC	2,689	2,451	3.5%
Sterling – Hassockfield STC	3,317	3,005	3.5%
Sterling – Oakhill STC	20,118	13,616	3.5%
<b>Total</b>	<b>28,357</b>	<b>21,149</b>	

**Credit risk**

The vast majority of YJB's debtors are local authorities. The YJB is, therefore, not exposed to significant credit risks.

## 9. Trade receivables and other current assets

	<b>2010 £'000</b>	<b>2009 £'000</b>	<b>2008 £'000</b>
Other receivables	4,052	3,631	967
Prepayments and accrued income	74	1,900	234
Grant prepayments	4,021	4,534	3,954
	<b>8,147</b>	<b>10,065</b>	<b>5,155</b>
<b>Intra-government balances</b>			
Balances with central government bodies	2,206	2,122	66
Balances with NHS Trusts	–	–	–
Balances with local authorities	5,559	6,110	4,778
Balances with bodies external to government	382	1,833	311
	<b>8,147</b>	<b>10,065</b>	<b>5,155</b>

## 10. Cash and cash equivalents

	<b>2010 £'000</b>	<b>2009 £'000</b>	<b>2008 £'000</b>
Balance at 1 April	24,581	19,587	15,321
Net change in cash and cash equivalent balances	(548)	4,994	4,266
<b>Balance at 31 March</b>	<b>24,033</b>	<b>24,581</b>	<b>19,587</b>
Commercial Banks and cash in hand	24,033	24,581	19,587
<b>Balance at 31 March</b>	<b>24,033</b>	<b>24,581</b>	<b>19,587</b>

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

<b>Amounts falling due within one year</b>	<b>2010</b>	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Trade payables	17,945	11,413	9,956
Interest payable to the Ministry of Justice	35	161	642
Accruals and deferred income	3,962	12,042	3,963
Current part of imputed finance lease element of on-balance sheet PFI contracts	2,481	2,311	2,152
	<b>24,423</b>	<b>25,927</b>	<b>16,713</b>
<b>Intra-government balances</b>			
Balances with central government bodies	8,899	10,808	1,413
Balances with NHS Trusts	250	–	–
Balances with local authorities	6,897	6,450	4,238
Balances with bodies external to government	8,377	8,669	11,062
	<b>24,423</b>	<b>25,927</b>	<b>16,713</b>
<b>Amounts falling due after more than one year</b>			
	<b>2010</b>	<b>2009</b>	<b>2008</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Imputed finance lease element of on-balance sheet PFI contracts	25,875	28,356	30,667
<b>Intra-government balances</b>			
Balances with bodies external to government	25,875	28,356	30,667

**12. Commitments under leases****12.1 Operating leases**

The YJB is committed to making the following minimum lease payments under operating leases during the 2009-10 financial year.

**Obligations under operating lease comprise:**

	<b>Prison</b>	<b>STC contracts</b>	<b>Buildings</b>	<b>Secure children's homes</b>	<b>2010 Total</b>	<b>Restated 2009 Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Not later than one year	170,088	58,798	2,109	41,751	272,746	262,006
Later than one year and not later than five years	–	185,080	3,029	125,253	313,362	203,556
Later than five years	–	246,949	–	–	246,949	248,277
<b>Total</b>	<b>170,088</b>	<b>490,827</b>	<b>5,138</b>	<b>167,004</b>	<b>833,057</b>	<b>713,839</b>

**12.2 Other Commitments**

There were no capital commitments at the statement of financial position date. Commitments under finance leases related entirely to existing PFI contracts which are disclosed in Note 8.

During the 2010-11 financial year other commitments consists of grant payments to external organisations amounting to £147.576 million.



### 13. Commitments under PFI Contracts

#### On-balance sheet

The YJB holds a reversionary interest in the STC buildings at the end of the contract term. Under IFRIC 12 Service Concession Arrangements, STC buildings have been capitalised as non-current assets and depreciated accordingly in the financial statements. The original fair capital value has been established by external independent surveyors, and a corresponding notional debt to the contractor established based on a mortgage over the contract term. This debt, and the imputed interest on it, is repaid from part of the total amount paid to the contractors each year. The balance of the amount paid is treated as a service element, i.e. the cost of operating the centre each year, and this and the imputed interest are taken separately to the net expenditure account.

#### Total obligations under on-balance sheet PFI contracts for the following periods comprises:

	Oakhill	Medway	Rainsbrook	Hassockfield	Total 2009/10
	£'000	£'000	£'000	£'000	£'000
Not later than one year	605	665	569	642	2,481
Later than one year and not later than five years	2,771	1,567	2,120	2,675	9,133
Later than five years	16,742	–	–	–	16,742
	20,118	2,232	2,689	3,317	28,356
Less interest element	(13,113)	(377)	(583)	(771)	(14,844)
	<b>7,005</b>	<b>1,855</b>	<b>2,106</b>	<b>2,546</b>	<b>13,512</b>

#### Total obligations under on-balance sheet PFI contracts for the following periods comprises:

	Oakhill	Medway	Rainsbrook	Hassockfield	Total 2008/09
	£'000	£'000	£'000	£'000	£'000
Not later than one year	573	617	527	594	2,311
Later than one year and not later than five years	2,627	2,233	2,562	2,891	10,313
Later than five years	17,491	–	126	426	18,043
	20,691	2,850	3,215	3,911	30,667
Less interest element	(14,251)	(605)	(840)	(1,084)	(16,780)
	<b>6,440</b>	<b>2,245</b>	<b>2,375</b>	<b>2,827</b>	<b>13,887</b>

#### Total obligations under on-balance sheet PFI contracts for the following periods comprises:

	Oakhill	Medway	Rainsbrook	Hassockfield	Total 2007/08
	£'000	£'000	£'000	£'000	£'000
Not later than one year	544	570	488	550	2,152
Later than one year and not later than five years	2,490	2,777	2,373	2,677	10,317
Later than five years	18,202	71	843	1,234	20,350
	21,236	3,418	3,704	4,461	32,819
Less interest element	(15,419)	(878)	(1,136)	(1,441)	(18,874)
	<b>5,817</b>	<b>2,540</b>	<b>2,568</b>	<b>3,020</b>	<b>13,945</b>

### 14. Contingent Liabilities disclosed under IAS 37

As at 31 March 2010 there were no Contingent Liabilities (2009: £nil). The re-run of an inquest into the death of a young person, whilst he was held in custody, will take place during 2010/11. The outcome of the enquiry is uncertain and no provision has been made in the 2009/10 accounts.

## 15. Related party transactions

The YJB is an executive non-departmental public body that, during the 2009-10 financial year, was sponsored by the Ministry of Justice (MoJ) and Department for Children, Schools & Families (DCSF). The MoJ and DCSF are, therefore, regarded as related parties. During 2009-10, the YJB had material transactions with the MoJ, primarily being the £432.75 million (2008/09: £431.697 million) received in grant-in-aid (and grant) income. The YJB received £45.127 million from DCSF (2008/09: £33.961 million).

During the year, the YJB also incurred costs of £196.817 million (2008/09: £162.065 million) with National Offender Management Services (NOMS), which is a part of the MoJ. These transactions relate to the purchase of secure accommodation for young offenders at prison facilities, and to capital grants from the YJB for regime enhancements within the secure estate for children and young people.

Board members are required under the Code of Practice to declare any personal, financial and business interests which may conflict with their duties on the Board. Members may not participate in Board discussions or decisions on financial matters where a conflict of interest arises.

During the year, the YJB entered into a number of transactions with organisations with which board members were related parties. These transactions are detailed below.

A register of Board members' interests is maintained and is available for inspection at the YJB's offices.

### Board members and related parties

Member	Company/partnership/ trust/organisation	Role in, relationship to	Transactions	£
Bob Reitemeier	The Children's Society	Chief executive	Staff costs – Payment of his fees goes to The Children's Society	15,000
Rosanna O'Connor	National Treatment Agency	Director and board member	Substance Misuse Policy Work	25,000

## 16. Events after Reporting Period

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

On 28 May 2010 it was announced that the proposed building of a new 360 place secure unit at Glen Parva (Project Fosse) would be stopped. This measure will contribute to the MoJ's £325 million Emergency Budget savings target in 2010-11. The YJB incurred £2 million of expenditure on Project Fosse to the date of cessation, which was charged to the Net Expenditure Account.

## 17. Losses and Special Payments

No losses were incurred during the year (2008/09: nil) and no special payments exceeding £0.250 million in aggregate were made during the year (2008/09:nil).

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