

# **Dorset Probation Trust**

## **Annual Report and Accounts 2012–2013**



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**2012–2013**

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# Contents

Vision, Mission & Values	2
Foreword	3
1. Operational & Performance Review 2012–2013	5
2. Accounts	22
3. The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament	39
4. Financial Statements	41
5. Sustainability report	74
Glossary	77

## Vision, Mission & Values

### **Our Vision is:**

*‘to be recognized for excellence as a leader in providing offender services by consistently delivering high quality, cost effective services which protect the public, reduce re-offending and make the people of Dorset safer’.*

### **Our Mission is:**

*‘to commission or provide a range of high quality offender services which are responsive to local concerns and needs and which provide best public value. These will be developed and delivered in partnership with key stakeholders and other community based partners/providers of services and will make a significant contribution to a reduction in the number of victims of crime, the protection of the public and a reduction in re-offending, thus making the people of Dorset safer’.*

### **In delivering this vision and mission the Dorset Probation Trust (DPT) will uphold and promote the following Values in everything we do:**

1. A belief that our staff are our most valuable asset and must be supported and developed to fulfill their potential
2. A belief in the capacity of offenders to change
3. A commitment to providing best public value in everything we do
4. A commitment to placing the protection of the public and victims at the heart of our service
5. Integrity and respect for the individual
6. A belief that we are all responsible and accountable for our actions and behaviour
7. A commitment to collaborating with partners to achieve the best possible results
8. A commitment to the achievement of the highest possible quality in all that we do
9. A commitment to developing the best local solutions to meet the diverse needs of our communities
10. A commitment to ensure that all aspects of the service we deliver are provided equitably and with respect for diversity
11. A commitment to honesty, openness and transparency in all that we do

## Foreword

I am writing this report at a time of significant change for Probation Services both nationally and locally. Before expanding on the challenges that lie ahead, I would like to reflect on our performance over the last year. We have achieved a great deal against a background of public funding reductions and the uncertainty of organisational upheaval.

Our performance, as measured by the National Offender Management Service (NOMS), has continued to be at a level three which demonstrates that we are meeting or exceeding our annual contractual targets, which are in our control. Despite a further significant reduction in our funding we have balanced the books without sacrificing the quality of our front line services. Management action has already been taken to ensure we can meet all our targets this year with even further funding reductions.

Our local Offender Management Inspection (OMI) assessment undertaken with external oversight from Devon and Cornwall Probation Trust (DCPT) showed several areas of improvement regarding the quality of our professional services. Recently we have developed a Quality Assurance Framework so that we can scrutinise a wider range of sources of information about our professional standards in a systematic way, which will help us to learn and continue to further improve the quality of our services.

For the first time the reconviction rate of our offenders is significantly below the predicted level for our area. Whilst it is important to recognise that there are many factors, several outside our control, which impact on this outcome, the combination of all our work is making a valuable difference.

Two other notable achievements in the year also deserve mention. In November last year we invited the British Quality Foundation (BQF) to undertake a rigorous, comprehensive assessment of the way the Trust functions as a business. The feedback was extremely positive highlighting many strengths in our approach to managing the Trust. The assessment has also enabled us to identify some further areas of improvement particularly with regard to staff engagement.

Secondly we have been successful in winning a national competition which has resulted in being granted considerable development funds from the Cabinet Office. These funds will enable us to explore the potential to develop a mutual (an organisation where the staff hold the majority share), which might then be in a position to bid for those probation services due to be contracted out later in the year. Our proposal is particularly strong as a result of the full commitment of two key partners. Firstly DCPT who are the only other Trust in our geographical contract area. Secondly the Shaw Trust, a sizeable national charity who are already providing government contracts for the Department of Work and Pensions (DWP).

So we conclude the year in excellent health, a very good annual performance and solid foundations from which to respond to the Transforming Rehabilitation recommendations.

All of these significant achievements could not have been met without the professionalism, energy and commitment of our staff. The performance of our staff is even more remarkable considering the significant changes that have affected every part of the organisation and the ongoing uncertainty that our staff face.

Looking to the future the Board are confident that we are in the best possible shape to respond positively to the government reforms. We have a track record of good performance which we must continue to maintain. We must continually look for further opportunities to improve quality and provide greater value for money. Whilst we aspire to the highest standards with the “day job” there is an enormous amount of work to embrace the changes heralded by the Transforming Rehabilitation. We have the green light and financial backing to progress towards the development of a mutual, which will require considerable staff

engagement. We are now expecting greater clarification regarding the implementation details of the reforms which will impact on every part of our Trust and every member of staff.

We have an exciting year in prospect with everything to play for. We cannot be certain about how all the changes will finally map out but with the energy, expertise and ongoing commitment of our staff we can achieve great things.

Finally, I would like to thank each and every member of our staff for all their hard work over the last year. I look forward to working with them during the next twelve months, to continue to strive for excellence in all the services we provide and to shape our future in the new “Probation Landscape” in a way that enhances our services and fully recognises the value of our excellent staff.

**Tim Skelton**  
**Trust Chair**

# 1. Operational & Performance Review 2012–2013

## Introduction

2012–2013 has been a very challenging year for the Trust as we have managed a further reduction in the budget and the inevitable reduction in staff which this necessitated. This was compounded by a higher than acceptable level of sickness absence.

It is a measure of the hard work, commitment and dedication of the staff that, despite the pressures that this undoubtedly put them under, performance generally, as measured by the Probation Trust Rating System (PTRS), and the delivery of the targets and measures agreed within the Probation Trust Contract with NOMS, remained strong throughout the year and at the end of quarter four all of the targets had been met or exceeded with the singular exception of the number of Community Payback completions which fell just short of the target. DPT was rated level three overall and level four on the Sentence Delivery domain on the PTRS.

2012–2013 also saw further improvements in the quality of the work, especially within the Offender Management (OM) function, with a primary focus on the quality of the risk assessments and sentence planning undertaken by Offender Managers (OMs) and on the nature and extent of the active engagement and involvement of the offenders in these processes.

Further measures of the improved quality of the work were Victim Satisfaction (100%), Sentencer Satisfaction (100%) and Offender Satisfaction (81.5%). A remarkable achievement by anyone's standards and especially so in the context of the resource constraints as mentioned above.

A number of internal restructures were also completed during the year, in Community Payback, in Offender Services (Programmes and Education, Training and Employment (ETE) & Accommodation Services) and in the OM and Court Assessment Teams in Bournemouth & Poole, all of which are now complete. In addition, there was a further restructuring of the Senior Management Team (SMT) in the context both of further budget reductions in 2013–2014 and the anticipated outcomes of the Government's consultation re Transforming Rehabilitation. This has resulted in a reduction from three to two in the number of Operational Managers at Band 6 and the creation of a single Local Delivery Unit (LDU) covering the whole Trust. Further work is now underway to review the Middle Management Structure which sits beneath this and this, too, will result in the reduction by one in the number of Middle Managers.

This, coupled with the ongoing uncertainty created by the results from the consultation regarding the Transforming Rehabilitation which were published on 9 May 2013, that confirms the Government's intentions to subject a significant proportion of the Trusts' business to competition over the next twelve to eighteen months, has created a very challenging environment within which to work. It is a tribute to the staff at all levels and across all functions within the organisation, therefore, that we have achieved such a strong level of performance overall and all of this within a balanced budget once again.

## Policy and Strategy

The Trust four Year Board Strategy has been fully implemented during the course of the year with all of the key strategic objectives having been achieved. A revised Strategy and a new set of key strategic objectives is now in development and will be subject to Board approval in June, 2013.

The key strategic objectives will be subject to ongoing review during 2013–2014, particularly in light of the Transforming Rehabilitation announcement by the Secretary of State for Justice on 9 May 2013 regarding the future of the probation service.

In addition, the other key plans that were developed as part of the transition to Trust status and which have all been subject to implementation and ongoing development during 2012–2013 include:

- Organisational Development Plan
- Business Development Plan
- Workforce Development Plan
- Finance Plan

All of the above, when taken together, provide a framework for the further and ongoing development of the DPT as a cost effective, well managed, lean and efficient organisation.

Otherwise the Trust has continued to build on a number of developments which were begun in 2010–2011, including the review and/or development of a number of new policies, strategies and procedures as follows:

- Implementation and further review of the Trust Training Strategy to reflect the changing needs of staff in the new environment of Probation Trusts and overseen by the Training Co-ordination Group chaired by the Human Resources (HR) Manager
- Implementation and ongoing development of the Sentencer Engagement Strategy to ensure effective working relationships with sentencers and to seek to manage demand appropriately and effectively
- Further development of the Information Assurance policies, processes and procedures, under the leadership of the Head of Corporate Services, with responsibility for ensuring that the whole concept of Information Assurance is fully embedded throughout the organisation
- Full implementation of the Business Development strategy, including the development of a Partnership Framework which will be fully implemented during 2012–2013, coupled with the development and implementation of a programme of business skills workshops with a focus on the core skills of commissioning, bid writing and contract management
- Review, refresh and ongoing implementation of the Single Equality Scheme (SES) to ensure full compliance with the new Equalities legislation. A separate report is available on request setting out the progress made in terms of the implementation of the SES during 2011–2012

In addition, the Trust has continued to engage positively and constructively with the Regional Community Lead for NOMS to ensure delivery of the Trust Contract and with the other South West Probation Trusts to ensure effective collaboration where appropriate.

The most recent European Excellence Assessment, externally validated for the first time by the BQF, also recognised the continuing strength of DPT in relation to policy and strategy.

This has been further enhanced during 2012–2013 by the ongoing development and implementation of the revised process for the development of new and review of existing policies and procedures resulting in a consistent format for all new policies and strategies and the creation of a policy log which identifies all current policies, the policy owners and the date by which these policies should be reviewed. There is now a rolling programme for the review and revision of all policies to ensure that these remain relevant to the changing needs of the organisation and during 2012–2013 a number of policies have been reviewed and revised as follows:

- Serious Further Offence (SFO)
- Approved Premises
- Children’s Safeguarding
- Sex Offender
- Adult’s Safeguarding
- Exchange Information and Risk
- Workload Assessment
- Alcohol & Mental Health policies
- Environmental (Sustainability) policy
- Appraisal policy

## People Management

During the year there was a Senior Management restructure following a voluntary redundancy, and a further structural review in Community Payback. Work is nearing completion on the amalgamation of the Court and Assessment and OM teams in the Bournemouth and Poole LDUs, and on closure of the Wareham Community Payback base. All these actions will result in greater efficiencies and savings.

Staff early retirements and voluntary redundancies have enabled the Trust to avoid the need for compulsory redundancies in a climate of diminishing resources and increasing workloads.

The European Foundation for Quality Management (EFQM) Excellence model assessment, undertaken in the autumn, identified a number of strengths in terms of people management. An extract of the report follows:

*“DPT has highly motivated and committed staff, who typically see the work as their vocation. Team and individual objectives are aligned with overall targets, typically PTRS based. Clear approaches for supervision, appraisal, and training & development are in place.”*

## Leadership

Strong and effective Leadership and Management remain key to the success of the organisation with continued emphasis during 2012–2013 on the working relationship between the Board and the Trust Executive and on the further and ongoing development of the Trust Executive (comprising the Chief Executive Officer (CEO) and three Directors) and the Senior Management Group (comprising the three Directors, three Heads of Service and the HR and Learning & Development Manager).

This has been achieved through a combination of development days, individual mentoring and involvement in a range of other learning and development fora. The CEO and Directors have all been actively engaged in action learning sets which for most will be ongoing during 2013–2014 and we will be actively exploring further development opportunities for the other Senior Managers.

A further assessment of the organisation was undertaken in November 2012 using the European Excellence Model and this was externally validated by the BQF resulting in the achievement of level four on the Recognised for Excellence (R4E) award scheme. This rated Leadership overall as a strength within the organisation albeit with a number of areas for improvement and ongoing development also being identified, including the need for improved communication between the trust leadership and staff generally and the further and ongoing development of the Middle Managers within the organisation.

The issues of communication are not new, despite our best efforts in recent years to make changes and to improve this aspect of our leadership, but this will now be the subject of a further review as part of a wider piece of work to develop the processes for internal communication across the Trust.

During 2013–2014 training sessions for Senior and Middle Management have included LEAN management principles, appraisal training, management of change workshops, managing mental health in the workplace and sickness absence management. Further to our participation in the Skills for Effective Engagement and Development (SEED) pilot, SEED training, a model of reflective supervision, will be cascaded and implemented throughout the organisation. The Leadership & Management Development Programme first introduced in 2007–2008 will be subject to a further review and refresh during 2013–2014.

In addition to the above we have identified a number of potential future leaders during 2012–2013 many of whom are now involved in a range of development activities designed to support them in fulfilling their potential. Of these at least three have had the opportunity over the last twelve months to act up in management roles, thus enhancing their leadership potential. A further event is also scheduled for July 2013 to identify other staff who may have leadership aspirations.

All of the above work will be taken forward during 2013–2014 as part of the Leadership strand (Optimising the Potential) of the Organisational Development Plan, which is led by the CEO, and this will be refreshed to reflect the areas for development and improvement identified as a result of the R4E assessment referred to previously.

## Training

Three staff are undertaking their Probation Officer training under the new Probation Qualifying Framework (PQF) and it is hoped that two will become qualified during 2013–2014. A further cohort will be recruited to commence training in September 2013. In addition, two Probation Service Officers (PSOs) have completed their Vocational Qualification 3 (VQ3) qualification, making them eligible to apply for Probation Officer training. A further twelve staff are making progress with their VQ3, with newly appointed PSOs being registered for the qualification after they have completed the Gateway to Practice. Two part time Training Coordinators have been appointed to expedite progress with the PQF.

The Trust has also committed to the Case Administration Vocational Qualification 2 (VQ2) which is now available to all administrative staff.

The Trust continues its commitment to developing potential leaders, and two potential managers have been able to backfill middle management positions as part of their development. The Trust Executive has also committed itself to funding the Institute of Leadership and Management (ILM) level five qualification to new and potential managers. Four managers attained this qualification in 2012–2013.

The Trust has also funded Corporate Services staff to undertake the Chartered Institute of Personnel and Development (CIPD) qualification and Association of Accounting Technicians (AAT) National Vocational Qualification (NVQ).

## Organisation

During 2012 DPT completed a R4E assessment. R4E is Europe's leading recognition programme for organisational performance, and forms part of the EFQM Levels of Excellence. By achieving four stars, DPT has demonstrated that it is operating at a high standard of performance

Being awarded a four star rating by the BQF sends a very strong message to all within DPT and the wider community regarding the quality of the organisation, our staff and the work that we do. The process has been of great value to DPT by enabling us to reflect on our significant strengths and to identify and plan for areas of improvement'.

The following areas of strength were identified:

- **Achieving Balanced Results:** DPT gathers a range of stakeholder needs to feed into the development and review of its long and short term plans. It considers a variety of scenarios when developing plans and how it can manage risks
- **Adding Value for Customers:** there is clear understanding of the various customer groups of DPT, with a very clear focus on delivering services to key customers – offenders and sentencers. Constant attention is given to considering new services to help offenders turn their lives around and not reoffend. The people in DPT have a clear 'vocational' commitment to helping offenders
- **Leading with Vision, Inspiration & Integrity:** the Board and Executive lead on setting the Vision, Mission and Values of DPT. They clearly see the key drivers within the sector and are endeavouring to position the organisation for success in the changing probation world
- **Management by Processes:** The core work clearly is successfully delivered, with typically the PTRS measures to show performance levels
- **Succeeding through People:** DPT has highly motivated and committed staff, who typically see the work as their vocation. Team and individual objectives are aligned with overall targets, typically PTRS based. Clear approaches for supervision, appraisal, and training & development are in place
- **Building Partnerships:** Partners and suppliers are extensively used in delivering services and working to protect the public and reduce reoffending. Some of this is with 'statutory' partners within the justice sector, and others are with those in the not-for-profit and charity sectors. There is clear recognition of need to further strengthen partnership working for a viable future and resources are focussed on this

An action plan has been developed to address the Areas For Improvement and will be managed as part of the Organisation Development Plan. The areas for improvement were identified as:

- **Achieving Balanced Results:** Some staff believe that there needs to be "more balance between the business model and the vocational model"
- **Leading with Vision, Inspiration & Integrity:** In the current environment the leadership needs to effectively convey to and unite their staff in understanding and sharing their own confidence in the future of DPT, in whatever form needed to meet the demands of the current governmental probation review. From feedback on site, considerable benefit might be gained by greater communications focus on the plans for different scenarios and on the benefits of future change
- **Management by Processes:** Whilst decisions appear to be based on reliable data, longer term trends do not often appear to be used to understand performance more effectively than by shorter term (e.g. just period on period) comparisons. There may also be benefit in considering greater use of visuals, graphs, etc, to demonstrate results more clearly and minimise the risk of 'data overload'
- **Succeeding through People:** There was clear concern from staff about the volume and quality of communications
- **Nurturing Creativity & Innovation:** Whilst improvements to process do take place, and new services are designed, there does not appear to be a 'culture of continuous improvement' and thus there seems to be an opportunity to improve the involvement of all staff in improving work and business
- **Taking Responsibility for a Sustainable Future:** Whilst there are activities to optimise the usage of non-renewable resources and reduce waste, such environmental approaches appear to be at an

early stage so far and so are not embedded. There does not appear to be a formal environmental policy commensurate with the size and type of organisation that would form a framework for such activities

## Communication

Effective communication continued to prove challenging for the Trust during 2012–2013. The latest staff survey identified the following trends:

- 29% strongly agree & agree that they have a positive perception of communication in the organisation
- 83% strongly agree & agree that they understand the vision and values of the DPT

An EFQM assessment conducted during the Autumn of 2012 re-affirmed the findings of the staff survey, making and identifying the following observations and area for improvement.

Observations and Areas For Improvement:

- There was little evidence that overall Trust progress against (even the current) main results is clearly and regularly communicated to all staff so that they understand the progress towards the vision
- There were many comments about the clarity of communication, such as the length of emails/notes, the use of abbreviations without using the full expression at first mention to clearly identify its meaning, extensive jargon, etc
- Comments about the sheer number of emails, often without clear and consistent guidance about their relevance and importance, and often containing big attachments (instead of links to documents on the system). A suggestion was made that if long emails are essential, a short synopsis at the start could be helpful
- There was a general feeling by staff that much communication also focused on difficulties or bad news, with little on celebrating good performance and positive future
- Comments that some news about changes to teams had gone out on general emails before the impacted teams had heard themselves

Since the publication of the EFQM assessment the following steps have been taken to address the concerns regarding communication:

- The creation of an Internal Communications And Technologies (iCAT) group, which amongst other things, will identify an alternative Intranet solution to make information easier to obtain and will review the options for enhancing internal communications throughout the Trust
- The ongoing commitment to staff focus groups to increase Board/SMT visibility and to further improve communication with staff across the Trust
- The development and hosting of staff conferences for the Bournemouth & Poole and Dorset County LDUs along with the continuation of team away days
- The launch of a monthly CEO bulletin and the creation of an 'Ask The Chief' email account for direct access to the CEO regarding issues effecting the Trust
- The refresh and re-launch of the staff suggestion scheme
- Refresh of the staff survey for issue in the Spring of 2013
- Continuation of the Trust's roll-out of reviewed policies, procedures and processes

## Health and Safety

DPT has an annual health and safety plan produced by the Health and Safety Committee and agreed by the Board. The Board also receives regular updates on health and safety matters, including progress against the plan.

This plan has been subject to further review and ongoing development so as to embed health and safety practices and procedures throughout the organisation, with ongoing Board Member representation to ensure that issues of health and safety are given due priority.

The Health and Safety Committee is chaired by the Director of Corporate Services and Infrastructure and its membership includes staff representatives and site representatives.

Site meetings are held regularly at each of the main Probation offices enabling representatives from the site to discuss health and safety issues.

The Trust maintains statistics on health and safety accidents and incidents during the year. The table below shows the number of recorded incidents during 2012–2013 classified using the severity levels issued by the NOMS.

### DPT Health & Safety Accidents/Incidents By Severity Level 2012–2013

Severity	Quarter 1	Quarter 2	Quarter 3	Quarter 4	Annual Total
1	0	0	0	0	0
2	0	0	0	0	0
3	0	0	1	0	1
4	2	2	0	1	5
5	2	3	4	4	13
6	9	11	3	3	26
Not Recorded	0	0	0	0	0
<b>Total</b>	<b>13</b>	<b>16</b>	<b>8</b>	<b>8</b>	<b>45</b>

## Partnerships

DPT believes that partnership working is particularly crucial in an environment which is seeing significant shift from public sector delivery to one of open competition, commissioning and Payment By Results (PBR). For this reason DPT has invested in a partnership and business development function which remains focused on ensuring partnership development activity and supported the priorities of the Business Development Implementation plan, the Commercial Strategy and the development of a Partnership Framework delivery model. Dorset Probation has a strong tradition of partnership working with a range of third party Voluntary and Community Sector (VCS) partners with examples of some very effective joint working. The work with the third sector in particular has been enhanced through the Partnership Development Officer roles, resulting in a number of new initiatives which are in place and for others that are in the early stages of development. These have focused in particular on the needs of women and low risk offenders who might otherwise receive short custodial sentences.

Plans to further develop our partnership activity are set out within the Trust's Organisational Development plan. This plan links to the strategies that are in place to broaden Dorset Probation's activities with partner organisations. This has culminated in a recently concluded exercise that has established a Partnership Framework. The framework aims to build on the established partnerships that are already in place and looks to develop new partnerships in a way that continues to provide high

quality, effective and innovative services, tailored to the needs of offenders as identified within the LDUs. The Partnership Framework will ensure that DPT is able to maximise the use of the resources available to it while working closely with partners to achieve common goals and outcomes. Risk will be spread between partner organisations and resilience, flexibility and reach will be improved.

Whilst the framework will provide DPT with the ability to procure services from organisations on the framework, its main purpose is to develop services in partnership through joint funding bids and/or shared resources in order to build capacity and capability to deliver effective offender services in the current competitive commissioning environment.

DPT commits resources to ensure excellent representation on key external strategic, operational and developmental groups across all sectors enabling it to influence decisions makers.

**Key aspects of our wider Partnership work are as follows:**

- DPT has continued to take an active lead in the development and implementation of a pan-Dorset Reducing Reoffending Strategy and this is now being rolled out across all three Local Authorities
- The Director of OM and Public Protection has chaired the Community Safety Partnerships for Poole and Bournemouth. Both she and the CEO have worked in collaboration with the Community Safety partnerships to develop the cross county Crime and Criminal Justice Group
- The CEO is a member of the Public Service Forum which brings together the CEOs of the three Local Authorities with the CEOs of the Police, Probation, Fire & Rescue and Crown Prosecution Services
- The development of closer working relations between Dorset's prisons and DPT has been reflected in work to develop a range of collaborative business models
- DPT is a strategic partner in the Health and Wellbeing Boards and the Safeguarding adults and children arrangements. These partnerships are key to our core business of public protection and reducing re-offending
- DPT is a co-commissioner with the Drug and Alcohol Action Teams (DAAT). Partnerships with the Police and other key agencies co-ordinate Integrated Offender Management (IOM) and Multi-Agency Public Protection Arrangements (MAPPA), key to effective public protection
- The relationship of DPT with the Supporting People arrangements in each of the local authorities has enabled us to ensure that the needs of offenders are addressed. We have staff placed in the Bournemouth Supporting people hub and act as commissioners for offender accommodation services in Poole
- The business tool kit for contracts and Service Level Agreements (SLAs) and Information Sharing has been revised to reflect changes in legislation and policy. This ensures effective contract management with sub-contractors and suppliers

Community Payback have developed further their links with local communities and councils significantly increasing our profile at a local level and promoting DPT as a public body who are committed to engaging with and supporting local communities and initiatives.

## Resources

There continues to be heavy pressure on the limited resources committed to the DPT and the Probation Board has had to exercise increased stringency at a time of heavier demands being placed upon the service both locally and nationally.

The Trust's funding from the NOMS was reduced by 3% in 2012–2013 whilst an inflationary uplift of 1.8% was given to assist with cost pressures locally. This amounts to 1.2% net fall in funding from NOMS. The Trust faced several cost pressures in the year, the most significant of which were:

- Cost following the increase in employers pension contribution from 16% (2011–2012) to 17% (2012–2013) costing approximately £50,000 in the year
- 2012–2013 pay settlement with an average impact on the pay bill of 1% costing approximately £72,000 in the year

The main steps taken by the Trust to manage the financial position in 2012–2013 included:

- Utilising the full year financial effect of staffing changes made in 2011–2012 in the budget set for 2012–2013
- In-house provision of the Thames Valley Sex Offender programme following the cessation of the contract held with the National Society for the Prevention of Cruelty to Children (NSPCC)
- Increased target for income generation set within the ETE unit of £142,828 (compared to a budget in 2011–2012 of £103,980)
- Closure of Headquarters (HQ) at Forelle House with effect from 1 May 2012 generating £66,000 worth of savings in the year

A refreshed Scheme of Delegation was introduced on the 1 April 2012 along with the creation of Budget Manager Agreements. These steps have continued to strengthen the culture of budget delegation throughout the Trust whilst enhancing the financial governance framework through which resources are managed.

All Middle and Senior Managers continue to be actively engaged in the management of devolved budgets. Monthly budget reports are providing routinely with follow up budget monitoring meetings held at intervals appropriate to the risk and complexity of the budget. The continued support provided to budget holders has resulted in much stronger and more effective budgetary control enabling the Trust to identify and make further savings in year as required.

The Trust continued to implement findings from a series of Best Value Reviews, conducted in accordance with the national Specifications, Benchmarking and Costings (SBC) programme. Taking the findings from these exercises and capturing them in improvement plans implemented during 2012–2013.

A number of strengths in relation to resources were identified as part of the last EFQM assessment conducted during the Autumn of 2012 and these are shown below.

### Finances

- There is a clearly defined structure of finance processes, including risk, commensurate with the type of organisation
- There is a 'business partner' type of approach to supporting the financial knowledge needs of the different parts of DPT, with a number of improvements seen
- There is evidence of the assessment and refinement of financial reports through using 'plain English' to improve communication of important financial information

**Buildings, equipment, materials & natural resources** (Note: Few capital items are actually owned by the Trust, as the buildings and Information Technology (IT) equipment are owned and managed by NOMS)

- There is clear evidence of managing accommodation to reduce costs and optimize usage, with the closure of the former HQ and redistribution of the sections to other locations demonstrating alignment with the offender/public protection orientated strategic aims
- There is some evidence of environmental initiatives, e.g. recycling, utility usage reduction, etc, although these appear to be rather ad hoc at present

**Technology (Note: Technology is largely owned/managed by NOMS and/or their suppliers/partners)**

- The rollout of the new NDelius system is being accompanied by training, pilots and provision of resources to ensure effective delivery
- Provision of secure laptops has enabled more flexible working for some staff

**Information**

- A review of the information needs of the Board, executive and other parts of the organisation is underway to help develop an information management framework
- Regular 'cleansing' of data is undertaken to ensure integrity and relevance
- There are some examples of sharing good practices outside of DPT, e.g. quarterly networking meetings of treasury people in the South West
- Contingency plans are in place to support access to critical information in the event of emergency

A number of areas for improvement in relation to resources were identified. Action plans have been developed to address these in 2013–2014. The areas of improvement are set out below.

**Buildings, equipment, materials & natural resources**

- There is no apparent strategy yet towards society, including environmental issues

**Technology**

- There were some comments during the site visit about the slow performance of the computers, but given they are NOMS owned there may be limited opportunity to improve this

**Information**

- Whilst there is some evidence of longer, e.g. five year, trending of results, more could probably be used to improve understanding of longer term performance and variation, etc

## Processes

The Trust has continued to make steady progress in terms of the improvement of a range of business processes, products and services as a means of achieving improved efficiency and quality of services and there have been a number of significant developments in this regard acknowledged through the EFQM assessment that was conducted in the Autumn of 2012. The strengths were identified as follows:

- It is clear that OM is conducted highly systematically in line with visible process maps and instructions
- Each offender has a 'product' mix that is explicitly tailored to his/her personal needs identified through the offender assessment process
- Opportunities to develop new services are identified from analysis of offender needs, and these are developed by DPT or with one or more of their partners
- There is some evidence of working via partners to design and deliver programmes that might prevent potential customers becoming actual offenders, i.e. using expertise preventatively to reduce burden on the wider criminal justice sector

- DPT clearly identifies its current markets and the customer groups for their existing services
- Efforts are being continually directed at identifying new target customer groups who might benefit from DPT and/or their partners services, e.g. vulnerable adults
- DPT has full access to a range of accredited programmes to deliver to offenders
- Every effort is made to deliver OM and services locally to the benefit of the offender, and use is made of partner premises for this if necessary, e.g. Bridport Police Office
- The OM service is clearly one of relationship building to secure the optimum outcome for the offender
- Offender induction covers the 'rules of engagement' and also includes information about how they can make complaints if they need to
- Whilst the engagement with victims is (statutorily) limited to those who suffered more serious crimes, there are clear approaches to supporting them and involving them where possible in decisions regarding offenders being released from prison

In addition to the findings from the EFQM, the Trust has:

- Continued with the development of devolved budgets across the organisation, resulting in more streamlined and efficient budget management processes including the provision of monthly budget reports and routine budget monitoring meetings with all budget holders
- Forward planning of agendas for all Trust Board meetings and the inclusion of all Directors in those meetings
- The implementation of Best Value Review processes in accordance with the requirements of the SBC Programme
- Further development and implementation of Performance Management processes and procedures across all functions
- Establishment of a Workload measurement tool to underpin the Workload Strategy

For all of these acknowledged improvements and aspects of identified good practice the area of Processes remain a challenge for the business of DPT. The last EFQM assessment identified a number of further improvements and areas for further consideration:

- There is less evidence of a systematic approach to process management in other areas, e.g. offender and support services, including the use of internal process measures, process owners, etc
- There was some feedback on site that DPT does not always make full use of the breadth and depth of staff knowledge and their creativity in developing new customer services. However there was some suggestion also that this might be improving, at least in some areas, by getting staff inputs to new services/processes
- There may be opportunities, e.g. through the Community Interest Company (CIC), to explore wider (i.e. not statutory probation) market needs for some of the existing and innovative services in use by DPT
- On site feedback was received that there may be opportunities to improve the promotion and marketing of Community Payback to generate further business
- There was feedback on site recognising that the external website will benefit from being updated in order to better convey information and promote services and encourage new business and partnerships
- There is less evidence of formal relationship management aimed at sentencers and beneficiaries

There was some feedback on site that OMs do not always have the required training before the use of new (to them) programmes, interventions, etc.

## Achievements by the Trust in 2012–2013

DPT has continued to achieve strong performance across a large range of measures during 2012–2013, achieving level three (green) status overall on the PTRS by the end of quarter four and level four on the Sentence Delivery domain.

It is to the credit of all staff that they have delivered this level of performance whilst implementing further organisational changes in order to deliver services of increased quality and value for money at a time of continuing financial restraint.

The Trust met the majority of targets within the PTRS. Areas of strength, where targets were significantly exceeded included:

- OMI Risk Of Harm (70.0% from the latest inspection)
- Orders or Licences Successfully Completed (88.7% against a target of 72.0%)
- OMI Interventions (73% from the latest inspection)
- OMI Assessment and sentence planning (74% from the latest inspection)
- Offender feedback (81.5% against a target of 67%)
- Accommodation at termination (80.4% against a target of 75%)
- Employment at termination (51.8% against a target of 40%)
- Victim Feedback (100% against a target of 90%)
- MAPPA effectiveness (97.9% against a target of 85%)

### **Performance against Contract targets:**

In addition to targets in the PTRS, DPT has delivered sound performance against contract targets. Performance has exceeded targets as follows:

- Sex offender programme completions (21 against a target of 15)
- Domestic programme completions (46 against a target of 45)
- Licence recall requests (timeliness) (97.4% against a target of 90%)
- Court report timeliness (100% against a target of 90%)
- Sustained employment (126 against a target of 100)

Detailed performance results are set out in the table on pages 19–21.

## Victims

100% of victims of Serious Sexual or Violent offences were contacted by the Victim Liaison Officer within eight weeks of sentence being passed. Dorset staff exceeded the NOMS target for the tenth year running. An analysis of victim feedback showed 100% satisfaction with the service received an increase in satisfaction from last year.

Feedback received from victims of domestic violence who receive a service from Women Safety Workers, when perpetrators are sentenced to the Integrated Domestic Abuse Programme (IDAP) has been consistently positive. This service has supported 161 women and 217 children throughout the year.

## Educational and Training support accessed by Offenders

The ETE unit accepts referrals for all offenders with an identified ETE need, undertaking an initial interview and/or skills assessment in each case.

During 2012–2013, 386 offenders were subsequently referred either a skills & learning course and/or a training programme, following the initial contact. In all cases, offenders referred to onward learning are assigned a case manager who will work with the individual to tailor ETE activities to their particular needs and circumstances.

During the year:

- 301 offenders subsequently commenced a course or training programme
- Over 100 Offenders received an ETE specified activity requirement as part of their sentence, with the length of requirement between 10 and 60 days

During 2012–2013, offenders under the supervision of DPT have been able to access a range of ETE services, including Information, Advice & Guidance and case management support through the NOMS European Social Fund (ESF) Phase two Offender Employability programme in the South West (“New Futures”).

DPT has also maintained and developed strong partnership relationships with ETE providers in the Dorset community, to increase access to ETE opportunities, including volunteering and vocational training, which meets offender need.

## Sentencers

DPT undertakes a regular survey which is distributed to Crown Court Judges and all Dorset Magistrates to ascertain levels of Sentencer satisfaction with the work of the DPT. The last survey undertaken in 2012–2013 demonstrated a high level of satisfaction with the work of the Trust giving an overall satisfaction level of 96%.

## People Results

A staff survey was not conducted during 2012–2013. However the format of the staff survey has been thoroughly reviewed and a detailed survey will be conducted during 2013–2014.

The number of days sickness absence recorded was above the 10 day target, at 12.3 days per staff member. This is an increase from the previous year (10.4 days). The Trust has actively monitored sickness during the year and offers support to managers to address this issue.

Mervyn Harris, who works in Community Payback and ETE, was awarded a Butler Trust Award Commendation during 2012–2013. This was in respect to the hard work and commitment he has dedicated to both the ‘Return of The Natives’ Community Payback site in Dorset and his support for offenders gaining employability qualifications over a number of years.

## KEY PERFORMANCE RESULTS

### Review of Performance & Quality

Performance continues to be given a very high priority across DPT and overall performance during 2012–2013 has been good if not excellent across all elements of the performance framework such that at the end of the business year DPT has achieved an overall rating of level three (Good Performance) on the PTRS with a level four (Exceptional Performance) rating on the Sentence Delivery domain.

Consistent with the high priority which is given to this aspect of the business, performance is the subject of regular oversight and review through a number of processes as follows:

- The CEO meets on a Quarterly basis with the NOMS Community Lead to review progress against the Probation Contract, including a review of performance against all elements of the PTRS
- The Trust Executive receives and reviews monthly reports on performance at its regular meetings
- Performance is also a standing item on the Trust Leadership Group (TLG) agenda every six to eight weeks
- A system of quarterly accountability meetings has been maintained during the year to monitor and review performance, with a particular focus on any areas of underperformance or where performance may be slipping. This involves members of the Senior Management Group and relevant middle managers who are accountable for performance at unit level and the Board Chair or his representative also attends these meetings
- A Performance Report is then presented to the Board on a quarterly basis to coincide with the publication of the quarterly PTRS, setting out both the areas of good performance and those areas of under performance together with a commentary in relation to the actions planned or taken to address this

The Quality agenda has assumed even greater importance and prominence during 2012–2013 and this has resulted in the development of a Quality Assurance Framework, setting out all those aspects of the business where Quality can be measured, together with actions where necessary and appropriate to improve quality. The following are examples of the particular aspects of the work that are subject to this form of scrutiny:

- The quality of the Risk of Harm Assessments completed by OMs
- The quality of the sentence plans developed by OMs to deliver the sentence of the Court; and
- The nature and extent of the active involvement and engagement of offenders in the processes as at mentioned above
- Victim Satisfaction – 100% at the end of 2012–2013 as measured on the PTRS
- Offender Satisfaction – 81.5% as measured using a nationally developed and endorsed survey tool
- Sentencer Satisfaction – 100% based on a locally developed survey of sentencers

A number of new processes have been developed in light of the above as part of an overarching Quality Assurance Framework and the early indications, from an internal inspection of the work of OMs using the same criteria as applied within the Her Majesty's Inspectorate of Probation (HMIP) Offender Management Inspection 2 (OMI2), would suggest that there have been significant improvements across all aspects of OM activity.

In addition, a new Quality Assurance Group has also been introduced during 2012–2013 with Board Member representation to provide additional assurance to the Board that the quality agenda is being given due priority.

## PTRS

Probation Trust: Dorset			3
Performance Indicator	Performance Year 2012–2013	NOMS Target 2012–2013	Status
<b>Public Protection</b>			3
OASys quality audit – To support, evaluate the delivery of an help ensure consistently high quality completion of OASys Assessments	88.8%	90%	2
The OMI numerical score derived from the OMI Risk of Harm thread is used.	70.0%	70%	3
Victim Feedback – To evaluate the quality of service delivered to the victims of crime	100.0%	90%	3
MAPPA Effectiveness – To ensure public protection responsibilities are fulfilled	97.9%	85%	3
<b>Reduce Reoffending</b>			3
Reducing Reoffending Rate – Reduce the rate of proven reoffending whilst under the supervision of probation	-9.95%		3
Likelihood of reoffending –OMI2 numerical score derived from the Likelihood of Reoffending headline score	67.0%	70%	2
The percentage of offenders in employment at termination of their order or licence	51.8%	40%	3
The percentage of offenders in settled and suitable accommodation at the end of their order or licence	80.4%	75%	3
Likelihood of reoffending –OMI2 numerical score derived from the Implementation of Interventions section	73.0%	72%	4
Offender Feedback – % of offenders with overall positive experiences of engagement	81.5%	67%	3
<b>Service Delivery</b>			4
Assessment & Sentence Planning – OMI2 numerical score derived from the OM & Sentence Planning section	74.0%	72%	4
The proportion of orders and licences successfully completed	88.7%	72%	4
Enforcement & Compliance – OMI2 numerical score derived from the OM Enforcement & Compliance section	75.0%	70%	3

**Key**

4 – Exceptional Performance  
2 – Requiring Development

3 – Good Performance  
1 – Serious Concerns

Performance Indicators	Performance Year 2012–2013	NOMS Target 2012–2013	
<b>Additional Local Measures – OM</b>			
The percentage of Pre-Sentence Reports (PSRs) completed within the timescales set by the court	100.0%	n/a	
The % of OASys final reviews (terminations) completed within the appropriate timescales for all Tier 2, 3, 4 and Prolific and other Priority Offenders (PPO).	93.8%	90%	
The percentage of cases in which initiation of breach proceedings took place within ten working days of the relevant unacceptable failure to comply	90.6%	90%	
The % of licence recall requests to reach NOMS Public Protection Casework Section (PPCS) within 24 hours of the decision by the Offender Manager	97.4%	90%	
The % of Indeterminate Sentence Prisoners (IPP and Lifers) parole assessment reports (PAROM 1) completed and returned to prison within 8 weeks of Parole Review Process Commencement Date	90.0%	80%	
<b>Additional Local Measures – Interventions</b>			
The number of accredited sex offender programme completions	21	15	
The number of accredited domestic violence programme completions	46	45	
The number of accredited general offending behaviour programme completions	77	77	
Unpaid work (Community Payback) completions.	400	425	
Drug Rehabilitation Requirement (DRR) completions.	48	84	
Alcohol Treatment Requirements (ATR) completions	51	30	
<b>Additional Local Measures – Resettlement</b>			
The number of offenders under supervision who find and sustain employment.	126	100	
<b>Additional Local Measures – Operational Capacity</b>			
Average days lost due to sickness per employee per annum.	12.7	10.0	
<b>Additional Service Delivery Measures – Planned Accredited Programmes Completions</b>			
Thames Valley Sex Offender Programme	12	10	
Internet Sex Offender Group Work Programme	9	5	
IDAP	46	45	
Thinking Skills Programme	50	43	
Low Intensity Alcohol Programme	22	28	
Drink Impaired Drivers (not running from October 12)	7	6	
<b>Additional Service Delivery Measures – Additional (Non Core) Rehab Services</b>			
Women Offenders Specified Activity Requirement	16	20	
Intensive Alternative to Custody	11	10	
Senior Attendance Centre	13	20	
ETE Specified Activity Requirement	50	50	
Compliance Activity Requirement	9	8	
Positive Relationships	0	7	
Keeping Calm	0	7	

Performance Indicators	Performance Year 2011–2012	Performance Year 2012–2013	
<b>Additional Local Measures – General</b>			
Oral and Fast Delivery Reports (FDRs) as a proportion of court PSRs (Crown Court Only)	47.1%	48.1%	↑
Oral and FDRs as a proportion of court PSRs (Magistrates Court Only)	67.8%	70.8%	↑
The percentage of PSRs (excluding remand in custody for Magistrates courts) completed within the timescales set by the court	100.0%	100.0%	↔
The percentage of remand in custody pre-sentence reports for Magistrates Courts completed within ten working days	95.4%	100.0%	↑
The percentage of community payback days which are lost because of stand-downs on the day or notified in advance	2.9%	3.6%	↓
Community payback completion rates	85.0%	89.1%	↑
The percentage of accredited sex offender treatment programmes to be successfully completed	91.7%	94.7%	↑
The percentage of accredited domestic violence programmes to be successfully completed	65.2%	88.1%	↑
The percentage of accredited offending behaviour programmes to be successfully completed (excluding sex offender and domestic violence programmes)	72.1%	66.2%	↓
ATR starts	73	75	↑
ATR completion rate	73.0%	75.0%	↑
DRR starts	87	77	↓
DRR completion rate	82.4%	70.6%	↓
The percentage of breaches of community orders resolved within 25 working days of the relevant failure to comply	79.9%	80.1%	↑

## 2. Accounts

### Management Commentary

#### Statutory background

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

These accounts have been prepared in accordance with the Government Financial Reporting Manual (FRoM) issued by HMT and in accordance with the accounts direction issued, on page 72, by the Secretary of State under the OM Act.

#### Principal activities

DPT covers the Dorset police area, as defined in Schedule 1 of the Police Act 1996, serving a population of approximately 715,000. During the year, the Trust employed some 192 full time staff that worked from eleven buildings, two hostels and four prisons across the County.

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

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

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

The CEO is a statutory office holder appointed by the Secretary of State. The CEO is the Accountable Officer for the Board and is accountable to the CEO of the NOMS in his position as the Principal Accountable Officer (PAO) for the Probation Service.

The PAO in turn, is accountable to the Accounting Officer of the MoJ, who is directly accountable to Parliament for safeguarding public funds.

#### Operational Performance during 2012–2013

An analysis of performance outcomes is summarised in the Annual Report on pages 5 to 21.

#### Results for the year

The Statement of Comprehensive Net Expenditure (SoCNE) for the year is shown on page 41. The Statement of Changes in Taxpayers' Equity is shown on page 44.

#### Operating costs

The net operating cost before tax for 2012–2013 stands at £1,143,000 compared to £745,000 for 2011–2012. The reason for the increase is due to a reduction in our central funding, and a decrease in our expected return from pension assets.

## Statement of Financial Position and Statement of Cash Flows

The Statement of Financial Position and Statement of Cash Flows are on pages 42 and 43.

The net liability position has increased from £16,891,000 at March 2012 to £18,335,000 at March 2013. The largest single movement within this position is £1,420,000 which relates to increase in the Trust's pension liability.

### Payment of creditors

In the year to 31 March 2013, the Trust paid 2,096 trade invoices. The percentage of undisputed invoices paid within 30 days by the Trust was 88.8% compared to 85.5% in 2011–2012.

### Treatment of Pension Liabilities

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

### Sickness absence data

The average levels of absence due to staff sickness were 12.3 days across the Trust (2011–2012 10.4 days).

### Personal data related incidents

There were no security incidents in 2012–2013 which required reporting to either the NOMS Audit and Corporate Assurance team or the ICO. Incidents reported locally through the established channels are considered by the Information Assurance Forum. Action required to reduce the risk of similar incidents are identified and communicated accordingly

All staff undertake a compulsory Information Assurance training course when joining the department and an annual refresher course. Staff briefings are issued to staff.

Dorset Probation has retained its Government Secure Intranet (GSI) accreditation providing evidence of the robustness of its processes around Information Assurance.

### Events after the reporting period

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

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

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

## Going Concern

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

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

Implementation of the new arrangements will require a Statutory Instrument to be issued by the Secretary of State under the OM Act 2007, subject to negative affirmation. This had not been drafted at the date the Annual Report and Accounts were approved. Senior management has concluded therefore that, having reviewed the results of the consultation within the context of the FReM, it is appropriate for the Trust to prepare the 2012–2013 Annual Report and Accounts on a going concern basis, with disclosure of a ‘material uncertainty’ around going concern, arising from the recommendations of the report, Transforming Rehabilitation: A strategy for Reform.

## Sustainable development

The Trust falls within the scope of reporting under the Greening Government commitment. As such we have produced a separate sustainability report showing performance against sustainability targets for greenhouse gas (GHG) emissions, waste minimisation and management and the use of finite resources and their related expenditure. The Sustainability Report is shown on pages 74 to 76.

## Future developments

The “Transforming Rehabilitation: A strategy for Reform” paper was published, on 9 May 2013 by the Secretary of State for Justice. The outcomes from this will influence all future developments within DPT over the next twelve to eighteen months.

DPT’s response to the outcomes of this form the basis of the four year business plan. The proposed work to develop a mutual along with DCPT features heavily in the Trust’s business plan. Once created the mutual will work with Shaw Trust to develop a Joint Venture that will be able to bid for Probation services that will be subject to competition. A commitment to deliver high performance whilst delivering a balanced scorecard remains at the centre of the Trust’s strategy during this period.

## Communications and employee involvement

Successful staff engagement has been critical to any successes that the Trust has enjoyed over the last few years. Effective communication has been a challenge for DPT in the past and considerable efforts have been made in 2012–2013 to build on the communication strengths and address the areas for improvement. Specific developments have included:

- creation of a multi grade, multi discipline group as part of a newly create iCAT group
- refreshed and re-launched Staff Suggestion Scheme
- creation of an ‘Ask the Chief’ and ‘Tell Us’ email accounts to streamline communications between the staff and the management group
- continuation of staff focus groups
- involvement of the CEO and the three Directors in the informal and formal Joint Negotiating Consultative Committee (JNCC) meetings

## Staff diversity

DPT fully embraces diversity and are working hard to create a truly inclusive organisation. The Trust supports groups such as Lesbians and Gays in Probation, the Association of Black Probation Officers, the National Association of Probation Officers and the National Association for Asian Probation Staff. We also value and support the work of Race Equality Councils and other Criminal Justice diversity organisations.

The Trust’s work is about transforming lives, and this starts with our staff. Our aim is to value everyone regardless of who they are; their origin, ethnicity, gender, sexuality and background. DPT sees beyond any 'labels' recognising that each individual has a unique contribution to make. There are extensive development opportunities including Positive Action for individuals in under-represented parts of the organisation and there are local and national support groups available for staff to join.

DPT is required to comply with the specific ‘Public Sector Equality Scheme’ applying to Public Bodies and publish information on how we meet our general Equality Duty with regard to equality information relating to our workforce.

Information is produced that is available on the Trust’s website that contains information on six of the protected characteristics namely age, gender, disability, race (ethnicity), sex (gender) and sexual orientation. Information held on the other protected characteristics are either incomplete, only held in paper records or the numbers are so low that publication risks identification.

## Audit

In accordance with the direction given by the Secretary of State, these accounts have been prepared in accordance with the FReM. With effect from 1 April 2012, the external Auditor changed from the Audit Commission to the National Audit Office. This change of the external Auditors was driven by a Department for Communities and Local Government (DCLG) decision to disband the Audit Commission and was made by HMT via a 2012 order to the Government Resource Accounts Act 2000. The Comptroller and Auditor General is appointed by statute to audit the Trust and reports on the truth and fairness of the annual financial statements and the regularity of income and expenditure. The Audit Certificate of the Comptroller and Auditor General is attached to the Accounts on page 39.

Total audit fees reported in the Accounts are £20,000. The audit fees for 2011–2012 relate to the previous external auditor. The audit fees for 2012–2013 are all for work on the statutory accounts, as no consultancy services were commissioned.

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

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

### The DPT Management Board

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

- continuation of Trust Board and Audit Committee meeting structures.
- existence of a Governance Handbook, Standing Orders, Financial Manual and Scheme of Delegation
- existence of Anti Fraud, Anti Corruption and Whistleblowing policies
- approved audit plan with both External and Internal Audit

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

Details of the remuneration of the Management Board are set out in the Remuneration Report on pages 27 to 28.

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

<b>Position</b>	<b>Name</b>
CEO	John Wiseman
Chair	Tim Skelton
Board Member	Mike Ashley
Board Member	Paul Bompas
Board Member	Marcia Headon
Board Member	Lesley-Anne Randell-Turner

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

John Wiseman  
Accountable Officer  
17 June 2013

## Remuneration Report

### Appointments

The Chair, the CEO, and other members of the Trust Board are all appointed by the Secretary of State in line with the OM Act 2007, section 5(1). Each Probation Trust is a body corporate and has signed a contract with the Secretary of State in accordance with section 3(2) of the OM Act 2007.

### A) Remuneration – Audited

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind as well as severance payments. It does not include employer pension contributions and the Cash Equivalent Transfer Value (CETV) of pensions.

	2012–2013			2011–2012		
	Salary (as defined below) £000s	Bonus £000s	Benefits in kind (rounded to the nearest £100) £000s	Salary (as defined below) £000s	Bonus £000s	Benefits in kind (rounded to the nearest £100) £000s
John Wiseman – CEO	75–80	7	0–5	75–80	8	0–5
Tim Skelton – Chair	15–20	None	None	15–20	None	None
Mike Ashley – Board Member	0–5	None	None	0–5	None	None
Paul Bompas – Board Member	0–5	None	None	0–5	None	None
Marcia Headon – Board Member	0–5	None	None	0–5	None	None
Lesley Randell-Turner – Board Member	0–5	None	None	0–5	None	None

All MoJ appointed Trust Board members receive non-pensionable remuneration of £15.40 per hour from 1 April 2010, with the exception of the CEO and the Chair. Trusts at their discretion may pay a travelling allowance and any other relevant expenses incurred.

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

	Total Full-time Equivalent Remuneration	
	2012–2013	2011–2012
Highest paid Director (pay band)	£75,000–£80,000	£75,000–£80,000
Median for other staff	£24,181	£24,197
Pay multiple ratio	3.2:1	3.2:1

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

### Salary

'Salary' includes the gross salary; overtime; etc as applicable to Trusts.

### Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by Her Majesty's Revenue and Customs (HMRC) as a taxable emolument. The benefits received are in respect of costs for accommodation, travel and the pecuniary liability in respect of tax paid under the employer Pay As You Earn (PAYE) settlement agreement with HMRC.

## B) Pension Benefits – Audited

The CEO is the only member of the Trust Board whose terms and conditions of employment allows him to be a member of the pension scheme. Details concerning the pension benefits of the CEO are shown in the table below:

	Total accrued pension at pension age as at 31 March 2013 & related lump sum	Real increase/ (decrease) in pension and related lump sum at pension age	CETV at 31 March 2013	CETV at 31 March 2012	Real increase/ (decrease) in CETV after adjustment for inflation and changes in market investment factors
	£000s	£000s	£000s	£000s	£000s
John Wiseman – CEO	32 Accrued Pension	4 Accrued Pension	607	566	41
	50 Lump Sum	(20) Lump Sum			

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

### CETV

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

### Real increase in CETV

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

John Wiseman  
Accountable Officer

17 June 2013

## Statement of Accountable Officer's Responsibilities

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

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

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

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

## Governance Statement

### Scope and Responsibility

Probation Services are contracted by the Secretary of State for Justice to local Probation Trusts pursuant to the OM Act 2007. DPT has a three year contract which commenced in April 2010.

The Trust, as part of its contractual obligations must have regard to the protection of the public, the reduction of re-offending, the proper punishment of offenders, ensuring offender's awareness of the effect of crime on the victims of crimes and the public and the rehabilitation of offenders.

It is also required to adopt and comply with the Standing Orders and Standing Financial Instructions mandated by the Secretary of State.

The Standing Orders and Standing Financial Instructions require the Trust Board to put in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions including the management of risk.

The Trust Board is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for, and used economically and efficiently.

It is the Board's responsibility to bring independent judgement to bear on issues of strategy, performance, resources and standards of conduct.

The CEO is a member of the Trust Board and the appointed Accountable Officer and has the responsibility for maintaining a sound system of internal control that supports the achievement of DPT's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which he is personally responsible, in accordance with the responsibilities assigned by Government Accounting requirements.

The CEO is directly accountable to the Chair of the Trust Board. The Board is corporately accountable to the NOMS through the Director of Probation and other Contracted Services.

### The Governance Framework

#### The purpose of the framework

The governance framework comprises the behaviours, values, systems and processes, by which the Trust is directed and controlled and through which it accounts to the Secretary of State and engages with, and discharges its responsibilities to other elements of the criminal justice system, the public, stakeholders and partners. It enables the Trust to monitor the achievement of its strategic objectives.

#### The governance framework

A framework for the implementation of good governance allows the Trust to be clear about its approach to discharging its responsibilities and to promote this internally, to officers and members and externally to partners, stakeholders and residents. The governance framework is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The governance framework is based on an ongoing process designed to identify and prioritise the risks to the achievement of Trusts policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

## The Trust Board and Committees

The Trust Board comprises six members including the Chair and CEO.

The Trust operates Audit, Health & Safety and Remuneration Committees.

The Board membership on each of these committees and on the Board itself, is shown in the table below:

Name	Title	Trust Board Member	Audit Committee Member	Health & Safety Committee Member	Remuneration Committee Member
Tim Skelton	Board Chair	Yes	No	No	Yes
John Wiseman	CEO	Yes	Yes	No	No
Paul Bompas	Board Member	Yes	Yes	No	Yes
Marcia Headon	Board Member	Yes	Yes	No	Yes
Mike Ashley	Board Member	Yes	Yes	No	No
Lesley-Anne Randell-Turner	Board Member	Yes	Yes	Yes	No

The Audit Committee operates in accordance with the Cabinet Office guidance on Codes of practice for Public Bodies, HMT Standards and Audit Committee's Policy principles and its Terms of Reference.

The Trust Board met on seven occasions during 2012–2013 to consider governance and strategy matters. Three of these meetings were considered 'extra-ordinary' meetings.

Board member attendance at Trust Board and Committee meetings during 2012–2013 was as follows:

Name	Title	Board Meetings	Audit Committee	Health & Safety Committee	Remuneration Committee
Tim Skelton	Board Chair	6 of 7 (86%)	Not applicable	Not applicable	3 of 3 (100%)
John Wiseman	CEO	7 of 7 (100%)	4 of 4 (100%)	Not applicable	Not applicable
Paul Bompas	Board Member	7 of 7 (100%)	4 of 4 (100%)	Not applicable	3 of 3 (100%)
Marcia Headon	Board Member	6 of 7 (86%)	3 of 4 (75%)	Not applicable	3 of 3 (100%)
Mike Ashley	Board Member	5 of 7 (71%)	1 of 4 (25%)	Not applicable	Not applicable
Lesley-Anne Randell-Turner	Board Member	7 of 7 (100%)	4 of 4 (100%)	3 of 3 (100%)	Not applicable

The Audit Committee meets to review internal and external audit reports and action plans and also to review the organisation's risk register. The Committee has established a rolling programme of scrutiny of actions plans that focus on recommendations from all Audit and Inspection reports. Members of the Board receive minutes from the Audit Committee meetings and an annual report from the Chair of the Audit Committee.

Members of the Audit Committee have discussed in detail the internal control framework and advised the CEO as to its adequacy.

Formal agendas, papers and reports are supplied to Board members in a timely manner, prior to Board meetings. Briefings are also provided on an ad hoc basis. The Board has a strong and independent non-executive element and no individual or group dominates its decision-making process. The Board considers that each of its non-executive members is independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement. There is a clear division of responsibility in that the roles of the Chair and CEO are separate.

Full minutes of all Board meetings, except those deemed to be confidential by the Board, are available on request.

The Trust Secretary maintains a register of financial and personal interests of the Board members. The register is available for inspection at the HQ of the Trust on request.

### **Highlights from Trust Board and Audit Committee Meetings**

The Board is provided with regular and timely information on the overall financial performance of the Trust together with other information such as performance against targets and the PTRS, quality matters and matters regarding health and safety estates.

The Trust Board and the Trust Executive team contributed to the development of the three year business plan. This is reviewed each year. The 2012–2013 business plan was endorsed by the Trust Board on 16<sup>th</sup> April 2012. The plan sets out how the Trust proposed to deliver services during 2012–2013 and identified specific steps to prepare for the outcomes of the Transforming Rehabilitation consultation.

It was anticipated that 2012–2013 would present the Trust with many challenges as a result of reductions in public spending combined with the Governments intention to reform the Criminal Justice System. Consequently considerable time was dedicated by the Board during the year to identify the strategy of the Trust and to monitor critical developments to ensure that the Trust was as ready as it could be for the anticipated proposals.

The Trust Board received verbal updates from the Chair, CEO and the three Directors at each of its meetings. In addition to this the Board received and considered reports at each of its meetings regarding:

- Finance – reviewing performance against budget, considering future funding scenarios and savings options and setting the annual budget
- Performance – monitoring performance against contract and in the context of the PTRS, identifying corrective action where necessary
- Key Performance Indicators (KPIs) – setting KPIs for the year and monitoring progress and performance against targets and discussing corrective action where necessary
- Organisational Development Plan – setting the plan for the year and monitoring progress and performance against agreed actions and discussing corrective action and amendments to plan as necessary

During the year and as part of the business planning cycle the Board considered amongst other things:

- The approval of the Annual Report and Final Accounts
- Consideration of an annual report on complaints received by the Trust, monitoring volume, nature and outcomes of complaints
- The refreshed Financial Regulations, Standing Orders and Scheme of Delegation
- Presentation of the annual Health and Safety plan with update on progress against previous years plan
- Updated policies (environmental and sustainability) and revised terms of reference (Remuneration Committee, iCAT group)

In pursuit of the Trust's strategy to prepare and position itself following the outcomes from the Transforming Rehabilitation consultation the Board considered the following in the year:

- Consideration and approval of a proposal from the Trust Executive to join other Trusts in creating a CIC, that would provide a mechanism for a collaborative approach to procurement and a possible model through which services could be commissioned and/or provided
- Proposals to create a Partnership Framework were discussed and approved resulting in the identification of key partners that had expressed a desire to work with DPT collaboratively on aspects of operational delivery across the Trust

- A Marketing Communications Plan designed to enhance the profile of the Trust as it enters a future where the Government's competition agenda starts to develop
- Detailed discussions around the potential for developing a mutual with DCPT and the Shaw Trust

The Trust's Internal Auditors monitor the systems of internal control, risk management controls and governance processes in accordance with an agreed plan of input and report their findings to management and the Audit Committee.

The Audit Committee approves the programme of internal audits for the year recommended to it by the Executive and Internal Audit team. In 2012–2013 internal audits approved related to Strategic Planning in Business Development, MAPPA arrangements and Business Continuity. During the year the Committee received regular updates from the Director of Corporate Services and Infrastructure and considered matters affecting finance, HR and estates.

The Committee continued to receive updates regarding SFOs and monitored progress regarding the Trust's continued scheduled review of policies, procedures and processes.

The Committee received a presentation regarding the Bribery Act and approved a refreshed Whistleblowing Policy. The Trust's Business Continuity Plan was also reviewed and refreshed through the Committee during 2012–2013.

During the year the Trust was subjected to a 'Phone Phreaking' incident. This is also referred to as a 'dial through fraud'. The incident occurred over the weekend of the 16 and 17 of February 2013. It was reported to the Chair of the Audit Committee and the CEO in the week beginning Monday 18 February and discussed at the Audit Committee on 25 February. The Trust was contacted by its telecoms provider, Comms UK early on the morning of the 18 February. This initial contact was followed by regular communication between the Trust and Comms UK to identify exactly what had occurred, to discuss what steps had and will be put in place and to identify the options available to the Trust to minimise the risk of future occurrences. The cost to the Trust of the 'Phone Phreaking' incident was £8,585.72. The incident was reported to both the NOMS Financial Governance and the MoJ Internal Audit and Assurance teams. Details of the incident, along with possible measures to reduce the risk of similar re-occurrences were shared with other Trusts in the Probation Service.

The Audit Committee has regularly reviewed the Trust's approach to risk management and approved any changes or improvements to key elements of its processes and procedures. It reports issues of internal control to the Board as necessary and alerts the Board to any emerging issues. It has also reviewed the effectiveness of the internal control system, including the Trust's system for the management of risk and any identified weaknesses.

### **Review of effectiveness of Trust Board**

Dorset Probation became a Trust on the 1<sup>st</sup> April 2010. Since becoming a Trust DPT has consistently delivered good performance in a climate of reducing resources.

The Trust Board held two development days during the year. The first development day was structured around a self evaluation and facilitated by an external organisation. Each Board member was given the opportunity to assess how effective they felt the Trust Board was and to reflect on the strengths and weaknesses following changes to the membership of the Board that had occurred in the preceding fifteen months. The day also focused on the relationships and behaviours of the Board members and discussed the amount of time that should be devoted to different elements of the Board agendas.

The outcome from the day identified several areas for improvement that the Board would focus on during the year. These included the re-ordering of the Board agendas to enable sufficient time for open discussions regarding future proposed developments and an increased focus on Quality Assurance to address some of the issues that were identified in the OMI report. A proposal to commit the Trust to

become a founding member of a CIC was also discussed during this development day and a decision taken to proceed with the proposal.

The second development day was focused around proposals for the review of the management structure in the context of the Trust's four year business plan and the anticipated financial settlement for 2013–2014.

The Board has assessed its compliance with the *Corporate governance in central government departments: Code of good practice* and is satisfied that the Trust's governance arrangements are satisfactorily compliant and that there are no significant departures from the code.

### **Members and Officers – purpose, roles and responsibilities**

In April 2012, the Trust Board approved a Scheme of Delegation which defines and documents the roles and responsibilities of the Trust Board, Board Chair, CEO, Directors, Heads of Service and Budget Managers.

The Scheme of Delegation provides clear delegation arrangements and protocols for decision making.

A code of conduct defining the standards of behaviour for members and staff is in place along with an Anti Fraud and Anti Corruption and Whistleblowing policies.

The Chair and CEO meet regularly to discuss strategic and operational matters. Board members have lead role responsibilities for aspects of the Trust business together with committee and panel membership.

The senior management of the organisation is structured to provide clear responsibility and accountability at both strategic and operational levels. The Trust Executive group comprises the CEO and the three Directors. This group considers the progress toward the deliver of the Trust's strategy and Business Plan and meets every four weeks.

The Senior Management group meets every four weeks and is attended by the three Directors, the three Heads of Service and the HR and Learning & Development Manager. The group looks at staffing issues and policies and procedures that affect the staff group.

## **The Risk and Control Framework**

### **Values of good governance and standards of behaviour**

The system of internal financial control is based upon a framework of comprehensive financial regulations and procedures devised by the MoJ based on Cabinet Office requirements.

Control is maintained through regular management information, management supervision, and a structure of delegation and accountability. An Anti Fraud and Anti Corruption policy and a Whistleblowing policy are maintained on the Trust's intranet.

There are clear and fully documented staff disciplinary processes to deal with breaches in any code, policy or protocol and staff are made aware, through induction and as required of the Trust's expectations in terms of standards of behaviour and compliance with agreed policies and codes of conduct.

### **Capacity to handle risk**

A decision was taken centrally at the beginning of 2010–2011 that there would be no further centrally led Audits of Business Risk Management but this has remained a key focus locally to ensure that the Trust's ability to manage business and financial risks is maintained if not further improved. To this end:

- All Units have undertaken a further self-assessment of their Business Risk Management processes and practice to ensure that these are properly embedded at all levels throughout the organisation
- The system and processes for the management of devolved budgets across the organisation have been further developed and are now the subject of formal letters of delegation in accordance with previous recommendations from Internal Audit. This includes the provision of monthly budget reports, routine budget monitoring meetings and ongoing support for all 'budget holders' in accordance with their individual needs and the needs of the organisation
- The membership and terms of reference of the Information Assurance Forum (IAF) have been reviewed and refreshed to ensure representation across all areas of the business with a view to embedding the understanding and awareness of Information Assurance issues throughout the Trust
- The process for developing new and reviewing existing policies and procedures has been further reviewed and refreshed to ensure that this is as lean and efficient as possible and that such policies and processes are readily accessible to staff

In addition to the above, the Trust elected to be externally assessed during 2012–2013 using the European Excellence Model and as a result of this the Trust was awarded a level four on BQFs R4E Award scheme on a scale of one to five where five is best. This was an excellent achievement and further evidence of the health of the organisation. The assessment also identified further areas for improvement over the course of 2013–2014 across all elements of the model and these will be built in to our refreshed Organisational Development Plan which can also be found in the Trust's Platform for Achieving More (PAM) system.

### **Approach to the Management of Risk**

The Trust uses a four year rolling corporate risk register and this is subject to regular review by the Audit Committee on a quarterly basis, with input from the Trust Executive (comprising the CEO and three Directors), the TLG comprising all Senior and Middle Managers, and the Trust Board. This includes a review of the existing risks and the identification of any new risks to delivery of the Business Plan, an assessment of the level of risk which can be tolerated and the controls in place or required to manage and/or mitigate the risks.

The following process ensures that the risks identified are regularly reviewed and that any new risks are captured:

- Each of the identified risks contained in the Risk Register has an assigned owner from within the Trust Executive and the owner is responsible for reviewing the risks and the controls in place or required to manage the risk on a quarterly basis
- The overall Risk Register is then reviewed by the collective Trust Executive to ensure consistency of approach and a sharing of responsibility for all risks identified
- The outcomes of the review are then reported to the Audit Committee for approval of any suggested amendments to the risk levels or the actions planned to manage the risks. The revised Risk Register then goes to the full Board for noting
- Directives, including Probation Instructions, from the NOMS are implemented properly and promptly with responsibility for any implementation issues arising from such directives being assigned to a member of the Trust Executive as appropriate. A central register of all such directives, their action owners and timeframe for implementation of any actions required is maintained by the Personal Assistant to the CEO

Through these arrangements the Board and Audit Committee exercise robust governance and strategic oversight and thereby provided effective leadership on the risk management process.

As part of the Audit Plan for 2013–2014 DPT will undertake an Audit of Business Risk Management. To this end all Units will be required to undertake a further self assessment of their understanding, awareness and the practical application of the processes and procedures for the management of business risks to ensure that these remain firmly embedded at team level.

In addition to the above, there are a wide range of processes that have been developed or maintained as part of the internal control framework. These include:

- As part of the annual business planning processes Team Plans are set to support the achievement of Trust business objectives and are approved by the relevant Director
- The Trust Business Plan is reviewed quarterly, within the planning cycle, by the Trust Executive and Board
- The Trust Executive receives and reviews monthly reports on performance and finance. The Probation Board receives and considers reports on performance and finance at each of its meetings
- The Trust has a series of handbooks, available to staff electronically and manually, which cover the main functions in respect of professional Probation practice, health and safety, HR, finance and administration. The handbooks incorporate policies in respect of anti-fraud and key HR policies which support the achievement and review of objectives, i.e. staff appraisal, staff supervision, sickness management, selection and recruitment, induction. The Trust has a well developed intranet function which has also been used to alert staff to key organisational priorities and changes in policies
- The CEO and Board Secretary jointly manage the complaints, appeals and disciplinary procedures and a report is presented to the Board on an annual basis advising of the number and type of complaints received and how these have been addressed
- Revised and strengthened policies and processes have been developed to allow for careful assessment by the Trust Executive and the Board of proposed new projects prior to any approval being given
- Controls are also exercised by adherence to recognised standards set in key primary internal control documents, for example the Management Statement and Financial Memorandum, Standing Financial Instructions, Local Probation Board Standing Orders

### **Review of the effectiveness of risk management and internal control**

The CEO, as the Accountable Officer, is responsible for reviewing the effectiveness of the system of internal control. The effectiveness of the system of internal control has been informed by the work of the Internal Auditors, the work undertaken by his senior managers who have responsibility for the development and maintenance of the internal control framework, and comments made by the External Auditors in their annual audit letter and other reports.

The system of internal control is designed to manage and reduce risk to a reasonable level rather than eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide a 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 Probation Service, Probation Board and departmental policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically. The system of internal control has been in place in Dorset Probation for the year ended 31 March 2013 and up to the date of approval of the annual report and accounts and accords with Treasury guidance.

In reviewing the effectiveness of internal control, the CEO has measured the system in Dorset against the standards in the NOMS risk management framework and is confident that progress has been made in the past year in the local implementation of DPT's risk management framework. In particular, improved use of the framework has enabled the Trust to:

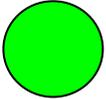
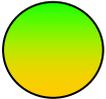
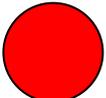
- Focus on the key risks associated with a range of financial management processes and procedures
- Focus on key areas of operational delivery to ensure that weaknesses are identified and acted upon e.g. elements of the National Standards basket of measures

The Head of Internal Audit provides an annual opinion concerning the system of internal control, based upon audit work undertaken during the year. The following is an extract from the Annual Report of Internal Audit and sets out this opinion as follows:

*‘This opinion is based primarily on the work conducted during the year but also takes into account our observations during attendance at Audit Committee meetings. It also takes into account our confidence in the extent to which agreed actions to remedy weaknesses are implemented by due dates.*

*It is in this context that I am able to report that, although I highlighted some areas of weakness in this report I am able to give a reasonable assurance that the Trust’s overall risk, control and governance framework is generally adequate to enable the achievement of its objectives and that the key risks to the Trust are being effectively managed.’*

The full list of audits undertaken during 2012–2013 and the outcomes of these is as follows:

Rating	Report title
Green 	Strategic Planning in Business Development
Amber/Green 	MAPPA Arrangements Business Continuity Planning
Amber/Red 	
Red 	

Formal management responses have been made in all cases where necessary and an action plan has been developed as part of the Audit Action Plan Improvement Project and managed through our project management tool, PAM to ensure the implementation of all the recommendations arising from the Audits. Progress in relation to the actions has been monitored and reviewed by the Audit Committee throughout the year.

One follow up audit was also completed during the year, focussing on the extent to which critical and significant recommendations had been implemented and the outcome of this was also very positive with all outstanding actions now deemed to have been fully implemented.

A number of specific control issues were identified by internal audit during the year as requiring work to strengthen internal control and the following is a brief summary of the issues and the actions already taken or planned to address these. Three internal audits were completed. Overall twelve risk priority three (moderate) and two risk priority two (significant) recommendations were made. No priority one (critical) recommendations were made.

### **SFOs and Serious Case Reviews (SCRs)**

There have been a number of SFOs and SCRs recorded during 2012–2013 of which one has resulted in some potential reputational risk to the Trust given that some aspects of practice were found to be below the standard and quality expected and required of staff.

This has been the subject of a detailed review and an action plan has been developed to address the issues identified both on an individual and organisational basis and to ensure that the lessons learned are applied across the Trust.

The action plan is subject to monitoring and reviews by the Audit Committee to ensure that it is fully implemented and any issues arising are taken to the full Board on an exceptions basis.

### **Significant Issues**

The most significant risk to the Trust concerns the potential impact of the recently announced proposals regarding the Government's Transforming Rehabilitation Strategy For Reform programme.

The Trust Board and the Trust Executive group have developed strategies to mitigate the potential impact and in doing so have committed DPT to the pursuit of a mutual with the DCPT and partners from the Trust's partnership framework.

John Wiseman  
Accountable Officer  
17 June 2013

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

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

#### Respective responsibilities of the CEO and auditor

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

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

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

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

#### Opinion on regularity

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

#### Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of Dorset Probation Trust's affairs as at 31 March 2013 and of the net operating cost after taxation for the year then ended; and
- the financial statements have been properly prepared in accordance with the OM Act 2007 and Secretary of State directions issued thereunder

#### Emphasis of Matter – Material uncertainty in respect of going concern

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

### **Opinion on other matters**

In my opinion:

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

### **Matters on which I report by exception**

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

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

### **Report**

I have no observations to make on these financial statements.

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

**03 July 2013**

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

## 4. Financial Statements

### Statement of Comprehensive Net Expenditure

For the year ended 31 March 2013

		2012–2013	2011–2012
	Notes	£000	£000
<b>Administration costs</b>			
Staff costs	3(a)	7,410	7,250
Other administration costs	6(a)	2,515	2,660
Income	7(a)	(9,398)	(9,619)
<b>Net administration costs</b>		<b>527</b>	<b>291</b>
<b>Programme costs</b>			
Staff costs	3(a)	0	0
Other programme costs	6(b)	0	0
Income	7(b)	0	0
<b>Net programme costs</b>		<b>0</b>	<b>0</b>
<b>Net operating costs</b>		<b>527</b>	<b>291</b>
Expected return on pension assets	4(d)	(1,413)	(1,606)
Interest on pension scheme liabilities	4(d)	2,029	2,060
<b>Net operating costs before taxation</b>		<b>1,143</b>	<b>745</b>
Taxation	5	(3)	13
<b>Net operating costs after taxation</b>		<b>1,140</b>	<b>758</b>

### Other Comprehensive Expenditure

		2012–2013	2011–2012
	Notes	£000	£000
Net (gain)/loss on revaluation of property, plant and equipment	8	(4)	(2)
Net (gain)/loss on revaluation of intangibles	9	0	0
Net (gain)/loss on revaluation of available for sale financial assets		0	0
Pension actuarial (gain)/loss	23	308	5,002
<b>Total comprehensive expenditure for the year ended 31 March 2013</b>		<b>1,444</b>	<b>5,758</b>

The notes on pages 45 to 71 form part of these accounts.

## Statement of Financial Position

As at 31 March 2013

		2012–2013	2011–2012
	Notes	£000	£000
<b>Non-current assets</b>			
Property plant and equipment	8	63	96
Intangible assets	9	0	0
Deferred tax asset	19	0	0
Trade and other receivables	12(a)	0	0
<b>Total non-current assets</b>		<b>63</b>	<b>96</b>
<b>Current assets</b>			
Assets classified as held for sale	11	0	0
Deferred tax asset	19	0	0
Trade and other receivables	12(a)	390	1,247
Cash and cash equivalents	13	1,002	358
<b>Total current assets</b>		<b>1,392</b>	<b>1,605</b>
<b>Total assets</b>		<b>1,455</b>	<b>1,701</b>
<b>Current liabilities</b>			
Trade and other payables	14(a)	(717)	(829)
Provisions	15	0	(8)
Taxation payables	14(a)	(526)	(636)
<b>Total current liabilities</b>		<b>(1,243)</b>	<b>(1,473)</b>
<b>Non-current assets plus/less net current assets/(liabilities)</b>		<b>212</b>	<b>228</b>
<b>Non-current liabilities</b>			
Trade and other payables	14(a)	0	0
Provisions	15	(8)	0
Pension liability	4(c)	(18,539)	(17,119)
<b>Total non-current liabilities</b>		<b>(18,547)</b>	<b>(17,119)</b>
<b>Assets less liabilities</b>		<b>(18,335)</b>	<b>(16,891)</b>
<b>Taxpayers' equity</b>			
General fund	23	(18,368)	(16,920)
Revaluation reserve – property, plant and equipment	24(a)	33	29
Revaluation reserve – intangible assets	24(b)	0	0
		<b>(18,335)</b>	<b>(16,891)</b>

The financial statements on pages 41 to 44 were approved by the Board on 17 June 2013 and were signed on its behalf by

John Wiseman  
Accountable Officer  
17 June 2013

The notes on pages 45 to 71 form part of these accounts.

## Statement of Cash Flows

For the year ended 31 March 2013

		2012–2013	2011–2012
	Notes	£000	£000
<b>Cash flows from operating activities</b>			
Net operating costs	23	(1,140)	(758)
Adjustments for non-cash transactions	6(a)	38	41
Adjustments for pension cost	4(d)	1,112	760
(Increase)/decrease in receivables	12(a)	857	(557)
Increase/(decrease) in payables	14(a)	(222)	(65)
Utilisation of provisions	15	0	(7)
Less movements in property, plant and equipment payable	14(a)	0	0
Less payments of amounts due to Consolidated Fund to NOMS	14(a)	0	1
<b>Net cash outflow from operating activities</b>		<b>645</b>	<b>(585)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	8	0	(44)
Purchase of intangibles	9	0	0
Proceeds on disposal of property, plant and equipment	8	(1)	0
Proceeds on disposal of intangibles	9	0	0
<b>Net cash outflow from investing activities</b>		<b>(1)</b>	<b>(44)</b>
<b>Cash flows from financing activities</b>			
Net financing received in year	23	0	0
Payments of amounts due to the Consolidated Fund to NOMS		0	(1)
<b>Net financing</b>		<b>0</b>	<b>(1)</b>
<b>Net increase/(decrease) in cash and cash equivalents in the period</b>		<b>644</b>	<b>(630)</b>
Cash and cash equivalents at the beginning of the period	13	358	988
Cash and cash equivalents at the end of the period	13	1,002	358
<b>Increase/(decrease) in cash</b>		<b>644</b>	<b>(630)</b>

The notes on pages 45 to 71 form part of these accounts.

## Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2013

	Notes	General Fund £000	Revaluation Reserve £000	Total £000
<b>Balance as at 1 April 2011</b>		<b>(11,160)</b>	<b>27</b>	<b>(11,133)</b>
<b>Changes in taxpayers' equity for 2011–2012</b>				
Net operating cost after taxation	SocNE	(758)		(758)
Net gain/(loss) on revaluation of property, plant and equipment	24(a)		2	2
Net gain/(loss) on revaluation of intangibles	24(b)		0	0
Movement in donated assets	23	0		0
Transferred from revaluation reserve	23	0		0
Pension actuarial (loss)/gain	23	(5,002)		(5,002)
Net NOMS financing received in year	23	0		0
<b>Balance as at 31 March 2012</b>		<b>(16,920)</b>	<b>29</b>	<b>(16,891)</b>
<b>Changes in taxpayers' equity for 2012–2013</b>				
Net operating cost after taxation	SocNE	(1,140)		(1,140)
Net gain/(loss) on revaluation of property, plant and equipment	24(a)		4	4
Net gain/(loss) on revaluation of intangibles	24(b)		0	0
Movement in donated assets	23	0		0
Transferred from revaluation reserve	23	0		0
Pension actuarial (loss)/gain	23	(308)		(308)
Net NOMS financing received in year	23	0		0
<b>Balance as at 31 March 2013</b>		<b>(18,368)</b>	<b>33</b>	<b>(18,335)</b>

The notes on pages 45 to 71 form part of these accounts.

## Notes to the accounts

### 1. Statement of accounting policies

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

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

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

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

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

Had the Trust adopted the amended IAS19 for the 2012–2013 reporting period, the impact on the

financial statements would have been £27,000 higher return on Scheme assets (£3,999,000 under the amended IAS 19 versus £3,972,000 under the existing standard).

#### 1.1 Accounting convention

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

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

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

#### 1.3 Going concern

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

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

The recommendations of the report will change the way in which probation services are commissioned and delivered. A new National Probation Service will be created to protect the public from the most dangerous offenders and manage the provision of probation services. England and Wales will be divided into 21 contract areas which align closely with local authorities and Police and Crime Commissioner areas. MoJ/NOMS will be responsible for commissioning rehabilitation

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

Implementation of the new arrangements will require a Statutory Instrument to be issued by the Secretary of State under the OM Act 2007, subject to negative affirmation. This had not been drafted at the date the Annual Report and Accounts were approved. Senior management has concluded therefore that, having reviewed the results of the consultations within the context of FReM, it is appropriate for the Trust to prepare the 2012–2013 Annual Report and Accounts on a going concern basis, with disclosure of a ‘material uncertainty’ around going concern, arising from the recommendations of the report, *Transforming Rehabilitation: A strategy for Reform*.

#### 1.4 Property, plant and equipment

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

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

#### Revaluation of non-current assets

The revaluation reserve reflects the unrealised element of the cumulative balance of revaluation and indexation adjustments in non-current assets (excluding donated assets). Upward revaluations

go to the Revaluation Reserve. Downward revaluations are charged to the revaluation reserve if there is a prior credit balance; otherwise they are charged to the SoCNE.

#### 1.5 Depreciation

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

Asset lives are currently in the following ranges:

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

#### 1.6 Impairment

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

#### 1.7 Intangible non-current assets

Intangible non-current assets should be recognised only if it is probable that future service potential will flow to the Trust and the cost of the asset can be measured reliably. The future service potential can be defined as a direct contribution of the intangible asset to the delivery of services to the public. These intangibles mainly comprise of

internally developed software for internal use and purchased software.

The minimum level for capitalisation of an intangible non-current asset is £5,000, inclusive of any irrecoverable VAT element, where appropriate.

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

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

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

The intangible assets (Software and Development) are amortised over 5 years using the straight-line.

Intangible assets are restated at each Statement of Financial Position date using ONS IT price indices.

### 1.8 Non-current assets held for sale

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

### 1.9 Inventories

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

### 1.10 Operating income

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

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

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

### 1.11 Administration and programme expenditure

The SoCNE is analysed between administration and programme income and expenditure. The classification of expenditure and income for both Administration and Programme follows the definition set out in the FReM by HMT.

Administration costs reflect the costs of running the Probation Trust together with associated operating income. Programme costs are defined as projects which are fully or partially funded from outside the MoJ. On consolidation into NOMS Agency Accounts, all expenditure and income is classified as programme, except the audit fee which is administration expenditure.

### 1.12 Pensions

Past and present employees are covered by the provisions of the LGPS. This is a funded defined benefit scheme meaning that retirement benefits are determined independently of the investments of the scheme and employers are obliged to make additional contributions where assets are insufficient to meet retirement benefits. Under the LGPS Regulations the pension fund is subject to an independent triennial actuarial valuation to determine each employer's contribution rate (Disclosure of Stakeholder Pensions Schemes is not included in these accounts). Where a central government entity has a share of a local government (or other) pension scheme liability on its statement of financial position, then that entity will use a discount rate determined by the

appropriate authority (for example CIPFA or a qualified independent actuary) in valuing its share and not the rate advised annually by HMT. The pension fund actuary has used roll forward estimated asset value figures in producing the IAS 19 pension liability and other disclosures.

### 1.13 Leases

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

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

#### Finance leases

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

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

#### Operating leases

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

#### Operating leases – incentives

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

#### IFRIC 4 Determining whether an arrangement contains a lease

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

### 1.14 Provisions

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

### 1.15 VAT

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

### 1.16 Corporation Tax (CT)

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

### 1.17 Cash and Cash Equivalents

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

### 1.18 Financial instruments

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

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

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

### 1.20 Third party assets

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

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

### Operating Segments – Analysis of spend by section as reported to the Trust’s Board

	2012–2013 Net Expenditure £000	2012–2013 Total Non- Current Assets £000	2011–2012 Net Expenditure £000	2011–2012 Total Non- Current Assets £000
Trust Wide	1,375	19	2,046	5
Business Development & Offender Services	1,839	44	1,837	55
Corporate Services & Infrastructure	1,806		1,045	
Executive	411		405	
LDU – Bmth & Poole	2,832	0	2,616	28
LDU – Dorset County	1,122	0	1,212	8
Offender Area Wide	163		149	
Regional Training Consortium	0		0	
<b>Totals</b>	<b>9,548</b>	<b>63</b>	<b>9,310</b>	<b>96</b>

### Reconciliation of Net Expenditure to Net Operating After Taxation (Statement of Comprehensive Net Expenditure)

	£000
Total Net Expenditure for Reportable Segments	9,548
Income receivable from the Sponsoring Department	-8,408
Other Net Expenditure	0
Elimination of intersegment (I)/E	0
<b>Net Operating Cost After Taxation (Statement Of Comprehensive Net Expenditure)</b>	<b>1,140</b>

### Reconciliation of Non-Current Assets

	£000
Total Non-Current Assets for Reportable Segments	63
Other Assets	0
Elimination of internal receivables	0
<b>Total Non-Current Assets</b>	<b>63</b>

### 3. Staff numbers and related costs

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

	2012–2013			2011–2012
	Total £000	Permanently- employed staff £000	Others £000	Total £000
Wages and salaries	6,221	5,778	443	6,180
Social security costs	458	440	18	473
Other pension costs	1,410	1,410	0	1,250
<b>Sub-total</b>	<b>8,089</b>	<b>7,628</b>	<b>461</b>	<b>7,903</b>
Less recoveries in respect of outward secondments	(679)	(679)	0	(653)
<b>Total staff costs</b>	<b>7,410</b>	<b>6,949</b>	<b>461</b>	<b>7,250</b>
Administration-related staff costs	7,410	6,949	461	7,250
Programme-related staff costs	0	0	0	0
	<b>7,410</b>	<b>6,949</b>	<b>461</b>	<b>7,250</b>

The LGPS is a funded multi-employer defined benefit scheme. The Probation Trust's share of the underlying assets and liabilities are shown below in **Note 4**.

Nobody retired early on ill health grounds (2011–2012: 0 people); the total additional accrued pension liabilities in the year amounted to £0 (2011–2012: £0).

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

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

	2012–2013		2011–2012
	Total £000	Permanently- employed staff £000	Total £000
	192	180	198
	<b>192</b>	<b>180</b>	<b>198</b>

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

Exit packages cost band	2012–2013			2011–2012		
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	0	4	4	0	5	5
£10,000–£25,000	0	3	3	0	2	2
£25,000–£50,000	0	2	2	0	1	1
£50,000–£100,000	0	0	0	0	1	1
£100,000–£150,000	0	0	0	0	0	0
£150,000–£200,000	0	0	0	0	0	0
£200,000+	0	0	0	0	0	0
<b>Total number of exit packages by type</b>	<b>0</b>	<b>9</b>	<b>9</b>	<b>0</b>	<b>9</b>	<b>9</b>
<b>Total resource cost £000</b>	<b>0</b>	<b>143</b>	<b>143</b>	<b>0</b>	<b>169</b>	<b>169</b>

Redundancy and other departure costs have been paid in accordance with the Trust compensation scheme. Exit costs are accounted for in full in the year where the Trust is 'demonstrably committed' to the departure. The additional costs of any early retirements are met from the Trust and not the pension scheme and are included in the above figures. Ill health retirement costs are met from the pension scheme and are excluded from the above table.

## 4. Pensions costs

### 4a Pension costs

The provision of the LGPS cover present and past employees, which is statutory and funded. The Trust participates in the LGPS, administered by Dorset County Council Pension Services. The latest formal valuation of the Fund for the purposes of setting employers' actual contributions was as at 31 March 2010. The next formal valuation is due as at 31 March 2013. A summary of the membership data used, and the benefits valued at the latest valuation are set out in the formal valuation report. In completing our calculations for IAS19 purposes we have used the following items of data: the results of the Triennial Actuarial Valuation as at 31 March 2010, which was carried out for funding purposes; Estimated whole fund income and expenditure items for the period to 31 March 2013. Estimated whole fund returns for the period to 31 March 2013 based on actual fund returns for the period to 28 February 2013 and then market returns (estimated where necessary) for the period to 31 March 2013; Details of any new early retirements for the period to 31 March 2013 which have been paid out on an unreduced basis which are not anticipated in the normal employer service cost. The Government has announced that it plans to increase future pensions in line with the Consumer Price Index (CPI) rather than the Retail Price Index (RPI). The actuaries standard approach is to account for this as a "past service gain" in the Profit and Loss Statement as it is assumed that the CPI will increase at a slower rate than the RPI (and so pension increases and therefore the IAS19 liabilities will be lower). The capitalised gain from the change in pension increase policy from RPI to CPI was calculated at £3,346,000 at the end of the 2010/2011 financial year.

A full actuarial valuation was carried out at 31 March 2010 by Barnett Waddingham. For 2012–2013, pension contributions of £914,000 were paid to the LGPS (2011–2012 £944,000). The amount is made up of employer contributions, strain payments and Compensatory Added Years (CAYs). The employer contribution rate was 17% (2011–2012 16%). The schemes' Actuary reviews employer contributions every three years following a full scheme valuation. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme. incurred, and reflect past experience of the scheme.

Employer's contributions for 2012–2013 were 17% of salaries. Employer's contributions for 2013–2014 will be 18% of salaries; and employer's contributions for 2014–2015 will be decided following the next full actuarial valuation.

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

	2012–2013	2011–2012
	%	%
Inflation assumption	3.3%	3.3%
Rate of increase in salaries	4.5%	4.5%
Rate of increase for pensions in payment and deferred pensions	2.5%	2.5%
Discount rate	4.3%	4.6%

The assumed life expectations from age 65 are:

- a) Retiring today: Males 20.1: Females 24.1;
- b) Retiring in 20 years: Males 22.1: Females 26.0

54 4c. The assets in the scheme and the expected rate of return were:

	2012–2013			2011–2012		
	Expected long-term rate of return	Value as a percentage of total scheme assets	Value	Expected long-term rate of return	Value as a percentage of total scheme assets	Value
	%	%	£000	%	%	£000
Equities	5.2%	60%	18,633	6.3%	58%	16,005
Government bonds	5.2%	21%	6,521	3.3%	21%	5,795
Other bonds	5.2%	0%	0	0.0%	0%	0
Property	5.2%	9%	2,795	4.3%	8%	2,208
Other	5.2%	10%	3,108	3.9%	13%	3,588
<b>Total</b>	<b>5.2%</b>	<b>100%</b>	<b>31,057</b>	<b>5.2%</b>	<b>100%</b>	<b>27,596</b>
<b>(Present value of scheme liabilities)</b>			<b>(49,596)</b>			<b>(44,715)</b>
<b>Surplus/(deficit) of the scheme</b>			<b>(18,539)</b>			<b>(17,119)</b>
<b>Net pension asset/(liability)</b>			<b>(18,539)</b>			<b>(17,119)</b>

#### 4d. Analysis of amounts recognised in SoCNE

	2012–2013	2011–2012
	£000	£000
<b>Pension cost</b>		
Current service cost	1,274	1,001
Past service cost	0	0
Effect of curtailment	136	249
Effect of settlement	0	0
<b>Total operating charge</b>	<b>1,410</b>	<b>1,250</b>
	2012–2013	2011–2012
	£000	£000
<b>Analysis of interest cost on pension scheme – assets/(liabilities)</b>		
Expected return on pension scheme assets	(1,413)	(1,606)
Interest on pension scheme liabilities	2,029	2,060
<b>Net interest costs</b>	<b>616</b>	<b>454</b>

#### 4e. Analysis of amounts recognised in other comprehensive expenditure

	2012–2013	2011–2012
	£000	£000
Pension actuarial gain/(loss)	(308)	(5,002)
Irrecoverable surplus (if applicable)	0	0
<b>Total shown in other comprehensive expenditure</b>	<b>(308)</b>	<b>(5,002)</b>

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

	2012–2013	2011–2012
	£000	£000
<b>Opening present value of liabilities</b>	44,715	37,344
Current service cost	1,274	1,001
Interest cost	2,029	2,060
Contributions by members	339	342
Actuarial (gains)/losses on liabilities*	2,867	5,105
Benefits paid	(1,725)	(1,349)
Past service cost	0	0
Unfunded benefits paid	(39)	(37)
Curtailements	136	249
Settlements	0	0
<b>Closing present value of liabilities</b>	<b>49,596</b>	<b>44,715</b>

\* Includes changes to actuarial assumptions

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

	2012–2013	2011–2012
	£000	£000
<b>Opening fair value of assets</b>	<b>27,596</b>	<b>25,987</b>
Expected return on assets	1,413	1,606
Actuarial gains/(losses) on assets	2,559	103
Contributions by the employer	914	944
Contributions by members	339	342
Benefits paid	(1,725)	(1,386)
Net increase from disposals and acquisitions	0	0
Unfunded benefits paid	(39)	0
Curtailments	0	0
Settlements	0	0
<b>Closing fair value of assets</b>	<b>31,057</b>	<b>27,596</b>

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

	2012–2013	2011–2012	2010–2011	2009–2010	2008–2009
	£000	£000	£000	£000	£000
Fair value of assets	31,057	27,596	25,987	23,938	17,806
Present value of liabilities	49,596	44,715	37,344	44,028	27,635
<b>Surplus/(deficit)</b>	<b>(18,539)</b>	<b>(17,119)</b>	<b>(11,357)</b>	<b>(20,090)</b>	<b>(9,829)</b>
Experience gains/(losses) on scheme assets	2,559	103	477	4,840	(8,109)
Experience gains/(losses) on scheme liabilities	0	0	736	0	0
Percentage experience gains/(losses) on scheme assets	<b>8%</b>	<b>0%</b>	<b>2%</b>	<b>20%</b>	<b>-46%</b>
Percentage experience gains/(losses) on scheme liabilities	<b>0%</b>	<b>0%</b>	<b>2%</b>	<b>0%</b>	<b>0%</b>

#### 4i. Sensitivity analysis

To comply with IAS 1: Presentation of Financial Statements and IAS 19: Accounting for Pension Costs, sensitivity figures are detailed in this note. Sensitivity information for each of the principal assumptions underlying the defined benefit obligation has been included to show the impact of changing the key assumptions as at 31 March 2013 and projected service costs for year ending 31 March 2014. The note shows the impact of changing each assumption individually, with all other assumptions remaining unaltered. Figures are shown from the base obligation of £49,596,000 as at 31 March 2013.

	+0.1%	0%	-0.1%
	£000	£000	£000
<b>Adjustment to discount rate</b>			
Present value of total obligation	48,615	49,596	50,605
Projected service cost	1,362	1,409	1,458
	+1yr	none	-1yr
	£000	£000	£000
<b>Adjustment to mortality age rate assumption</b>			
Present value of total obligation	47,753	49,596	51,462
Projected service cost	1,345	1,409	1,475

## 5. Taxation

	2012–2013	2011–2012
	£000	£000
UK corporation tax	(3)	13
	0	0
<b>Total</b>	<b>(3)</b>	<b>13</b>

Probation Trusts are corporate bodies under the OM Act 2007, supplying court work and OM services to the MoJ. Probation Trusts are therefore subject to CT on their profits and 'profit' for this purpose means income and chargeable gains.

DPT recorded a £6,000 Profit Chargeable to Corporation Tax (PCTCT) in 2012–2013 and has calculated its CT liability as £1,200 (20% CT on £6,000 PCTCT). This compares to an estimated CT liability in 2011–2012 of £12,960 (24% CT on £54,000 PCTCT). The actual CT liability for 2011–2012 was settled as £9,036.

The difference between the 2011–2012 estimated liability (£12,960) compared to the actual 2011–2012 actual liability (£9,036) has created an in year 'over estimate' of £3,924 that has created a credit in the Trust's accounts in 2012–2013. Adding this to the 2012–2013 estimated liability of £1,200 has created a net credit of £2,724, rounded to £3,000 for the purpose of presentation in this note.

## 6. Other administrative costs and programme costs

### 6a. Administration costs

	2012-2013		2011-2012	
	£000	£000	£000	£000
Rentals under operating leases	35		36	
Interest charges	0		0	
Accommodation, maintenance and utilities	766		832	
Travel, subsistence and hospitality	175		248	
Professional services	30		89	
IT services	331		369	
Communications, office supplies and services	295		198	
Other staff related	280		263	
Offender costs	76		72	
Other expenditure	464		485	
External Auditors' remuneration – statutory accounts	20		19	
External Auditors' remuneration – other	0		0	
Internal Auditors' remuneration and expenses	5		8	
		2,477		2,619
<b>Non-cash items</b>				
Depreciation of tangible non-cash assets	32		36	
Amortisation of intangible non-cash assets	0		0	
Impairment of non-current assets	0		0	
Profit/(loss) on disposal of tangible non-cash assets	6		0	
Profit/(loss) on disposal of intangible non-cash assets	0		0	
Other provisions provided for in year	0		5	
Early retirement provisions not required	0		0	
		38		41
<b>Total</b>		<b>2,515</b>		<b>2,660</b>

### 6b. Programme costs

Current expenditure	0		0	
<b>Total</b>		<b>0</b>		<b>0</b>
<b>Total other administration and programme costs</b>		<b>2,515</b>		<b>2,660</b>

## 7. Income

### 7a. Administration income

Income receivable from the sponsoring department – NOMS  
 Rent receivable from minor occupiers of Probation estate property:  
     From within the departmental boundary  
     From other Government departments  
     From external tenants

EU income from NOMS  
 EU income from other Government departments  
 Other EU income  
 Other income received from Probation Trusts  
 Other income from NOMS  
 Other income from rest of MoJ Group  
 Other income from other Government departments  
 Miscellaneous income

Interest received:  
     From bank  
     From car loans  
     From other sources  
**Total interest received**

**Total administration income**

### 7b. Programme income

EU income from NOMS  
 EU income from other Government departments  
 Other EU income  
 Other programme income  
**Total programme income**

**Total income**

	2012–2013		2011–2012	
	£000	£000	£000	£000
Income receivable from the sponsoring department – NOMS	8,408		8,654	
Rent receivable from minor occupiers of Probation estate property:				
From within the departmental boundary	0		0	
From other Government departments	0		0	
From external tenants	0		0	
		<b>8,408</b>		<b>8,654</b>
EU income from NOMS		0		0
EU income from other Government departments		0		0
Other EU income		0		0
Other income received from Probation Trusts		329		162
Other income from NOMS		60		148
Other income from rest of MoJ Group		0		0
Other income from other Government departments		257		327
Miscellaneous income		344		327
		<b>9,398</b>		<b>9,618</b>
Interest received:				
From bank	0		1	
From car loans	0		0	
From other sources	0		0	
<b>Total interest received</b>		0		1
<b>Total administration income</b>		<b>9,398</b>		<b>9,619</b>

EU income from NOMS	0	0
EU income from other Government departments	0	0
Other EU income	0	0
Other programme income	0	0
<b>Total programme income</b>	<b>0</b>	<b>0</b>
<b>Total income</b>	<b>9,398</b>	<b>9,619</b>

## 8. Property, plant and equipment

	2012–2013					Total £000
	Information technology	Plant and machinery	Transport equipment	Furniture, fixtures and fittings	Payments on account and assets under construction	
	£000	£000	£000	£000	£000	
<b>Cost or valuation</b>						
<b>As at 1 April 2012</b>	13	140	92	0	0	245
Additions	0	0	0	0	0	0
Disposals	0	(6)	0	0	0	(6)
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	2	5	5	0	0	12
<b>As at 31 March 2013</b>	<b>15</b>	<b>139</b>	<b>97</b>	<b>0</b>	<b>0</b>	<b>251</b>
<b>Depreciation</b>						
<b>As at 1 April 2012</b>	11	96	42	0	0	149
Charge in year	1	22	9	0	0	32
Disposals	0	(1)	0	0	0	(1)
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	1	4	3	0	0	8
<b>As at 31 March 2013</b>	<b>13</b>	<b>121</b>	<b>54</b>	<b>0</b>	<b>0</b>	<b>188</b>
<b>Carrying value as at 31 March 2013</b>	<b>2</b>	<b>18</b>	<b>43</b>	<b>0</b>	<b>0</b>	<b>63</b>
<b>Carrying value as at 31 March 2012</b>	<b>2</b>	<b>44</b>	<b>50</b>	<b>0</b>	<b>0</b>	<b>96</b>
<b>Asset financing</b>						
Owned	2	18	43	0	0	63
Finance leased	0	0	0	0	0	0
<b>Carrying value as at 31 March 2013</b>	<b>2</b>	<b>18</b>	<b>43</b>	<b>0</b>	<b>0</b>	<b>63</b>

## 8. (Continued)

	2011–2012					
	Information technology	Plant and machinery	Transport equipment	Furniture, fixtures and fittings	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000	£000
<b>Cost or valuation</b>						
<b>As at 1 April 2011</b>	13	139	47	0	0	199
Additions	0	0	44	0	0	44
Disposals	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	0	1	1	0	0	2
<b>As at 31 March 2012</b>	<b>13</b>	<b>140</b>	<b>92</b>	<b>0</b>	<b>0</b>	<b>245</b>
<b>Depreciation</b>						
<b>As at 1 April 2011</b>	10	69	34	0	0	113
Charge in year	1	27	8	0	0	36
Disposals	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	0	0	0	0	0	0
<b>As at 31 March 2012</b>	<b>11</b>	<b>96</b>	<b>42</b>	<b>0</b>	<b>0</b>	<b>149</b>
<b>Carrying value as at 31 March 2012</b>	<b>2</b>	<b>44</b>	<b>50</b>	<b>0</b>	<b>0</b>	<b>96</b>
<b>Carrying value as at 31 March 2011</b>	<b>3</b>	<b>70</b>	<b>13</b>	<b>0</b>	<b>0</b>	<b>86</b>
<b>Asset financing</b>						
Owned	2	44	50	0	0	96
Finance leased	0	0	0	0	0	0
<b>Carrying value as at 31 March 2012</b>	<b>2</b>	<b>44</b>	<b>50</b>	<b>0</b>	<b>0</b>	<b>96</b>

## 9. Intangible assets

There are no intangible assets.

## 10. Impairments

There have been no impairments in 2011–2012 or 2012–2013

## 11. Assets held for sale

There were no assets held for sale during the year.

## 12. Trade receivables and other current assets

### 12a. Analysis by type

	2012–2013 £000	2011–2012 £000
<b>Amounts falling due within one year</b>		
Trade receivables	51	61
VAT	0	0
Deposits and advances	0	0
Receivables due from Probation Trusts	49	41
Receivables due from NOMS agency	148	1,022
Receivables due from MoJ – core	0	0
Receivables due from MoJ – NDPBs	0	0
Receivables due from Her Majesty's Courts & Tribunals Service (HMCTS)	0	0
Receivables due from Office of the Public Guardian (OPG)	0	0
Receivables due from all other Government departments	84	66
Other receivables	0	0
Prepayments	58	57
Accrued income	0	0
	<b>390</b>	<b>1,247</b>
<b>Amounts falling due after more than one year</b>		
Trade receivables		
Deposits and advances	0	0
Other receivables	0	0
Prepayments and accrued income	0	0
	<b>0</b>	<b>0</b>
<b>Total</b>	<b>390</b>	<b>1,247</b>

### 12b. Intra-Government receivables

	Amounts falling due within one year		Amounts falling due after more than one year	
	2012–2013 £000	2011–2012 £000	2012–2013 £000	2011–2012 £000
Balances with other central Government bodies (inc. parent department)	199	1,063	0	0
Balances with local authorities	82	66	0	0
Balances with National Health Service (NHS) bodies	0	0	0	0
Balances with public corporations and trading funds	0	0	0	0
	<b>281</b>	<b>1,129</b>	<b>0</b>	<b>0</b>
Balances with bodies external to Government	109	118		0
<b>Total</b>	<b>390</b>	<b>1,247</b>	<b>0</b>	<b>0</b>

## 13. Cash and cash equivalents

	2012–2013	2011–2012
	£000	£000
Balance at 1 April	358	988
Net change in cash and cash equivalents	644	(630)
<b>Balance at 31 March</b>	<b>1,002</b>	<b>358</b>
The following balances at 31 March are held at:		
Government Banking Service	0	0
Commercial banks and cash in hand	1,002	358
<b>Balance at 31 March</b>	<b>1,002</b>	<b>358</b>

## 14. Trade payables and other current liabilities

### 14a. Analysis by type

	2012–2013	2011–2012
	£000	£000
<b>Amounts falling due within one year (excluding taxation)</b>		
Trade payables	211	149
Other payables	23	9
Accruals	124	81
Deferred income	0	0
Staff payables	114	184
Bank overdraft	0	0
Payables due to Probation Trusts	8	52
Payables due to NOMS Agency	54	108
Payables due to MoJ – core	0	0
Payables due to MoJ – NDPBs	0	0
Payables due to HMCTS	0	0
Payables due to OPG	0	0
Payables due to all other Government departments	51	16
Unpaid pensions contributions due to the pensions scheme	132	230
Long-term liabilities due within one year	0	0
Operating income to be surrendered (interest received)	0	0
Non-current asset accruals	0	0
	<b>717</b>	<b>829</b>
<b>Tax falling due within one year</b>		
VAT	372	448
CT	1	13
Other taxation and social security	153	175
	<b>526</b>	<b>636</b>
<b>Total amounts falling due within one year</b>	<b>1,243</b>	<b>1,465</b>
<b>Amounts falling due after more than one year</b>		
Staff payables	0	0
Other payables	0	0
	<b>0</b>	<b>0</b>
<b>Total</b>	<b>1,243</b>	<b>1,465</b>

### 14b. Intra-Government payables

	Amounts falling due within one year		Amounts falling due after more than one year	
	2012–2013	2011–2012	2012–2013	2011–2012
	£000	£000	£000	£000
Balances with other central Government bodies (inc. parent department)	604	799	0	0
Balances with local authorities	33	12	0	0
Balances with NHS bodies	2	0	0	0
Balances with public corporations and trading funds	0	1	0	0
	639	812	0	0
Balances with bodies external to Government	604	653	0	0
<b>Total</b>	<b>1,243</b>	<b>1,465</b>	<b>0</b>	<b>0</b>

## 15. Provisions for liabilities and charges

	2012–2013	2011–2012
	£000	£000
Balance at 1 April	8	10
Provided in year	0	5
Provisions not required written back	0	0
Provision utilised in the year	0	(7)
Unwinding of discount	0	0
<b>Balance as at 31 March</b>	<b>8</b>	<b>8</b>

	2012–2013	2011–2012
	£000	£000
<b>Analysis of expected timing of discount flows</b>		
Not later than one year	0	8
<b>Current liability</b>	<b>0</b>	<b>8</b>
Later than one year and not later than five years	8	0
Later than five years	0	0
<b>Non-current liability</b>	<b>8</b>	<b>0</b>
<b>Balance as at 31 March</b>	<b>8</b>	<b>8</b>

“Other Provisions” provided for in the year represent the estimate of “excess” value of on-going insurance claims still to be concluded as at 31 March 2013 amounting to £7,500. These provisions are expected to be settled later than one year and not later than five years and are shown in the Statement of Financial Position as Non-current liabilities.

## 16. Capital commitments

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

	2012–2013	2011–2012
	£000	£000
Property, plant and equipment	0	0
Intangibles	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

## 17. Commitments under lease

### 17a. Operating leases

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

Obligations under operating leases for the following periods comprise:

	2012–2013	2011–2012
	£000	£000
<b>Other</b>		
Not later than one year	2	2
Later than one year and not later than five years	99	72
Later than five years	0	0
<b>Total</b>	<b>101</b>	<b>74</b>

Operating leases entered into cover mainly communication equipment (photocopiers, telephony equipment, franking machines) as well as vending equipment (water coolers and vending machines).

### 17b. Finance leases

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

Obligations under finance leases for the following periods comprise:

	2012–2013	2011–2012
	£000	£000
<b>Other</b>		
Not later than one year	0	0
Later than one year and not later than five years	0	0
Later than five years	0	0
Less interest element	0	0
<b>Present value of obligations</b>	<b>0</b>	<b>0</b>

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

	2012–2013	2011–2012
	£000	£000
<b>Other</b>		
Not later than one year	0	0
Later than one year and not later than five years	0	0
Later than five years	0	0
<b>Total present value of obligations</b>	<b>0</b>	<b>0</b>

There are no obligations under finance leasing arrangements.

## 18. Other financial commitments

The Trust has not entered into any non-cancellable contracts (which are not operating leases) for building services. In addition, the Trust does not have any other financial commitments.

## 19. Deferred tax asset

There are no deferred tax asset or liabilities.

## 20. Financial instruments

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

## 21. Contingent liabilities

There are no contingent liabilities.

## 22. Losses and special payments

### 22a. Losses statement

	2012–2013		2011–2012	
	Number of cases	Total value £000	Number of cases	Total value £000
Cash losses	0	0	0	0
Claims abandoned	0	0	0	0
Administrative write-offs	0	0	0	0
Fruitless payments	0	0	0	0
Store losses	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Details of cases over £250,000</b>				
Cash losses	0	0	0	0
Claims abandoned	0	0	0	0
Administrative write-offs	0	0	0	0
Fruitless payments	0	0	0	0
Store losses	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

There are no Losses recorded in the accounts

### 22b. Special payments schedule

	2012–2013		2011–2012	
	Number of cases	Total value £000	Number of cases	Total value £000
Special payments	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Details of cases over £250,000</b>				
Special payments	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

There are no Special Payments included in the accounts.

## 23. General fund

	2012–2013	2011–2012
	£000	£000
<b>Balance at 1 April</b>	<b>(16,920)</b>	<b>(11,160)</b>
Financing	0	0
Net transfers from Operating Activities:		
Statement of Comprehensive Net Expenditure	(1,140)	(758)
Movement in donated assets	0	0
Transferred from revaluation reserve	0	0
Actuarial gains and losses	(308)	(5,002)
<b>Balance at 31 March</b>	<b>(18,368)</b>	<b>(16,920)</b>

## 24. Revaluation reserve

### 24a. Property, plant and equipment

	2012–2013	2011–2012
	£000	£000
<b>Balance at 1 April</b>	<b>29</b>	<b>27</b>
Arising on revaluations of PPE during the year (net)	4	2
Transferred to General Fund	0	0
<b>Balance at 31 March</b>	<b>33</b>	<b>29</b>

### 24b. Intangibles

	2012–2013	2011–2012
	£000	£000
<b>Balance at 1 April</b>	<b>0</b>	<b>0</b>
Arising on revaluations of intangibles during the year (net)	0	0
Transferred to General Fund	0	0
<b>Balance at 31 March</b>	<b>0</b>	<b>0</b>

## 25. Related party transactions

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

During the year, none of the members of the Trust's key management staff or other related parties, or their related parties has undertaken any material transactions with the Probation Trust.

## 26. Third-party assets

At the balance sheet date there were no third party assets.

## 27. Events occurring after the reporting period

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

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

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

## 28. Prior period adjustments

There are no Prior Period Adjustments.

## Accounts Direction

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

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



Edward Kirby

On behalf of the Secretary of State for the MoJ  
6 March 2013

## Appendix 1

### 35 Probation Trusts:

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

## 5. Sustainability report

*Note : This section of the Annual Report and Accounts has not been subjected to Audit review.*

### Introduction

This is the second sustainability report for Dorset Trust, prepared in accordance with 2011–2012 guidelines laid down by HMT in 'Public Sector Annual Reports: Sustainability Reporting' published at: [www.hm-treasury.gov.uk/frem\\_sustainability.htm](http://www.hm-treasury.gov.uk/frem_sustainability.htm). Sustainability focus is on achieving government targets, reducing environmental impact and reducing costs. Priorities include reducing carbon emissions, water consumption and waste to landfill.

The FreM requires a sustainability report to be included as part of the 2012–2013 Annual Report. The Trust will continue to take forward the sustainability development agenda, which forms part of its drive for efficiency and effectiveness, as well as reducing emissions and adverse environmental impacts, contributing to the Government target for sustainability.

We have recently created an Environmental Sustainability policy and will continue to integrate sustainable development into everyday business whilst playing our part in contributing to the MoJ's own sustainability aims.

We focus on the environmental challenges that most affect our estate. This includes environmental impact of our energy and water use, waste generation and recycling together with the costs associated with each of these. Our priority is to reduce our carbon dioxide emissions from both our estate and our business travel.

This report covers our Weymouth, Wareham, Poole and Bournemouth offices, plus two hostels.

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

Waste cost data is not available at this stage.

### Governance, responsibilities and internal assurance

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

### Greening Government Commitments

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

### Climate Change Adaptation and Mitigation

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

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

### Carbon Reduction Commitment (CRC)

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

### Carbon Management Plan (CMP)

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

Our vision is to:

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

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

### Environmental Management System (EMS)

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

### Performance summary

#### GHG

		2009–2010	2010–2011	2011–2012	2012–2013
Non-financial indicators (tCO <sub>2</sub> e)	Total gross emissions for scopes 1 & 2	297.0	285.4	219.7	208.1
	Electricity: green/renewable	53.7	51.1	31.1	29.1
	<b>Total net emissions for scopes 1 &amp; 2</b>	<b>243.3</b>	<b>234.3</b>	<b>188.6</b>	<b>179.0</b>
	Travel emissions scope 3	117.1	109.3	94.5	72.8
	<b>Total gross GHG emissions (all scopes)</b>	<b>414.1</b>	<b>394.7</b>	<b>314.2</b>	<b>280.9</b>
Non-financial kilowatt hours (kWh)	Electricity: Grid, CHP & non-renewable	309,713	294,735	179,105	168,035
	Electricity: renewable	103,238	98,245	59,702	56,012
	Gas	443,459	436,890	308,800	409,598
	Other energy sources	0	0	0	0
	<b>Total energy</b>	<b>856,410</b>	<b>829,870</b>	<b>547,607</b>	<b>633,645</b>
Financial indicators	Expenditure on energy	£601,562	£561,212	£640,120	£547,087
	Expenditure on official business travel	£275,912	£287,081	£226,109	£170,655

### Performance commentary

DPT are very pleased to report a reduction in our GHG Emissions and the cost of energy and travel. 2012–2013 has been the cheapest year for energy and business travel since we started measuring our environmental impact.

**Controllable impacts commentary**

We have reduced the number of premises, which has resulted in a decrease in both our costs and our GHG Emissions. This has also reduced the amount of mileage done, as there are less offices to travel between. We are further reducing our estate in 2013–2014, which will yield further savings.

**Overview of influenced impacts**

We have no contracts where we would seek to influence the environmental impacts of third parties.

**Waste**

			2009–2010	2010–2011	2011–2012	2012–2013
Non-financial indicators (tonnes)	Hazardous waste	Hazardous waste	0	0	0	0
	Non-hazardous waste	Landfill waste	37	41	36	29
		Reused/recycled waste	49	46	41	23
		Energy from waste	0	0	0	0
<b>Total waste arising</b>			<b>86</b>	<b>87</b>	<b>77</b>	<b>52</b>
Financial indicators	Hazardous waste	Hazardous waste	0	0	0	0
	Non-hazardous waste	Landfill waste	2,923	3,278	2,914	2,347
		Reused/recycled waste	7,201	6,853	5,437	3,050
		Energy from waste	0	0	0	0
<b>Total waste costs (£)</b>			<b>£10,124</b>	<b>£10,131</b>	<b>£8,351</b>	<b>£5,397</b>

**Performance commentary (including targets)**

Dorset Probation are pleased to be able to report a second year of declining waste figures.

**Controllable impacts commentary**

Staff are well aware of the need to minimise waste, and therefore do not generate unnecessary paper. We have also invested in new technology to minimise the paper used in our interactions with offenders. We have recycling facilities in all offices and these are well used.

**Overview of influenced impacts**

We have no contracts where we would seek to influence the environmental impacts of third parties.

**Water**

		2009–2010	2010–2011	2011–2012	2012–2013
Non-financial indicators	<b>Total water consumption (cubic metres)</b>	1,655	1,655	2,011	2,258
Financial indicators	<b>Total water supply costs (£)</b>	£10,684	£10,684	£10,539	£11,833

**Performance commentary (including targets)**

It is disappointing that our water usage has increased.

**Controllable impacts commentary**

We anticipate that a further reduction in premises, and in staffing levels will result in a reduction next year.

**Overview of influenced impacts**

We have no contracts where we would seek to influence the environmental impacts of third parties.

**Paper**

	2009–2010	2010–2011	2011–2012	2012–2013
<b>Cost (excluding VAT)</b>	0	6,116	7,595	5,485

# Glossary

AAT	Association of Accounting Technicians
ATR	Alcohol Treatment Requirements
BQF	British Quality Foundation
CAYs	Compensatory Added Years
CEO	Chief Executive Officer
CETV	Cash Equivalent Transfer Value
CIC	Community Interest Company
CIPD	Chartered Institute of Personnel and Development
CMP	Carbon Management Plan
CPI	Consumer Price Index
CRC	Carbon Reduction Commitment
CT	Corporation Tax
DAAT	Drug and Alcohol Action Team
DCPT	Devon and Cornwall Probation Trust
DCLG	Department for Communities and Local Government
DPT	Dorset Probation Trust
DRR	Drug Rehabilitation Requirement
DWP	Department of Work and Pensions
EFQM	European Foundation for Quality Management
EMS	Environmental Management System
ESF	European Social Fund
ETE	Education, Training and Employment
FDRs	Fast Delivery Reports
FReM	Financial Reporting Manual
GHG	Greenhouse Gas
GSI	Government Secure Intranet
HM	Her Majesty
HMCTS	Her Majesty's Courts & Tribunals Service
HMIP	Her Majesty's Inspectorate of Probation
HMRC	Her Majesty's Revenue and Customs
HMT	Her Majesty's Treasury
HQ	Headquarters
EU	European Union
HR	Human Resources
IAS	International Accounting Standards
IASB	International Accounting Standards Board
iCAT	Internal Communications and Technologies
ICO	Information Commissioner's Office
IDAP	Integrated Domestic Abuse Programme
IFRS	International Financial Reporting Standards
ILM	Institute of Leadership and Management
IOM	Integrated Offender Management
JNCC	Joint Negotiating Consultative Committee
kwh	kilowatt hours
IT	Information Technology
LDU	Local Delivery Unit
LGPS	Local Government Pension Scheme
MAPPA	Multi-Agency Public Protection Arrangements
MoJ	Ministry of Justice
MoJ SDT	Ministry of Justice Sustainable Development Team
NHS	National Health Service

NSPCC	National Society for the Prevention of Cruelty to Children
NVQ	National Vocational Qualification
NDPB	Non-Departmental Public Body
NOMS	National Offender Management Service
OM	Offender Management
OMs	Offender Managers
OMI	Offender Management Inspection
OMI2	Offender Management Inspection 2
OPG	Office of the Public Guardian
PAM	Platform for Achieving More
PAYE	Pay As You Earn
PBR	Payment By Results
PCTCT	Profit Chargeable to Corporation Tax
PPCS	Public Protection Casework Section
PPO	Prolific and other Priority Offenders
PQF	Probation Qualifying Framework
PSO	Probation Service Officer
PSRs	Pre-Sentence Reports
PTRS	Probation Trust Rating System
RPI	Retail Price Index
R4E	Recognised for Excellence
SBC	Specifications, Benchmarking and Costings
SCRs	Serious Case Reviews
SEED	Skills for Effective Engagement and Development
SES	Single Equality Scheme
SFOs	Serious Further Offences
SLAs	Service Level Agreements
SMT	Senior Management Team
SoCNE	Statement of Comprehensive Net Expenditure
TLG	Trust Leadership Group
VAT	Value Added Tax
VCS	Voluntary and Community Sector
VQ2	Vocational Qualification 2
VQ3	Vocational Qualification 3



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