

**Surrey &  
Sussex**  
Probation Trust



# **Surrey and Sussex Probation Trust**

**Annual Report and Accounts  
2012–2013**



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**2012–2013**

Presented to Parliament pursuant to The Government Resources and Accounts Act 2000  
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Any enquiries regarding this publication should be sent to us at  
Surrey and Sussex Probation Trust, 4<sup>th</sup> Floor, Invicta House, Trafalgar Place, Brighton, BN1 4FR

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# Vision, Values & Goals

## Our Vision

To transform lives and communities by cutting crime.

## Our Values

- We believe people should take responsibility for their actions and that they have the ability to change
- We believe in being accountable to our communities and working with our criminal justice partners
- We will work with integrity and be informed by evidenced-based practice
- We value diversity and difference and treat people with respect.

## Our Goals

### Public Protection

- To protect the public
- To reduce the level of repeat victimisation
- To promote the well-being and safeguarding of children.

### Offender Management

- To improve the efficiency of our services to the Courts
- To reduce re-offending by enhancing offender management
- To reduce re-offending by commissioning services for offenders based upon need.

### Interventions

- To improve public confidence in the effectiveness of Community Payback
- To reduce re-offending by delivering interventions which are good value, are effective and which meet offender need as specified by the Local Delivery Units.

### As an organisation

- To create a workforce that takes pride in its work and delivers to high professional standards
- To increase public confidence through our positive impact in cutting crime
- To drive up performance by achieving and establishing trust status and ensuring that our organisation works efficiently
- To strengthen the relationship between the probation service, the communities we serve and our civic partners.

## Foreword

Surrey and Sussex Probation Trust was formed in April 2010 through the merger of Surrey Probation Area and Sussex Probation Area. We are one of 35 Probation Trusts who came into being on that date. The Trust covers the three counties of Surrey, West Sussex and East Sussex and the city of Brighton and Hove.

We manage more than 7,500 offenders who have either been released from prison on licence or been sentenced to a community order. Offenders under our supervision carried out over 274,000 hours of Unpaid Work in the community every year. We employ over 670 individual members of staff and have offices in the main population centres and two approved premises. We serve nine Magistrates' Courts and two Crown Courts. Staff are also based in prisons, co-located in some police stations or working in one of our two approved premises.

During 2012–13, we undertook a major service redesign to ensure risk is managed appropriately and effective offender management is achieved. Offenders who have committed more serious crimes, including all sex offenders, are managed by our specialist Public Protection Teams. Our newly established Violence Against the Person Teams manage our domestic violence and other violent cases. Our newly established Community Rehabilitation Teams manage our lower risk cases and during the year we commissioned a new volunteering service to work with them. We also re-integrated our programme intervention teams into our operational teams.

We employ a Partnerships Manager to manage interventions provided by our external partners from the voluntary sector, e.g. support with basic education, job finding and drug treatment. Our Victim Liaison Team supports the victims of serious crime. This team has a statutory duty under the "Code of Practice for Victims of Crime" to contact victims of offenders who have received a 12 month or more custodial sentence for a schedule 15 sexual or violent offence. The service is entirely optional and victims can opt in or out at any stage of the offender's sentence. Referrals to the Victim Liaison Team come from a number of sources including Witness Care Units, Crown Court Liaison Officers, other out of area Victim Liaison Units and Offender Managers.

In 2012–13 we produced more than 5,000 reports for courts – an essential service helping judges and magistrates to reach their sentencing decisions. Our court officers represent us in court if an offender fails to comply with the requirements of their sentence. We liaise with many other public sector bodies including the police, social services and housing organisations. In many cases we jointly work with these agencies to manage the higher risk offenders through formal Multi Agency Public Protection Arrangements.

This report summarises the performance of the Surrey and Sussex Probation Trust in 2012–13. It describes the actions taken to deliver the objectives of the 2012–13 Business Plan and our performance against the targets and measures in that plan as well as providing information about the Trust's workload and Final Accounts.

# 1. Operational & Performance Review 2012–13

## Leadership

### Management of change

2012–13 was a period of change for the Trust. We undertook a major service redesign project which resulted in both a new operating model and revised structure, which was implemented on 1 April 2013. We also reviewed our support services; the changes resulting from this will be implemented during 2013–14. Both of these reviews are expected to result in more efficient and improved ways of working.

At a national level, the Government's proposals to Transforming Rehabilitation required us to formulate a response and give consideration to how we will work during the forthcoming changes.

### Aiming To Be an Excellent Organisation

We have held Recognised for Excellence 5\* (issued by The British Quality Foundation) for five years, the Government Standard for Customer Service Excellence, awarded by the Cabinet Office, for two years and the Investor in People Award since 2002.

In 2012–13 we had a significant number of achievements by teams and individuals working within the Trust. This included a member of staff being shortlisted for a Butler Trust commendation and another being short listed for a National Probation Award.

63% of our total staff group took the opportunity to respond to our annual staff survey. 75% of staff survey respondents said that they are proud of the work that they do for the Trust.

## Policy and Strategy

### Service User Engagement

Effective offender engagement is one of our strategic aims. The Chief Executive chairs a service user engagement group that steers this work. During the course of last year, the group began to deploy a holistic framework for quality assurance that we had locally developed. This framework aligns our quality assurance to the HMIP benchmark and HMIP inspectors trained some of our staff to be able to train other quality assures to understand and consistently apply this standard. We also revised our observational assessment form which is used during the observation of practitioners working with service users. Another important development was piloting a practitioner portfolio which allows practitioners to retain evidence to help inform their appraisal and learning and development plans. Our approach encourages those doing the job to understand what quality looks like and how to deliver a quality service.

### Diversity

We are firmly committed to providing equal opportunities for all existing and prospective employees, casual staff, volunteers and service users. We strive to create an environment in which there is respect for every individual and recognition of their aspirations, regardless of issues such as race, colour, ethnic or national origins, citizenship, religion or political belief, class, gender, HIV status, relationship or family status, dependants, sexual orientation, disability, age, trade union membership, employment status and non relevant previous convictions.

A highlight from last year was working with LGBT staff to improve our employment practice in line with the Stonewall framework. This included establishing an active LGBT network group.

During last year the Surrey and Sussex Liaison and Diversion Scheme was launched to successfully divert offenders away from the criminal justice system where appropriate. The focus of this multi-agency scheme is on early intervention and assessment of mental health, learning disabilities and substance misuse. The scheme aims to get offenders speedy access to treatment and we have been a major player in making it a success.

## People Management

### Investing in Quality – Continuous Professional Development

We train our reception staff in the NVQ in customer service and we also provide the NVQ levels 2 and 3 in Business Administration. Over 75% of our Probation Service Officer group has either gained or started the VQ3 in Community Justice and during 2012–13 we supported 8 staff to start the Probation Qualification Framework and gain their Probation Officer qualification. During last year, 13 managers completed the ILM and another 14 commenced studying for this qualification.

Our recent focus has been on the provision of training in “Desistance Theory”. This provides practitioners and managers with guidance and resources to reinforce, develop and evidence these skills in routine practice: practitioners are encouraged to match methods to the learning style of individuals. We continued to provide this training over the course of last year as part of our comprehensive core training package.

An important initiative last year was the roll out of SEEDS (Skills for effective engagement, development and supervision) training. All managers (operational and support services) attended this training. Team development days, specialist training and action learning sets for managers were also run during the year.

Our Chief Executive visits teams on a regular basis to shadow staff, discuss key issues and receive staff feedback. We also operate a Trust wide appraisal and supervision process. As part of a national pilot for “Reflective Supervision” we had already trained managers to use effective techniques in supervising staff and our 2012 staff survey showed increased levels of satisfaction with both appraisals and training and development.

### Achieving Low Levels of Absence

We have continued to promote positive health initiatives such as free health screenings and flu jab to all our staff. The level of staff absence this year was an average of 9.3 days per person and this is lower than our target of an average of 10 days.

### Internal and External Communication

The focus for communications in 2012–13 was on increasing our public profile through traditional media, emerging digital channels and direct engagement with local communities. We were particularly pleased to be able to work with a TV production company that filmed our work over the course of the year. This culminated in a one hour documentary shown on BBC One in February 2013. In response to the programme we received lots of positive feedback from the public and other agencies.

Other achievements during the year included the expansion of the Local Crime, Community Sentence (LCCS) project into schools and hard to reach groups. LCCS is a joint national initiative which sees probation officers working alongside local magistrates in delivering interactive presentations about community sentences to local groups. Coordinated by SSPT’s Communications unit, LCCS has over 80 LCCS presenters and is able to provide an average of one presentation per week. The team has received national recognition for its work.



We have also significantly improved and developed our digital media presence and our website is fully integrated with the increasingly-popular social media outlets. We also have established corporate presences on Twitter and Facebook.

## Partnerships and Resources

### Delivering Services in Partnership

Our strong history of partnership working put us in a good position to further develop the work of our delivery units. We have worked with Police, Local Authorities and others to deliver excellent results through our Integrated Offender Management, Public Protection and Mental Health schemes. We also have partnerships with voluntary sector organisations across the Trust to provide mentoring schemes for offenders that can benefit from such support.

We work with voluntary, statutory and independent sector partners to deliver services in respect of accommodation, education, training and employment, alcohol and drugs. Our targets for offenders completing their planned activities in all these areas were exceeded. All of this activity is central to reducing levels of re-offending and the rehabilitation of offenders into society.

We continue to work with Police, the Prison Service and a range of others to manage the Multi-Agency Public Protection Arrangements. These are the statutory arrangements for the relatively small number of offenders who pose a potential risk to others.

### Commissioning Services

Our Local Delivery Unit structure empowers local managers to work more closely with partners to identify opportunities for joint commissioning to meet the local needs of offenders. We have a middle manager linked to each Crime and Disorder Reduction Partnership. This approach promotes value for money and efficient targeting of resources through joint working.

We have a small Commissioning Unit for the Trust to assist our Delivery Units to identify the most effective providers of services to meet local needs. A significant piece of work last year was the commissioning of a volunteer service which will allow us to provide additional support to service users to help them re-integrate back into society and change their lives for the better.

### Increase Efficiencies

We effectively managed our budget in 2012–13, making the necessary savings to balance the budget. Our work in respect of service redesign and the support services review will enable us to achieve further efficiencies whilst maintaining a high standard of service from April 2013. Changes in the use of some of our estate, together with further co-location with partner agencies also delivered some economies of scale in 2012–13.

We continued to develop our approach to unit costing and our understanding of how well we complied with national service specifications and costs. We also reviewed our unpaid work structure and processes to make us more efficient and cost effective.

## Processes

### Process Improvement

We undertook a review of a wide range of processes as part of our bench marking, specification and costing work. We also reviewed a wide range of administrative and data collection processes as part of our preparatory work for a new computer system, N-Delius, that we anticipate will go live in August and September 2013. Initial data migration exercises showed complete data matching reflecting the accuracy levels of our information systems.

Our service design work also involved some process review work as new teams were formed and new ways of working introduced. Development of a community reintegration specified activity was undertaken during last year and is supported by comprehensive guidance.

Our unpaid work team reviewed processes to ensure new requirements to work offenders more intensively could be complied with.

## Results

### Customer Results

Ref	Description of Performance Target or Performance Measure	National Target 2012–13	Performance 2012–13
OM07	The percentage of victims who are contacted within eight weeks of an offender receiving 12 months or more for a serious sexual or violent offence, or a relevant hospital order	90%	96.13%
OM19	The number of referrals to Educational Provision (in the community)	N/A	271
INT09	The percentage of offenders in employment at termination of their order or licence to be at least X%	40%	53.95%
INT08	The number of offenders under supervision who find and sustain employment to be at least X	500	506 (101%)

### People Results

Ref	Description of Performance Target or Performance Measure	National Target 2012–13	Performance 2012–13
IPPF08	Average days lost due to sickness per employee per annum	10	9.3
IPPF14	Ethnic minority staff for the NOMS Agency, expressed as a proportion of the workforce who have declared their ethnicity, is at least X%	N/A	5.75%

### Society Results

Ref	Description of Performance Target or Performance Measure	National Target 2012–13	Performance 2012–13
	Hours worked by offenders during the year	N/A	274042

## Key Performance Results

Ref	Description of Performance Target or Performance Measure	National Target 2012–13	Performance 2012–13
OM21	Reduce the rate of proven reoffending whilst under the management of provider of probation services	Significant Reduction	+5.59% (Published March 2013)

Ref	Public Protection	National Target 2012–13	Performance 2012–13
OM04	X% of licence recall requests to reach NOMS Public Protection Casework Section (PPCS) within 24 hours of the decision by the Offender Manager	90%	98.68%
OM27	Generic Parole Process – PAROM1 Return timeliness	80%	100%
OM32	Victim Feedback	90%	100%
IPPF04	OMI Risk of Harm	70%	79%
OM26	OASys quality audit	90%	94.47% (393 / 416)

Ref	Re-offending	National Target 2012–13	Performance 2012–13
OM20	The proportion of orders and licences successfully completed	75%	79.75%
OM29	Offender Feedback – % of offenders with overall positive experiences of engagement	67%	74.34%
OM39	At least X% of OASys final reviews (terminations) to be completed within the appropriate timescales for all Tier 2, 3, 4 and PPO offenders	90%	90.24%
OM17	At least X% of offenders in settled and suitable accommodation at the end of their order or licence	70%	80.27%
OM03	To resolve X% of breaches of community orders within 25 working days of the relevant failure to comply	61%	63%
OM40	The percentage of PSRs completed within the timescales set by the court	95%	99.42%
OM05	The percentage of cases in which initiation of breach proceedings took place within 10 working days of the relevant unacceptable failure to comply	90%	97.70%
IPPF05	OMI Assessment and Sentence Planning	66%	81%
IPPF20	OMI2 Likelihood of Re-Offending	70%	75%

Ref	Sentence Delivery	National Target 2012–13	Performance 2012–13
INT01	The number of accredited sex offender programme completions to be at least X	52	54 (103.85%)
INT13	The percentage of accredited sex offender treatment programmes to be successfully completed	80%	84.62%
INT02	The number of accredited domestic violence programme completions to be at least X	150	104 (69.33%)
INT14	The percentage of accredited domestic violence programmes to be successfully completed	67%	65.50%
INT03	The number of accredited offending behaviour programme completions to be at least X (excluding sex offender and domestic violence)	60	44 (73.33%)
INT15	The percentage of accredited offending behaviour programmes to be successfully completed (excluding sex offender and domestic violence programmes)	65%	55.47%
INT07	The number of ATR completions to be at least X	120	153 (128%)
INT16	ATR completion rates	50%	61.94%
INT06	The number of DTTO/DRR completions to be at least X	200	219 (109.5%)
INT17	DTTO/DRR completion rates	50%	57.78%
INT05	The number of UPW (Community Payback) completions to be at least X	2000	2110 (105.5%)
INT18	UPW (Community Payback) completion rates	75%	78.82%
INT11	The proportion of UPW (Community Payback) offenders days which are lost because of stand-downs on the day or notified in advance	3%	2.60%
INT08	The number of offenders under supervision who find and sustain employment to be at least X	500	506 (101%)
INT09	The percentage of offenders in employment at termination of their order or licence to be at least X%	40%	53.95%
IPPF06	OMI Implementation of Interventions	66%	80%
IPPF19	OMI2 Enforcement & Compliance	70%	83%

## Workload and Activity Statistics 2012–13

### Commencements of Orders and Sentences

Order / Sentence	2012–13	2011–2012	2010–2011
Community Orders	3866	4445	4819
Suspended Sentence Orders	1343	1520	1465
Pre Release	1101	1180	1318
Post Release	1223	1184	1258
<b>Total</b>	<b>7533</b>	<b>8329</b>	<b>8860</b>
<i>Unpaid Work Only*</i>	1711	2156	2244
<i>Unpaid Work &amp; Supervision*</i>	872	1061	1204

\* Included in All Community Orders & Suspended Sentence Orders above

Commencements refer to all probation court orders made during the course of the year.

### Caseload by type of Order/Licence

Order Type	31/03/2013	31/03/2012	31/03/2011
Community Orders	2576	2869	3092
Suspended Sentence Orders	1047	1204	1195
Pre Release	1978	2052	2339
Post Release	1237	1185	1170
<b>Total</b>	<b>6838</b>	<b>7310</b>	<b>7796</b>
<i>Unpaid Work Only*</i>	880	1105	1137
<i>Unpaid Work &amp; Supervision*</i>	809	1014	1085

\* Included in All Community Orders & Suspended Sentence Orders above

Caseload is a snapshot figure of current cases.

### Court Reports produced by type

Report Type	2012–2013	2011–2012	2010–2011
Standard Delivery PSR for Crown Court	701	891	1227
Standard Delivery PSR for Magistrates	947	1024	1282
Fast Delivery PSR	734	956	1655
Oral Delivery PSR	3006	3187	2419
<b>Total</b>	<b>5388</b>	<b>6058</b>	<b>6583</b>

The volume of Standard Delivery Pre Sentence Reports for Youth and Other Courts is included in Magistrates' Court figures. Our policy over the last two financial years has been to increase oral reports and decrease the number of standard delivery reports.

## Community Payback (Unpaid Work)

	2012–2013	2011–2012	2010–2011
Hours ordered by the courts	320,258	383,131	415,775
Hours worked by offenders during the year	274,042	305,409	330,400

We have a policy of “resource follows risk” and the reduction in unpaid hours is an element of this. This policy seeks to minimise the number of low risk cases with which we work so that we can dedicate more resource to higher risk cases. To this end, we have invested in specialist Probation Officer time in Courts with a brief to intervene actively to manage demand. This has been achieved at the pre-Court stage by screening out cases that may not require reports or supervision and at the report stage by targeting effectively and proposing credible alternatives for those who do not require a Community Order with Probation delivered requirements.

## Victim Contact Scheme

	2012–2013	2011–2012	2010–2011
Number of victims contacted within 8 weeks of sentence	472	455	711

Victim contact is a nationally set measure. During 2010–11 there was national guidance which led to a change to the local recording of information to inform this measure resulting in increased accuracy. This accounts for the reduction in volumes of victims contacted in 2011–12 and 2012–13.

## 2. Management Commentary

### Statutory background

The Probation Trusts were established under the Offender Management Act 2007 (OM Act). Each Trust is a corporate body under the OM Act and a Non-Departmental Public Body (NDPB) which reports to the National Offender Management Service (NOMS). As mentioned in the Foreword, this Trust came into existence on 1 April 2010.

These accounts have been prepared in accordance with the Government Financial Reporting Manual (FRm) issued by HM Treasury (HMT) and in accordance with the accounts direction issued, on page 63, by the Secretary of State under the OM Act.

### Principal activities

Surrey & Sussex Probation Trust covers the Surrey and Sussex police area, as defined in Schedule 1 of the Police Act 1996, serving a population of over 2.6 million. During the year, the Board employed, on average, 536 full time equivalent staff that worked from 11 main sites, 7 prisons and 2 hostels across the area as well as serving Magistrate and Crown Courts. Of these staff, 38 staff were seconded to other organisations, primarily the prisons.

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

The discharge of policies as established by the Ministry of Justice (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 Chief Executive (CE) is a statutory office holder appointed by the Secretary of State as a consequence of the creation of the Trust. Subsequent appointments are made by the Trust Board. The CE is the Accountable Officer for the Trust Board and is accountable to the Director of Probation in his position as the Principal Accounting Officer (PAO) for the Probation Services. The PAO, in turn, is accountable to the Accounting Officer of the Ministry of Justice, who is directly accountable to Parliament for safeguarding public funds.

### 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 Payment by Results. 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 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 local delivery units 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 Offender Management 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 Financial Reporting Manual (FReM), it is appropriate for the Trust to prepare the 2012–13 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.

### Operational Performance during 2012–13

An analysis of performance outcomes is summarised in the Annual Report on pages 8 to 12.

#### Results for the year

The Statement of Comprehensive Net Expenditure (SoCNE) for the year is shown on page 29. The Statement of Changes in Taxpayers' Equity is shown on page 32.

#### Operating costs

The net operating cost before tax for 2012–13 stands at £nil compared to £(57,000) for 2011–12.

### Statement of Financial Position and Statement of Cash Flows

The Statement of Financial Position and Statement of Cash Flows are on pages 30 and 31.

The net liability position has increased from £21,607,000 at March 2012 to £27,888,000 at March 2013. The largest single movement in net assets is £6,272,000 due to an increase in the Pension Liability.

#### Payment of creditors

In the year to 31 March 2013, the Trust paid 6,168 trade invoices with a value of £5.14 million. The percentage of undisputed invoices paid within 30 days by the Trust was 86% compared to 82% in 2011–12.

#### 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 9.3 days across the Trust (2011–12: 8.2 days).

#### Personal data related incidents

The Trust did not have any significant personal data related incidents in 2012–13, which needed to be reported formally to the Information Commissioner's Office (ICO).

The ICO undertook an audit of Surrey and Sussex Probation Trust's information assurance arrangements in July 2012 and at that time the ICO's opinion was that there was reasonable assurance that processes and procedures were in place and were being adhered to. The ICO identified some scope for improvement in existing arrangements, and the Trust responded to these recommendations

positively. The ICO undertook a follow up audit in April 2013, where it was confirmed that of the recommendations made in July, over 80% had either been completed or were 'work in progress'.

### 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 event 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. Although the detail of the new structure has not been confirmed, the recommendations will change the way in which probation services are commissioned and delivered. As a result it is expected that the future structure of the probation service and of this Trust will need to change and adapt to meet the new requirements. It is expected that the detail will be finalised over the coming months.

### Sustainable development

The Trust falls within the scope of reporting under the Greening Government commitment. As such we have produced a separate sustainability report showing performance against sustainability targets for greenhouse gas emissions, waste minimisation and management and the use of finite resources and their related expenditure. The Sustainability Report is shown on pages 65 to 69.

### Future developments

The year ahead will see the implementation of a major change programme that the government intends to complete by 2015. The Trust will be engaging with the Ministry of Justice in the delivery of this programme and will seek to ensure that the transition is managed in a way that promotes the best possible outcomes for service users and for staff.

The Trust will also ensure that service delivery during the transition period is maintained and improved. SSPT retain as its 3 strategic priorities:

- Quality of Offender Engagement
- Engagement with Stakeholders
- Development of the organisation and its staff.

Ways in which the Trust will seek to deliver on these priorities and further improve the level of service delivered include:

- Working with the voluntary sector provider, PACT, to use volunteers to enhance the service provided to those under supervision, particularly to promote the re-integration of offenders into their communities.
- Working with partners in Surrey and Sussex to develop the availability of Restorative Justice for victims of crime.
- Developing effective means for service users to contribute to the design of the services SSPT delivers, to produce better outcomes.
- Continuing to develop, with partners, the Liaison and Diversion Scheme pilot to ensure that those with a mental disorder can be diverted from the criminal justice system into treatment at the appropriate stage.
- Achieving recognition as a good employer which seeks continuous improvement in the way the Trust develops and manages its staff.

Surrey & Sussex Probation Trust is committed to providing a high quality service to the Courts, service users, partners and to communities it serves. The Trust seeks ways to improve and develop this service year on year and is confident that it will achieve this in 2013/14.

## 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 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 27.

Total audit fees reported in the Accounts are £74,000. The external audit fees for 2011–12 relate to the previous external auditor. The audit fees for 2012–13 are made up of:

- £25,000 for Internal Audit and
- £39,000 for External Audit in 2012–13; payable to the National Audit Office
- £10,000 for External Audit in 2011–12; payable to the Audit Commission

As the 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 Surrey and Sussex Probation Trust Management Board

The governance arrangements within the Trust for the period April 2012 to March 2013 were carried out by the Trust Board which consisted of the following members:

Mr Nick Smart (Chief Executive),

Mr John Steele (Chair),

The members:

Ms Susan Elizabeth,

Mr Charles Everett,

Mr Chris Grimes,

Mr John Jeffery,

Mrs Jacqueline Pendleton,

Mr Stewart Neal,

Mrs Frances Rumsey (until 20 April 2012).

The Chair and other members of the Board were all appointed by the Secretary of State in line with the Commissioner for Public Appointments “Guidance on Appointments to Public Bodies”.

Details of the remuneration of the Management Board are set out in the Remuneration Report on pages 17 to 18.

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.

Nick Smart  
Accountable Officer  
17 June 2013

## 3. Remuneration Report

### Appointments

The Chair and other members of the Board were all appointed by the Secretary of State in line with the Commissioner for Public Appointments “Guidance on Appointments to Public Bodies”.

The salary and pension entitlements of the senior managers and non-executive directors of the Surrey and Sussex Probation Trust were as follows:

### A) REMUNERATION – AUDITED

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

	2012–13			2011–12		
	Salary (as defined below) £000s	Bonus £000s	Benefits in kind (rounded to the nearest £100) £	Salary (as defined below) £000s	Bonus £000s	Benefits in kind (rounded to the nearest £100) £
Nick Smart (from Nov 11)	75–80	None	None	30–35	None	None
Sonia Crozier (until Nov 11)	0	None	None	50–55	None	None
John Steele	15–20	None	None	15–20	None	None
Susan Elizabeth	0–5	None	None	0–5	None	None
Charles Everett	0–5	None	None	0–5	None	None
Chris Grimes	0–5	None	None	0–5	None	None
John Jeffery	0–5	None	None	0–5	None	None
Jacqueline Pendleton	0–5	None	None	0–5	None	None
Stewart Neal	0–5	None	None	0–5	None	None
Frances Rumsey	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 2008, with the exception of the Chief Executive and the Chair. Trusts at their discretion may pay a travelling allowance and any other relevant expenses incurred.

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

	Total Full-time Equivalent Remuneration	
	2012–13	2011–12
Highest paid Director (annual pay band)	£75,000–£80,000	£75,000–£80,000
Median for other staff	£27,102	£27,102
Pay multiple ratio	2.9:1	2.9:1

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 HM Revenue and Customs as a taxable emolument. The benefits received are in respect of costs for

accommodation, travel and the pecuniary liability in respect of tax paid under the employer PAYE settlement agreement with HM Revenue and Customs.

## B) PENSION BENEFITS – AUDITED

	Total accrued pension at pension age as at 31 March 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
Nick Smart	40–45 plus lump sum 95–100	10–15	680	572	78

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

### Cash Equivalent Transfer Value (CETV)

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

### Real increase in CETV

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

Nick Smart  
Accountable Officer  
17 June 2013

## 4. Statement of Accountable Officer's Responsibilities

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

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

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

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



## 5. Governance Statement

### Introduction

Probation Services are contracted by the Secretary of State for Justice to local Probation Trusts pursuant to the Offender Management Act 2007. The Surrey & Sussex Probation Trust has such a 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 offenders' 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 Finance Manual mandated by the Secretary of State. The Standing Orders and Finance Manual 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 Chief Executive 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 Surrey & Sussex Probation Trust'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 Managing Public Money (published by HM Treasury) requirements.

### 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 the Trust's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

#### The Trust Board and Committees

The Trust Board comprises eight members including the Chair and Chief Executive. The Trust operates Audit, Health & Safety and Remuneration and Nominations Committees.

The Trust's Audit Committee comprises three Board members. The Chief Executive shall not be an ex officio member of the Committee. The Chair cannot be a member of the Audit Committee but has the right to attend, except, where matters relating to themselves are being discussed. The Committee

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

The Trust's Health and Safety Committee consists of five members from the employees' side (a minimum of two NAPO and two UNISON appointed safety representatives) and five members from the employer's side including two members of the Surrey & Sussex Probation Trust Board, the SSPT Health and Safety Adviser and a Human Resources Director. The Committee meets quarterly, usually two weeks before a quarterly Board meeting so that the Board can review the Committee Minutes

The Trust's Remuneration and Nominations Committee's purpose is to act on behalf of the Board as the employer of the Chief Executive and, as appropriate, members of the senior management. The Committee consists of three non executive Board members including the Board Chair. Appointments to the Committee are made annually. The Committee is advised by a Human Resources Director and meets once a year on a date as soon after the 1<sup>st</sup> April as is practicable.

The Trust Board is scheduled to meet eight times a year to consider governance and strategy matters. In 2012–13 the Board convened nine times, the additional meeting being called to approve the 2011/12 financial statements. The Audit Committee met on five occasions in 2012–13 to review internal and external audit reports and action plans and also to review the organisation's risk register and the annual financial statements.

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 Chief Executive are separate. Full minutes of all Board meetings, except those deemed to be confidential by the Board, are available on the Trust website at [www.surreysussexprobation.gov.uk](http://www.surreysussexprobation.gov.uk). The Trust Secretary maintains a register of financial and personal interests of the Board members. The register is available for inspection at the Head Office of the Trust on request.

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

The Surrey & Sussex Probation Boards merged on 1<sup>st</sup> April 2010 to form the Surrey & Sussex Probation Trust. In October 2011, the Trust Board met for an externally facilitated day to review its own effectiveness following eighteen months of operating. Strengths and weaknesses were discussed together with Board relationships and behaviours and the amount of time that should be devoted to consideration of strategy and its integration into the work of the Board. Following this exercise, the Board made a number of changes to the way it operated in order improve its own performance and to promote effective decision making.

On an on-going basis the effectiveness of the Trust's governance framework, including the way the Board operates, is informed by the work of the Internal Auditor and any comments made by the External Auditor and other review agencies and inspectorates.

### **Highlights from Trust Board 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 National Probation Trust Rating System, proposed capital expenditure, quality matters and personnel related matters such as health and safety and environmental issues. The Chief Executive is held to account by the Board at these meetings.

The Trust Board and the Trust Executive Team contributed to the development of the three year Business Plan. This is reviewed each year. The 2012–13 Business Plan was endorsed by the Trust Board in February 2012. The plan sets out how the Trust proposed to deliver services during 2012–13 to



achieve its vision of “Inspiring public confidence through our ability to rebuild lives and communities by cutting crime”.

It was anticipated that 2012–13 would present the Trust with many challenges as a result of reductions in public spending combined with the Government’s intention to reform the Criminal Justice System through payment by results and the competition of offender services. Many of our partners were also responding to public services reforms, and in particular we were anticipating the introduction of Police and Crime Commissioners and Health Service restructuring.

Since its inception the Trust has made the quality of its service delivery one of the top priorities. The Trust holds the 5 Star “Recognised for Excellence” mark; issued by the British Quality Foundation, a coveted rating held by only a handful of organisations across the private, public and third sectors.

The Trust allocates its resources according to the level of risk and needs of service users. Those offenders who may present a risk to others and/or are at highest risk of re-offending received the most input. Whilst no longer wishing to be a lead provider in the management of low risk offenders, the Trust has continued to strongly support local schemes to prevent individuals from entering or progressing within the Justice System. This has been achieved through membership of the Criminal Justice Boards and Community Safety Partnerships.

At a time of reducing resource, the principle noted above becomes still more important and therefore during 2012–13 the Trust carried out a service re-design to ensure that it continued to apply it, and this new operational design was implemented in April 2013. A key element of the service redesign is a new volunteer service to support service users.

As mentioned in the Operational and Performance review, the Trust’s long history of partnership working has put it in a strong position to develop Local Delivery Units and the Area Delivery Unit for Public Protection. The aim is to enhance the ability to target work at those offenders who create the most impact on the communities. Working together with Police, Local Authorities, the Health Service, the Voluntary Sector and others helps to “join up” our efforts to have maximum impact. Examples of this approach include:

- SSPT involvement in the “Think Family” initiative to reduce the risk of the children of offenders becoming offenders themselves;
- work with other agencies to manage the risk of the relatively small number of offenders who pose a risk to others (Multi Agency Public Protection Arrangements) and who pose the highest risk of reoffending (Integrated Offender Management).

The Local Delivery Unit structure empowers local managers to work more closely with partners to identify opportunities for joint commissioning to meet the local needs of offenders. SSPT has a middle manager linked to each Crime and Disorder Reduction Partnership (CDRP). This approach promotes efficient targeting of resources through joint working to achieve value for money. A small Commissioning Unit assists the Delivery Units to identify the most effective providers of services to meet local needs.

As mentioned in other sections of this report, 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 Payment by Results. The consultation period ended on 22 February 2013 and the results of these consultations were published on 9 May 2013 by the Secretary of State for Justice.

## Board Attendance

Board member attendance at Trust Board meetings was as follows:

John Steele (Chair)	100%
Nick Smart (Chief Executive)	100%
Susan Elizabeth	89%
Charles Everett	89%
Chris Grimes	78%
John Jeffery	100%
Jacky Pendleton	100%
Stewart Neal	89%

## Highlights from Audit Committee meetings

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 recommends the programme of Internal Audit for the approval of the Board.

In 2012–13 Internal Audits requested related to the Financial Control Framework, Risk Management, Human Resources Policies, the Assurance Framework, Partnerships, Serious Further Offences and Business Continuity Planning. During the year the Audit Committee included for regular reporting the consideration of LDU and PPDU Risk Registers. A revised Governance Handbook, Finance Manual and Scheme of delegation were also considered prior to being presented to the Trust Board.

As referred to earlier in the report, the Information Commissioner's Office (ICO) undertook an audit of Surrey and Sussex Probation Trust's information assurance arrangements in July 2012. The report arising from this audit, together with related management reports, and a follow up ICO audit in April 2013, were considered by the Audit Committee.

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 has reported issues of internal control to the Board and has alerted 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. The Committee has systematically reviewed the Balanced Scorecard at each of its quarterly meetings to test the overall 'health' of the organisation. Any concerns are reported to the Board for consideration by all Board members. In January 2013 the Committee also received the annual Gifts and Hospitality Assurance Report.

## Health and Safety Committee

The Health and Safety Committee promotes co-operation on all aspects of Health & Safety. It is actively engaged as appropriate in the approval and review of SSPT Health & Safety management systems, manuals, policies and protocols. It monitors and reviews general health & safety performance; in particular:

- Accidents, incidents and notifiable diseases
  - Audit and inspection reports
  - The effectiveness of health & safety training programmes
  - The effectiveness of the safety content of employee training.
  - The adequacy of health & safety communication and publicity in the workplace
- and makes recommendations/reports to the Board and/or the Chief Executive on improvement opportunities, areas of concern, issues for possible inclusion in the Annual Plan and any other related matters.

### **Remuneration and Nominations Committee**

The Board has delegated authority to the Remuneration and Nominations Committee to:

- take note of the objectives set, by the Chair of the Board, in respect of the Chief Executive against which performance will be reviewed;
- review the performance of the Chief Executive;
- review and determine any discretionary elements of the salary (including performance related pay), terms and conditions (and if appropriate, severance payments) of the Chief Executive;
- review the recommendations of the Chief Executive in terms of any discretionary elements of salary (including performance related pay where applicable), terms and conditions (and if appropriate severance payments) of the Senior Management Team members;
- ensure that that appropriate procedures are in place for, the nomination, selection, training, development, monitoring, evaluation and remuneration of the Chief Executive, and Directors having proper regard to the financial and commercial health of the organisation and of the provisions of any national agreements for such staff where appropriate.

### **Risk Management and Oversight and Assurance arrangements**

#### **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 Ministry of Justice based on Cabinet Office requirements and the Corporate Governance Code for Central Government Departments.

In November 2012, the Trust Board approved a revised Governance Handbook, Finance Manual and Scheme of Delegation which define and documents the roles and responsibilities of the Chief Executive, the Board Chair and the Trust Board. The Scheme of Delegation also provides clear delegation arrangements and protocols for decision making for Trust Board members and staff. Codes of conduct defining the standards of behaviour for members and staff are also in place along with an Anti-Fraud, Bribery and Corruption policy and a Whistleblowing policy.

To ensure that there is a shared understanding of the organisation's business, the Chair and Chief Executive meet regularly to discuss strategic and operational matters. Board members also 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's Executive Team comprises the Chief Executive, Finance Director, HR Director, Trust Secretary and operational Directors. During the course of the year the frequency and nature of meetings for this group was reviewed and since November it has met fortnightly and considers operational and non-operational matters affecting the Trust.

Control is maintained through regular management information, management supervision, and a structure of delegation and accountability. The Anti-fraud, Bribery and Corruption policy, Whistleblowing policy and Code of conduct 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**

The Trust maintains a risk-based approach to decision-making which has been embedded across the organisation. Each Local Delivery Unit and the Public Protection Delivery Unit maintains its own Risk Register which is used to inform the Organisational Risk Register.

Organisational risk has been managed as part of the core responsibilities of the Trust's Executive Team, which reviews the risk register quarterly. Ownership of particular risks are delegated to members of the Executive Team. The reviewed and revised Corporate Risk Register is submitted to the Trust's Audit

Committee quarterly meeting where it is scrutinised to identify emerging trends and potential new risks. The Committee then reports to the Board.

Board Meeting Agenda place the management of risk and the balanced scorecard at an early point on the Agenda along with matters for decision and performance to promote effective decision making. The Board also devote four meetings a year primarily to discuss strategic issues to inform its Strategic and Business Planning and consider the associated risks.

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

The Board's approach to risk management has been aimed at:

- Identifying the risks which might impact on the business objectives of the Board;
- Analysing and ranking each risk in terms of impact and likelihood;
- Identifying and assessing existing counter measures which contribute to controlling the risk;
- Analysing and ranking the remaining risk in terms of impact and likelihood;
- Determining the action required with a view to eliminating the risk (termination), reducing the risk (treat), accepting the risk (tolerate) or pass on the risk i.e. insurance or indemnities (transfer);
- Identifying individuals responsible for monitoring and reporting on risks identified i.e. changes in the nature of the risk, level of exposure and the on-going effectiveness of internal controls that are in place for managing or mitigating the risk;
- Identifying individuals responsible for taking action in connection with the risk identified and the date by which action is required; and
- Monitoring and reporting on progress in connection with action.

At an operational level, at the start of the year business risks have been considered as part of the discussions about team plans, which are derived from the Business Plan's key objectives. These have included any specific risks affecting contracted out services. In addition, managers' personal objectives incorporate references to business risk, and progress is reviewed regularly, including discussion at Business Review meetings.

During the year the Executive Team has met frequently to consider the strategic direction of the Trust and to consider the key risks facing the organisation. It has undertaken a thorough review of all aspects of performance on a quarterly basis including a review of its key risks. The outcomes of these reviews are reported regularly to the Audit Committee. New risks were incorporated into the Organisational Risk Register during the year, in relation to the Transforming Rehabilitation agenda, the implementation of the new offender case management system (nDelius) and the operational service design project.

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

The Chief Executive, 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 Executive Team has reviewed its risk management arrangements quarterly to ensure that the controls that have been put in place are effective. It has also considered the implications of any recommendations made by independent assessors regarding the Trust's compliance with national policies and regulations.

The Trust Board, having approved the Organisational Risk Management Strategy, is responsible for promoting risk awareness across the organisation. It considers which risks are acceptable and which are not and scrutinises the risk register to ensure there are no omissions. The Board also approves major decisions affecting the Trust's risk profile, and monitors the management of significant risks to reduce the likelihood of unwelcome surprises. In conjunction with its sub-groups, it satisfies itself that less significant risks are being actively managed, with appropriate and effective controls in place.

The Internal Auditors help and advise the Accountable Officer and the Audit Committee in improving the Trust's internal control and risk management processes, and provide assurance to the Director of Probation regarding the adequacy of the risk management arrangements that have been put in place. As well as reviewing the Trust's Corporate Governance and Risk Management arrangements on a regular basis, they audit the arrangements SSPT has put in place to manage and control three of the most significant business risks.

The 2012–13 internal audit assignment reports in respect of HR policies, the assurance framework, and serious further offences were rated 'green'. The audit assignment reports for business continuity planning and risk management were rated 'amber/green'. For the audits rated 'amber/green', the Auditors concluded that although there were some weaknesses in control design or operation of controls, they did not require significant improvement in order to manage risks to the achievement of system objectives. In all cases actions were agreed to remedy any identified weaknesses in risk management and were incorporated in an agreed action plan.

The financial controls framework internal audit is undertaken on an annual basis with the objective of providing some assurance that the organisation has a sound financial framework in place. The internal audit for 2012–13 was rated 'amber/red' and concluded that there were major weakness or a number of significant weaknesses in control with prompt improvement in the design and/or operation of control required. In addition, system objectives were only partly achieved and risks were not effectively managed. The findings resulting in significant recommendations related to payroll. Again, actions were agreed to remedy the identified weaknesses in risk management and were incorporated in an agreed action plan.

The internal auditor also monitored the extent to which agreed actions stemming from internal audit reports in 2011–12 had been implemented and they were satisfied that the majority had been implemented by due dates.

Following the audit of the Trust's information assurance arrangements the Information Commissioner's Office (ICO)'s opinion was that there was reasonable assurance that processes and procedures were in place and were being adhered to. The ICO identified some scope for improvement in existing arrangements, and the Trust responded to these recommendations positively. The ICO undertook a follow up audit in April 2013, where it was confirmed that of the recommendations made in July, over 80% had either been completed or were 'work in progress'. The Trust did not have any significant personal data related incidents in 2012–13, which needed to be reported formally to the Information Commissioner's Office (ICO).

Internal Audit stated in its Annual Report that although some areas of weakness had been highlighted it is 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.

### **Significant Issues**

The most significant risk to the Trust is the Government's response to the Transforming Rehabilitation review and the rapid pace of implementing national changes to Probation, and the associated impact this has on staff morale and performance. This risk is being managed through regular communication with the Ministry of Justice, and Surrey and Sussex Probation staff and trade unions. In addition, initiatives and other measures are being adopted to support staff through this period of change and to help them to continue to focus on 'keeping the show on the road', emphasising an ongoing commitment to service users and local communities.

Nick Smart  
Accountable Officer  
17 June 2013



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

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

### Respective responsibilities of the Chief Executive and Auditor

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

### Scope of the audit of the financial statements

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

### Opinion on regularity

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

### Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of Surrey and Sussex 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 Offender Management Act 2007 and Secretary of State directions issued there under.

### 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 Offender Management Act 2007; and
- the information given in the Operational and Performance Review, Management Commentary and Sustainability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

### Matters on which I report by exception

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

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

### Report

I have no observations to make on these financial statements.

**Amyas C E Morse**    **2 July 2013**  
**Comptroller and Auditor General**

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

## 7. Accounts

### Statement of Comprehensive Net Expenditure

For the year ended 31 March 2013

	Notes	2012–13 £000	2011–12 £000
<b>Administration costs</b>			
Staff costs	3(a)	18,568	18,998
Other administration costs	6(a)	7,312	7,167
Income	7(a)	(26,102)	(26,116)
<b>Net administration (income)/costs</b>		<b>(222)</b>	<b>49</b>
<b>Programme costs</b>			
Staff costs	3(a)	-	-
Other programme costs	6(b)	-	-
Income	7(b)	(41)	(25)
<b>Net programme income</b>		<b>(41)</b>	<b>(25)</b>
<b>Net operating (income)/costs</b>		<b>(263)</b>	<b>24</b>
Expected return on pension assets	4(d)	(4,383)	(4,808)
Interest on pension scheme liabilities	4(d)	4,646	4,727
<b>Net operating (income)/costs before taxation</b>		<b>-</b>	<b>(57)</b>
Taxation	5	51	-
<b>Net operating costs/(income) after taxation</b>		<b>51</b>	<b>(57)</b>

### Other Comprehensive Expenditure

	Notes	2012–13 £000	2011–12 £000
Net gain on revaluation of property, plant and equipment	8	(14)	(2)
Net (gain)/loss on revaluation of intangibles	9	-	-
Net (gain)/loss on revaluation of available for sale financial assets		-	-
Pension actuarial loss	23	6,244	6,652
<b>Total comprehensive expenditure for the year ended 31 March 2013</b>		<b>6,281</b>	<b>6,593</b>

The notes on pages 33 to 62 form part of these accounts.



## Statement of Financial Position

As at 31 March 2013

		2012–13	2011–12 (Restated)	1 April 2011
	Notes	£000	£000	£000
<b>Non-current assets</b>				
Property plant and equipment	8	259	325	380
Intangible assets	9	-	-	-
Deferred tax asset	19	-	-	-
Trade and other receivables	12(a)	3	16	34
<b>Total non-current assets</b>		<b>262</b>	<b>341</b>	<b>414</b>
<b>Current assets</b>				
Assets classified as held for sale	11	-	-	-
Deferred tax asset	19	-	-	-
Trade and other receivables	12(a)	3,283	2,102	4,558
Cash and cash equivalents	13	1,394	2,330	1,670
<b>Total current assets</b>		<b>4,677</b>	<b>4,432</b>	<b>6,228</b>
<b>Total assets</b>		<b>4,939</b>	<b>4,773</b>	<b>6,642</b>
<b>Current liabilities</b>				
Trade and other payables	14(a)	(2,130)	(1,610)	(2,801)
Provisions	15	(641)	(874)	(759)
Taxation payables	14(a)	(1,177)	(1,289)	(1,635)
<b>Total current liabilities</b>		<b>(3,948)</b>	<b>(3,773)</b>	<b>(5,195)</b>
<b>Non-current assets plus/less net current assets/(liabilities)</b>		<b>991</b>	<b>1,000</b>	<b>1,447</b>
<b>Non-current liabilities</b>				
Trade and other payables	14(a)	-	-	-
Provisions	15	-	-	-
Pension liability	4(c)/4(h)	(28,879)	(22,607)	(16,461)
<b>Total non-current liabilities</b>		<b>(28,879)</b>	<b>(22,607)</b>	<b>(16,461)</b>
<b>Assets less liabilities</b>		<b>(27,888)</b>	<b>(21,607)</b>	<b>(15,014)</b>
<b>Taxpayers' equity</b>				
General fund	23	(27,960)	(21,665)	(15,070)
Revaluation reserve – property, plant and equipment	24(a)	72	58	56
Revaluation reserve – intangible assets	24(b)	-	-	-
		<b>(27,888)</b>	<b>(21,607)</b>	<b>(15,014)</b>

The financial statements on pages 29 to 32 were approved by the Board on 17 June 2013 and were signed on its behalf by

Nick Smart  
Accountable Officer

17 June 2013

The notes on pages 33 to 62 form part of these accounts.

## Statement of Cash Flows

For the year ended 31 March 2013

		2012–13	2011–12
	Notes	£000	£000
<b>Cash flows from operating activities</b>			
Net operating costs	23	(51)	57
Adjustments for non-cash transactions	6(a)	384	400
Adjustments for pension cost	4(d)	28	(506)
(Increase)/decrease in receivables	12(a)	(1,168)	2,474
Increase/(decrease) in payables	14(a)	408	(1,537)
Utilisation of provisions	15	(521)	(179)
Less movements in property, plant and equipment payable	14(a)	-	-
Less payments of amounts due to Consolidated Fund to NOMS	14(a)	-	6
<b>Net cash outflow from operating activities</b>		<b>(920)</b>	<b>715</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	8	(17)	(51)
Purchase of intangibles	9	-	-
Proceeds on disposal of property, plant and equipment	8	1	2
Proceeds on disposal of intangibles	9	-	-
<b>Net cash outflow from investing activities</b>		<b>(16)</b>	<b>(49)</b>
<b>Cash flows from financing activities</b>			
Net financing received in year	23	-	-
Payments of amounts due to the Consolidated Fund to NOMS		-	(6)
<b>Net financing</b>		<b>-</b>	<b>(6)</b>
<b>Net increase/(decrease) in cash and cash equivalents in the period</b>			
		<b>(936)</b>	<b>660</b>
Cash and cash equivalents at the beginning of the period	13	2,330	1,670
Cash and cash equivalents at the end of the period	13	1,394	2,330
<b>Increase/(decrease) in cash</b>		<b>(936)</b>	<b>660</b>

The notes on pages 33 to 62 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>(15,320)</b>	<b>56</b>	<b>(15,264)</b>
Prior period adjustment	23/24	250	-	250
<b>As restated at 1 April 2011</b>		<b>(15,070)</b>	<b>56</b>	<b>(15,014)</b>
<b>Changes in taxpayers' equity for 2011–12</b>				
Net operating cost after taxation	SocNE	57	-	57
Net gain/(loss) on revaluation of property, plant and equipment	24	-	2	2
Net gain/(loss) on revaluation of intangibles	24	-	-	-
Movement in donated assets	23	-	-	-
Transferred from revaluation reserve	23	-	-	-
Pension actuarial (loss)/gain	23	(6,652)	-	(6,652)
Net NOMS financing received in year	23	-	-	-
<b>Balance as at 31 March 2012</b>		<b>(21,665)</b>	<b>58</b>	<b>(21,607)</b>
<b>Changes in taxpayers' equity for 2012–13</b>				
Net operating cost after taxation	SocNE	(51)	-	(51)
Net gain/(loss) on revaluation of property, plant and equipment	24	-	14	14
Net gain/(loss) on revaluation of intangibles	24	-	-	-
Movement in donated assets	23	-	-	-
Transferred from revaluation reserve	23	-	-	-
Pension actuarial (loss)/gain	23	(6,244)	-	(6,244)
Net NOMS financing received in year	23	-	-	-
<b>Balance as at 31 March 2013</b>		<b>(27,960)</b>	<b>72</b>	<b>(27,888)</b>

The notes on pages 33 to 62 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 Financial Reporting Manual (FReM) issued by HM Treasury. 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 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 Statement of Comprehensive Expenditure, but are set out as a separate item.

Had the Trust adopted the amended IAS19 for the 2012–13 reporting period, the impact on the financial statements would have been an increase in net expenditure and liabilities of £817,000.

#### 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. There has been a restatement of comparatives in these accounts in relation to the provision. There has been a reduction of £250,000 relating to the case management software upgrade provision.

#### 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 Ministry of Justice/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 Payment by Results. 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 local delivery units 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 Offender Management 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 the Financial Reporting Manual (FReM), it is appropriate for the Trust to prepare the 2012–13 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 £10,000, inclusive of any irrecoverable 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
Plant & equipment	5 to 7 years depending on individual asset type
Vehicles	7 years
Furniture, fixtures & fittings	5 years

#### 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 £10,000, inclusive of any irrecoverable VAT element, where appropriate.

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

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

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

Intangible assets (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 EU sources, income from other Trusts, from within the MoJ Group, from other Government Departments and miscellaneous income. Fees and charges for services are recovered on a full cost basis in accordance with the Treasury's Fees and Charges guide.

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

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

### 1.12 Pensions

Past and present employees are covered by the provisions of the Local Government Pension Scheme (LGPS). This is a funded defined benefit scheme 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 HM Treasury. The pension fund actuary has used roll forward estimated asset value figures in producing the IAS 19 pension liability and other disclosures.

### 1.13 Leases

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

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

#### Finance leases

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

### 1.15 Value Added Tax

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

### 1.16 Corporation Tax

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

	2012–13	2011–12
<b>Operational Unit</b>	<b>£000</b>	<b>£000</b>
Public Protection	4,064	3,562
Community Payback & Prisons	3,096	3,686
LDU OM West Sussex	2,555	2,719
LDU OM East Sussex	1,578	1,704
LDU OM Brighton	1,852	1,970
LDU OM Surrey	2,877	3,216
<b>LDU OM Total</b>	<b>8,862</b>	<b>9,609</b>
Trust Wide Services	342	0
Case Management Software Upgrade	68	0
Supernumerary PSOs	168	79
<b>Total “Frontline” Spending</b>	<b>16,600</b>	<b>16,936</b>
Finance and ICT Staff	742	654
Service Support & Facilities	1,407	1,507
HR, Training & PQF	1,377	1,443
Commissioning, Service Redesign	154	105
Performance & Communications	368	443
Central Management & Board	1,385	1,363
<b>Support Total</b>	<b>5,433</b>	<b>5,515</b>
NOMS Estate Recharge	1,405	1,376
NOMS ICT Recharge	1,059	1,292
Pension Interest Charge	263	(81)
Redundancy Costs	277	0
<b>Overheads Total</b>	<b>3,004</b>	<b>2,587</b>
<b>Total Expenditure</b>	<b>25,037</b>	<b>25,038</b>
<b>Contract Income</b>	<b>(25,037)</b>	<b>(25,095)</b>
<b>Overspend/(Underspend)</b>	<b>0</b>	<b>57</b>

The operating segments report layout, as reported to the Board is a dynamic report and is refined year on year to provide the information the Board are most concerned with at the current time. For this reason the operating segments report produced in last year’s annual accounts has been revised to act as a comparative to the current layout.

### 3. Staff numbers and related costs

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

	2012-13			2011-12
	Total £000	Permanently- employed staff £000	Others £000	Total £000
Wages and salaries	16,632	16,365	267	17,406
Social security costs	1,234	1,234	0	1,318
Other pension costs	2,617	2,547	70	2,580
<b>Sub-total</b>	<b>20,483</b>	<b>20,146</b>	<b>337</b>	<b>21,304</b>
Less recoveries in respect of outward secondments	(1,915)	(1,915)	0	(2,306)
<b>Total staff costs</b>	<b>18,568</b>	<b>18,231</b>	<b>337</b>	<b>18,998</b>
Administration-related staff costs	18,568	18,231	337	18,998
Programme-related staff costs	0	0	0	0
	<b>18,568</b>	<b>18,231</b>	<b>337</b>	<b>18,998</b>

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

Nil persons (2011-12: Nil persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £nil (2011-12: £nil).

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

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

	2012-13		2011-12
	Total	Permanently- employed staff	Total
	536	528	549
	<b>536</b>	<b>528</b>	<b>549</b>

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

Exit packages cost band	2012–13			2011–12		
	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	1	17	18	0	2	2
£10,000–£25,000	1	10	11	0	0	0
£25,000–£50,000	1	1	2	0	2	2
£50,000–£100,000	0	0	0	0	0	0
£100,000–£150,000	0	0	0	0	0	0
£150,000–£200,000	0	0	0	0	0	0
£200,000+	0	0	0	0	0	0
<b>Total number of exit packages by type</b>	<b>3</b>	<b>28</b>	<b>31</b>	<b>0</b>	<b>4</b>	<b>4</b>
<b>Total resource cost £000</b>	<b>60</b>	<b>289</b>	<b>349</b>	<b>0</b>	<b>65</b>	<b>65</b>

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

The full year annual savings expected to arise from the staff restructuring are in the region of £800,000.

## 4. Pensions costs

Surrey and Sussex Probation Trust's Pension Scheme is administered by East Sussex County Council and is a contributory pension scheme. Employer contributions by Surrey and Sussex Probation Trust were 20% for 2012–13. The figures shown in these accounts for asset returns are taken from the actuaries report. Hymans Robertson has developed a proprietary stochastic asset and the returns given in their report are based on this model (Hymans Robertson Asset Model – HRAM). The general formulation for this is:

Equity (property) total return in month t = cash return in month t = risk premium in month t + random component in month t

### 4a Pension costs

A full actuarial valuation was carried out at 31 March 2010 by Hyman Robertson LLP. For 2012–13, employers' contributions of £3,102,000 were payable to the LGPS (2011–12 £3,043,000). 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.

With effect from 1 April 2010, early retirement costs should have been included within the Actuarial pension valuation and calculated on the same basis as the pension scheme assets and liabilities, in accordance with IAS 19. This was a change to the accounting policy. However, the Trust did not fully comply with the policy in 2010–11. This has now been addressed from 1 April 2011 and as a result the pension figure for 2010–11 was restated to ensure valuation has been made on the same basis. This has changed the total pension liability by £255,000, this is due to there being differences in the basis of calculation between the Trust and the Actuary. As the Trust is a merged trust, there were also differences in the calculations between the former Surrey and the former Sussex early retirement provisions.

Partnership accounts are excluding under IAS19.

The approximate employer's pension contributions for the three years from:

Employers contributions for 2012–13 were 20% of salaries; and

Employers contributions for 2013–14 will be 20% of salaries; and

Employers contributions for 2014–15 will be 20% of salaries.

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

	2012–13	2011–12
	%	%
Inflation assumption	2.8%	2.5%
Rate of increase in salaries	5.1%	4.8%
Rate of increase for pensions in payment and deferred pensions	4.5%	5.9%
Discount rate	4.5%	4.8%

#### Mortality Assumptions:

Life expectancy is based on the Fund's Vitacurves, with improvements from 2007 in line with the medium cohort and a 1% underpin. Based on these assumptions, the average future life expectancies at age 65 are: current pensioner 21.3 years (male), 23.4 years (female); future pensioners 23.3 years (male) 25.7 years (female)

42 4c. The assets in the scheme and the expected rate of return were:

	2012-13			2011-12		
	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	4.5%	80.0%	69,146	6.3%	80.0%	58,441
Government bonds	4.5%	9.0%	7,779	4.4%	9.0%	6,575
Other bonds	4.5%	0.0%	0	4.4%	0.0%	0
Property	4.5%	8.0%	6,915	4.4%	9.0%	6,575
Other	4.5%	3.0%	2,593	3.5%	2.0%	1,461
<b>Total</b>		<b>100.0%</b>	<b>86,433</b>		<b>100.0%</b>	<b>73,052</b>
<b>(Present value of scheme liabilities)</b>			<b>(115,312)</b>			<b>(95,659)</b>
<b>Surplus/(deficit) of the scheme</b>			<b>(28,879)</b>			<b>(22,607)</b>
<b>Net pension asset/(liability)</b>			<b>(28,879)</b>			<b>(22,607)</b>

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

	2012–13	2011–12
	£000	£000
<b>Pension cost</b>		
Current service cost	2,547	2,618
Past service cost	70	0
Effect of curtailment	250	0
Effect of settlement	0	0
<b>Total operating charge</b>	<b>2,867</b>	<b>2,618</b>

	2012–13	2011–12
	£000	£000
<b>Analysis of interest cost on pension scheme – assets/(liabilities)</b>		
Expected return on pension scheme assets	(4,383)	(4,808)
Interest on pension scheme liabilities	4,646	4,727
<b>Net interest costs</b>	<b>263</b>	<b>(81)</b>

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

	2012–13	2011–12
	£000	£000
Pension actuarial gain/(loss)	(6,244)	(6,652)
Irrecoverable surplus (if applicable)	0	0
<b>Total shown in other comprehensive expenditure</b>	<b>(6,244)</b>	<b>(6,652)</b>

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

	2012–13	2011–12
	£000	£000
<b>Opening present value of liabilities</b>	<b>95,659</b>	<b>85,063</b>
Current service cost	2,547	2,618
Interest cost	4,646	4,727
Contributions by members	964	1,047
Actuarial (gains)/losses on liabilities*	12,727	4,066
Benefits paid	(1,551)	(1,862)
Past service cost	70	0
Unfunded benefits paid	0	0
Curtailements	250	0
Settlements	0	0
<b>Closing present value of liabilities</b>	<b>115,312</b>	<b>95,659</b>

\* Includes changes to actuarial assumptions

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

	2012–13	2011–12
	£000	£000
<b>Opening fair value of assets</b>	<b>73,052</b>	<b>68,602</b>
Expected return on assets	4,383	4,808
Actuarial gains/(losses) on assets	6,483	(2,586)
Contributions by the employer	3,102	3,043
Contributions by members	964	1,047
Benefits paid	(1,551)	(1,862)
Net increase from disposals and acquisitions	0	0
Unfunded benefits paid	0	0
Curtailments	0	0
Settlements	0	0
<b>Closing fair value of assets</b>	<b>86,433</b>	<b>73,052</b>

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

	2012–13	2011–12	2010–11	2009–10	2008–09
	£000	£000	£000	£000	£000
Fair value of assets	86,433	73,052	68,602	65,743	45,614
Present value of liabilities	115,312	95,659	85,063	105,324	62,358
<b>Surplus/(deficit)</b>	<b>(28,879)</b>	<b>(22,607)</b>	<b>(16,461)</b>	<b>(39,581)</b>	<b>(16,744)</b>
Experience gains/(losses) on scheme assets	6,483	(2,586)	(4,755)	14,880	(15,164)
Experience gains/(losses) on scheme liabilities	161	(4,066)	18,062	(20)	(6)
Percentage experience gains/(losses) on scheme assets	<b>8%</b>	<b>-4%</b>	<b>-7%</b>	<b>23%</b>	<b>-33%</b>
Percentage experience gains/(losses) on scheme liabilities	<b>-11%</b>	<b>-4%</b>	<b>21%</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 have been 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 £28,879 as at 31 March 2013

Change in assumptions at 31 March 2013

	Approximate % Increase to Employer Liability	Approximate Monetary Amount £000
0.5% decrease in the Real Discount Rate	10.0%	11,924
1 year increase in member life expectancy	3.0%	3,459
0.5% increase in the Salary Increase Rate	3.0%	3,251
0.5% increase in the Pension Increase Rate	7.0%	8,516

## 5. Taxation

	2012–13	2011–12
	£000	£000
UK corporation tax	51	0
<b>Total</b>	<b>51</b>	<b>0</b>

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



## 6. Other administrative costs and programme costs

### 6a. Administration costs

	2012-13		2011-12	
	£000	£000	£000	£000
Rentals under operating leases	31		89	
Interest charges	0		0	
Accommodation, maintenance and utilities	1,919		1,759	
Travel, subsistence and hospitality	670		703	
Professional services	331		431	
IT services	1,219		1,317	
Communications, office supplies and services	576		412	
Other staff related	640		557	
Offender costs	400		356	
Other expenditure	1,068		1,074	
External Auditors' remuneration – statutory accounts	39		43	
External Auditors' remuneration – other	10		6	
Internal Auditors' remuneration and expenses	25		20	
		<b>6,928</b>		<b>6,767</b>
<b>Non-cash items</b>				
Depreciation of tangible non-cash assets	91		107	
Amortisation of intangible non-cash assets	0		0	
Impairment of non-current assets	0		0	
Profit/(loss) on disposal of tangible non-cash assets	5		(1)	
Profit/(loss) on disposal of intangible non-cash assets	0		0	
Other provisions provided for in year	288		294	
Early retirement provisions not required	0		0	
		<b>384</b>		<b>400</b>
<b>Total</b>		<b>7,312</b>		<b>7,167</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>7,312</b>		<b>7,167</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 – ESF Funding  
 Other programme income  
**Total programme income**

**Total income**

	2012-13		2011-12	
	£000	£000	£000	£000
Income receivable from the sponsoring department – NOMS	24,971		25,110	
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>24,971</b>		<b>25,110</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		34		45
Other income from NOMS		233		182
Other income from rest of MoJ Group		0		0
Other income from other Government departments		646		704
Miscellaneous income		214		72
		<b>26,098</b>		<b>26,113</b>
Interest received:				
From bank	2		3	
From car loans	2		0	
From other sources	0	4	0	
<b>Total interest received</b>				<b>3</b>
<b>Total administration income</b>		<b>26,102</b>		<b>26,116</b>

EU income from NOMS	0	0
EU income from other Government departments	0	0
Other EU income – ESF Funding	41	25
Other programme income	0	0
<b>Total programme income</b>	<b>41</b>	<b>25</b>
<b>Total income</b>	<b>26,143</b>	<b>26,141</b>

## 8. Property, plant and equipment

	2012-13					
	Information technology	Plant and machinery	Transport equipment	Furniture, fixtures and fittings	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000	£000
<b>Cost or valuation</b>						
<b>As at 1 April 2012</b>	<b>0</b>	<b>442</b>	<b>396</b>	<b>0</b>	<b>0</b>	<b>838</b>
Additions	0	0	17	0	0	17
Disposals	0	(34)	0	0	0	(34)
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	0	16	26	0	0	42
<b>As at 31 March 2013</b>	<b>0</b>	<b>424</b>	<b>439</b>	<b>0</b>	<b>0</b>	<b>863</b>
<b>Depreciation</b>						
<b>As at 1 April 2012</b>	<b>0</b>	<b>296</b>	<b>217</b>	<b>0</b>	<b>0</b>	<b>513</b>
Charge in year	0	45	46	0	0	91
Disposals	0	(28)	0	0	0	(28)
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	0	12	16	0	0	28
<b>As at 31 March 2013</b>	<b>0</b>	<b>325</b>	<b>279</b>	<b>0</b>	<b>0</b>	<b>604</b>
<b>Carrying value as at 31 March 2013</b>	<b>0</b>	<b>99</b>	<b>160</b>	<b>0</b>	<b>0</b>	<b>259</b>
<b>Carrying value as at 31 March 2012</b>	<b>0</b>	<b>146</b>	<b>179</b>	<b>0</b>	<b>0</b>	<b>325</b>
<b>Asset financing</b>						
Owned	0	99	160	0	0	259
Finance leased	0	0	0	0	0	0
<b>Carrying value as at 31 March 2013</b>	<b>0</b>	<b>99</b>	<b>160</b>	<b>0</b>	<b>0</b>	<b>259</b>

## 8. (Continued)

	2011-12					
	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>	<b>0</b>	<b>472</b>	<b>369</b>	<b>0</b>	<b>0</b>	<b>841</b>
Additions	0	2	49	0	0	51
Disposals	0	(35)	(23)	0	0	(58)
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	0	3	1	0	0	4
<b>As at 31 March 2012</b>	<b>0</b>	<b>442</b>	<b>396</b>	<b>0</b>	<b>0</b>	<b>838</b>
<b>Depreciation</b>						
<b>As at 1 April 2011</b>	<b>0</b>	<b>269</b>	<b>192</b>	<b>0</b>	<b>0</b>	<b>461</b>
Charge in year	0	59	48	0	0	107
Disposals	0	(34)	(23)	0	0	(57)
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	0	2	0	0	0	2
<b>As at 31 March 2012</b>	<b>0</b>	<b>296</b>	<b>217</b>	<b>0</b>	<b>0</b>	<b>513</b>
<b>Carrying value as at 31 March 2012</b>	<b>0</b>	<b>146</b>	<b>179</b>	<b>0</b>	<b>0</b>	<b>325</b>
<b>Carrying value as at 31 March 2011</b>	<b>0</b>	<b>203</b>	<b>177</b>	<b>0</b>	<b>0</b>	<b>380</b>
<b>Asset financing</b>						
Owned	0	146	179	0	0	325
Finance leased	0	0	0	0	0	0
<b>Carrying value as at 31 March 2012</b>	<b>0</b>	<b>146</b>	<b>179</b>	<b>0</b>	<b>0</b>	<b>325</b>

## 9. Intangible assets

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

## 9. (Continued)

	2011-12					
	Development	Software	Licences	Other	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>	0	0	0	0	0	0
Additions	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Indexation/revaluation	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
<b>As at 31 March 2012</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Amortisation</b>						
<b>As at 1 April 2011</b>	0	0	0	0	0	0
Charge in year	0	0	0	0	0	0
Disposals	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Indexation/revaluation	0	0	0	0	0	0
Transfers	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
<b>As at 31 March 2012</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Carrying value as at 31 March 2012</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Carrying value as at 31 March 2011</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Asset financing</b>						
Owned	0	0	0	0	0	0
Finance leased	0	0	0	0	0	0
<b>Carrying value as at 31 March 2012</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## 10. Impairments

There were no impairment charges in the year.

## 11. Assets held for sale

There were no assets held for resale in the year.

## 12. Trade receivables and other current assets

### 12a. Analysis by type

	2012–13	2011–12	1 April 2011
	£000	£000	£000
<b>Amounts falling due within one year</b>			
Trade receivables	0	85	0
VAT	0	0	0
Deposits and advances	23	40	37
Receivables due from Probation Trusts	0	1	43
Receivables due from NOMS agency	3,188	1,697	4,190
Receivables due from Ministry of Justice – core	0	0	0
Receivables due from Ministry of Justice – NDPBs	0	0	1
Receivables due from HM Courts & Tribunals Service (HMCTS)	0	0	0
Receivables due from Office of the Public Guardian (OPG)	0	0	0
Receivables due from all other Government departments	42	195	37
Other receivables	5	0	33
Prepayments	22	84	134
Accrued income	3	0	83
	<b>3,283</b>	<b>2,102</b>	<b>4,558</b>
<b>Amounts falling due after more than one year</b>			
Trade receivables	0	0	0
Deposits and advances	3	13	26
Receivables due from Probation Trusts	0	0	0
Other receivables	0	0	0
Prepayments and accrued income	0	3	8
	<b>3</b>	<b>16</b>	<b>34</b>
<b>Total</b>	<b>3,286</b>	<b>2,118</b>	<b>4,592</b>

### 12b. Intra-Government receivables

	Amounts falling due within one year		Amounts falling due after more than one year	
	2012–13	2011–12	2012–13	2011–12
	£000	£000	£000	£000
Balances with other central Government bodies (inc. parent department)	3,208	1,699	0	0
Balances with local authorities	22	88	0	0
Balances with NHS bodies	0	106	0	0
Balances with public corporations and trading funds	0	0	0	0
	<b>3,230</b>	<b>1,893</b>	<b>0</b>	<b>0</b>
Balances with bodies external to Government	53	209	3	16
<b>Total</b>	<b>3,283</b>	<b>2,102</b>	<b>3</b>	<b>16</b>



## 13. Cash and cash equivalents

	2012–13	2011–12
	£000	£000
Balance at 1 April	2,330	1,670
Net change in cash and cash equivalents	(936)	660
<b>Balance at 31 March</b>	<b>1,394</b>	<b>2,330</b>
The following balances at 31 March are held at:		
Government Banking Service	0	0
Commercial banks and cash in hand	1,394	2,330
<b>Balance at 31 March</b>	<b>1,394</b>	<b>2,330</b>

## 14. Trade payables and other current liabilities

### 14a. Analysis by type

	2012–13	2011–12	1 April 2011
	£000	£000	£000
<b>Amounts falling due within one year (excluding taxation)</b>			
Trade payables	401	231	1,193
Other payables	68	69	528
Accruals	871	844	345
Deferred income	331	101	5
Staff payables	0	0	250
Bank overdraft	0	0	0
Payables due to Probation Trusts	1	2	63
Payables due to NOMS Agency	5	6	3
Payables due to Ministry of Justice – core	0	0	0
Payables due to Ministry of Justice – NDPBs	0	0	0
Payables due to HM Courts & Tribunals Service (HMCTS)	0	0	0
Payables due to Office of the Public Guardian (OPG)	0	0	0
Payables due to all other Government departments	11	10	63
Unpaid pensions contributions due to the pensions scheme	442	347	345
Long-term liabilities due within one year	0	0	0
Operating income to be surrendered (interest received)	0	0	6
Non-current asset accruals	0	0	0
	<b>2,130</b>	<b>1,610</b>	<b>2,801</b>
<b>Tax falling due within one year</b>			
VAT	752	839	1,159
Corporation tax	52	52	52
Other taxation and social security	373	398	424
	<b>1,177</b>	<b>1,289</b>	<b>1,635</b>
<b>Total amounts falling due within one year</b>	<b>3,307</b>	<b>2,899</b>	<b>4,436</b>
<b>Amounts falling due after more than one year</b>			
Staff payables	0	0	0
Other payables	0	0	0
	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>3,307</b>	<b>2,899</b>	<b>4,436</b>

### 14b. Intra-Government payables

	Amounts falling due within one year		Amounts falling due after more than one year	
	2012–13	2011–12	2012–13	2011–12
	£000	£000	£000	£000
Balances with other central Government bodies (inc. parent department)	1,463	1,304	0	0
Balances with local authorities	69	3	0	0
Balances with NHS bodies	1	0	0	0
Balances with public corporations and trading funds	1	0	0	0
	<b>1,534</b>	<b>1,307</b>	<b>0</b>	<b>0</b>
Balances with bodies external to Government	1,773	1,592	0	0
<b>Total</b>	<b>3,307</b>	<b>2,899</b>	<b>0</b>	<b>0</b>

## 15. Provisions for liabilities and charges

	2012–13	2011–12
	£000	£000
Balance at 1 April	874	759
Provided in year	293	429
Provisions not required written back	(5)	(135)
Provision utilised in the year	(521)	(179)
Unwinding of discount	0	0
<b>Balance as at 31 March</b>	<b>641</b>	<b>874</b>

	2012–13	2011–12
	£000	£000
<b>Analysis of expected timing of discount flows</b>		
Not later than one year	641	874
<b>Current liability</b>	<b>641</b>	<b>874</b>
Later than one year and not later than five years	0	0
Later than five years	0	0
<b>Non-current liability</b>	<b>0</b>	<b>0</b>
<b>Balance as at 31 March</b>	<b>641</b>	<b>874</b>

The provisions include legal cases not covered by NOMS insurance, restructuring costs and implementation of the move to the national case management system.

## 16. Capital commitments

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

	2012–13	2011–12
	£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:

	2012–13	2011–12
	£000	£000
<b>Other</b>		
Not later than one year	1	31
Later than one year and not later than five years	36	1
Later than five years	0	0
<b>Total</b>	<b>37</b>	<b>32</b>

The Operating leases cover various pieces of office equipment such as photocopiers and franking 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:

	2012–13	2011–12
	£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:

	2012–13	2011–12
	£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 were no finance leases held within the year.

## 18. Other financial commitments

	2012–13	2011–12
	£000	£000
Not later than one year	0	0
Later than one year and not later than five years	0	0
Later than five years	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

There were no other financial commitments within the year.

## 19. Deferred tax asset

	2012–13	2011–12
	£000	£000
Non-current asset	0	0
Current asset	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

There are no deferred tax assets held

## 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

On 31 March 2001 West Sussex Probation Committee (WSPC) amalgamated with the East Sussex Probation Committee (ESPC) to form Sussex Probation Board (SPB). As a result West Sussex Probation Board employees transferred their pension benefits to the East Sussex County Council (ESCC) Pension Scheme with effect from 31 March 2001. Under the Pension Regulations at the time liabilities attributable to active and deferred pensioner members remained with the Old Fund in West Sussex County Council (WSSC).

Since 2001 Sussex Probation Board has ceased to contribute to the West Sussex Pension Scheme and during 2005 a bulk transfer of assets was made from the West Sussex Scheme to the East Sussex scheme.

In 2009 the Government issued a consultation in respect of draft proposals to amend the Local Government (Benefits, Membership and Contributions) Regulations 2007 and the Local Government Pension Scheme (Administration) Regulations 2008 to comply with the Fair Deal for Staff Pensions for staff transferring from the Learning and Skills Council to Local Education Authorities on 1 April 2010, and to manage the transfer of assets and liabilities in administering authorities affected by the merger of Probation Boards to Probation Trusts.

As a result of the above it is possible that Sussex Probation Board had an obligation arising from the amalgamation of West Sussex Probation Committee and East Sussex Probation Committee to form Sussex Probation Board in relation to the active and deferred pensioner members that remained with the Fund at West Sussex County Council. For the reason SSPT is disclosing this as a contingent liability.

## 22. Losses and special payments

### 22a. Losses statement

	2012–13		2011–12	
	Number of cases	Total value £000	Number of cases	Total value £000
Cash losses	0	0	5	0
Claims abandoned	33	4	35	17
Administrative write-offs	0	0	0	0
Fruitless payments	0	0	0	0
Store losses	0	0	0	0
<b>Total</b>	<b>33</b>	<b>4</b>	<b>40</b>	<b>17</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>

### 22b. Special payments schedule

	2012–13		2011–12	
	Number of cases	Total value £000	Number of cases	Total value £000
Special payments	0	0	4	32
<b>Total</b>	<b>0</b>	<b>0</b>	<b>4</b>	<b>32</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>

## 23. General fund

	2012–13	2011–12
	£000	£000
Balance at 1 April	(21,665)	(15,320)
Prior period adjustment (Note 28)	0	250
<b>Balance restated at 1 April</b>	<b>(21,665)</b>	<b>(15,070)</b>
Financing	0	0
Net transfers from Operating Activities:		
Statement of Comprehensive Net Expenditure	(51)	57
Movement in donated assets	0	0
Transferred from revaluation reserve	0	0
Actuarial gains and losses	(6,244)	(6,652)
<b>Balance at 31 March</b>	<b>(27,960)</b>	<b>(21,665)</b>

## 24. Revaluation reserve

The Revaluation Reserve reflects the unrealised element of the cumulative balance of indexation and revaluation adjustments (excluding donated assets).

### 24a. Property, plant and equipment

	2012–13	2011–12
	£000	£000
Balance at 1 April	58	56
<b>Balance restated at 1 April</b>	<b>58</b>	<b>56</b>
Arising on revaluations of PPE during the year (net)	14	2
Transferred to General Fund	0	0
<b>Balance at 31 March</b>	<b>72</b>	<b>58</b>

## 25. Related party transactions

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

In total from the Ministry of Justice and its related parties, the Trust received £27,044,000 (2011–12: £26,041,000) of income and spent £3,200,000 (2011–12 £2,842,000) on service recharges. During the year, none of the members of the Management Board, members of key management staff or other related parties, or their relate parties has undertaken any material transactions with the Probation Trust.



## 26. Third-party assets

There are no third party assets held within the accounts.

## 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 local delivery units 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

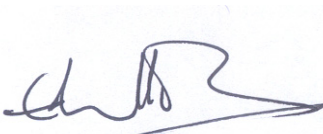
The provision made previously for the National Delius case management software upgrade project has been reconsidered. In the light of revised information, this provision has been recalculated and an amount of £250,000 has been written back to reserves.

	31 March 2012 as per 2011–12 Audited Accounts	31 March 2012 restated comparatives	Differences
	£000	£000	£000
Provisions	1,124	874	250
	<b>1,124</b>	<b>874</b>	<b>250</b>

## Accounts Direction

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

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



Edward Kirby

On behalf of the Secretary of State for the Ministry of Justice  
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

## 8. Sustainability report

**(Not subject to audit)**

### Introduction

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

This report covers 13 buildings.

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

### Governance, responsibilities and internal assurance

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

### Greening Government Commitments

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

### Climate change adaption and mitigation

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

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

### Carbon Reduction Commitment (CRC)

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

### **Carbon Management Plan (CMP)**

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

Our vision is to:

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

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

### **Environmental Management System (EMS)**

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

### **Sustainable procurement**

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

### **Social and environmental awareness**

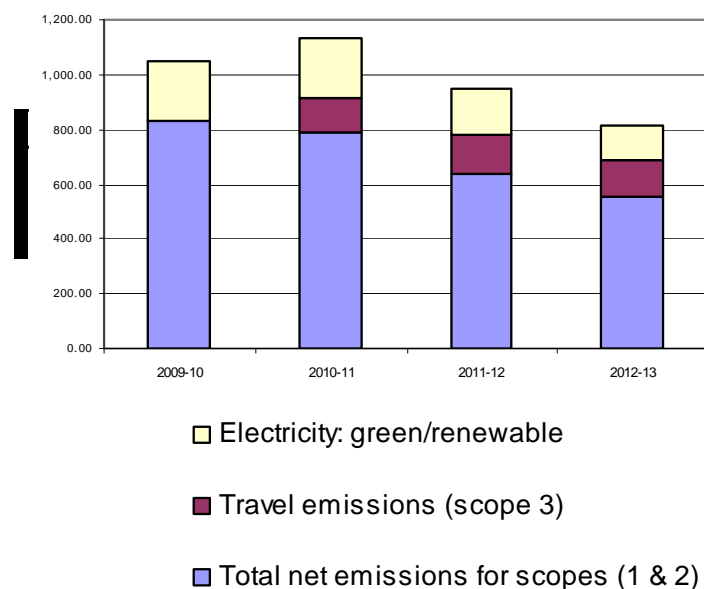
SSPT has, through its environmental policy, encouraged staff to take action to reduce their impact on the environment. Steps have also been taken, where possible, to introduce energy efficient measures, and to re-cycle and re-use materials and products.

## Surrey and Sussex Probation Trust's Performance Summary

### Greenhouse gas (GHG) emissions

		2009-10	2010-11	2011-12	2012-13
Non-financial indicators (tCO <sub>2</sub> e)	Total gross emissions for scopes 1 & 2	1,046	1,001	806	672
	Electricity: green/renewable	217	214	168	122
	<b>Total net emissions for scopes 1 &amp; 2</b>	<b>829</b>	<b>787</b>	<b>638</b>	<b>550</b>
	Travel emissions scope 3	-	131	139	142
	<b>Total gross GHG emissions (all scopes)</b>	<b>1,046</b>	<b>1,132</b>	<b>945</b>	<b>814</b>
Non-financial indicators (kWh)	Electricity: Grid, CHP & non-renewable	1,248,396	1,232,860	967,089	700,841
	Electricity: renewable	416,132	410,953	322,363	233,614
	Gas	969,818	786,547	636,314	846,143
	Other energy sources	-	-	-	-
	<b>Total energy</b>	<b>2,634,346</b>	<b>2,430,360</b>	<b>1,925,766</b>	<b>1,780,598</b>
Financial indicators	Expenditure on energy	194,704	174,216	164,800	115,052
	Expenditure on official business travel	-	569,013	613,980	558,019

GHG Emissions by scope



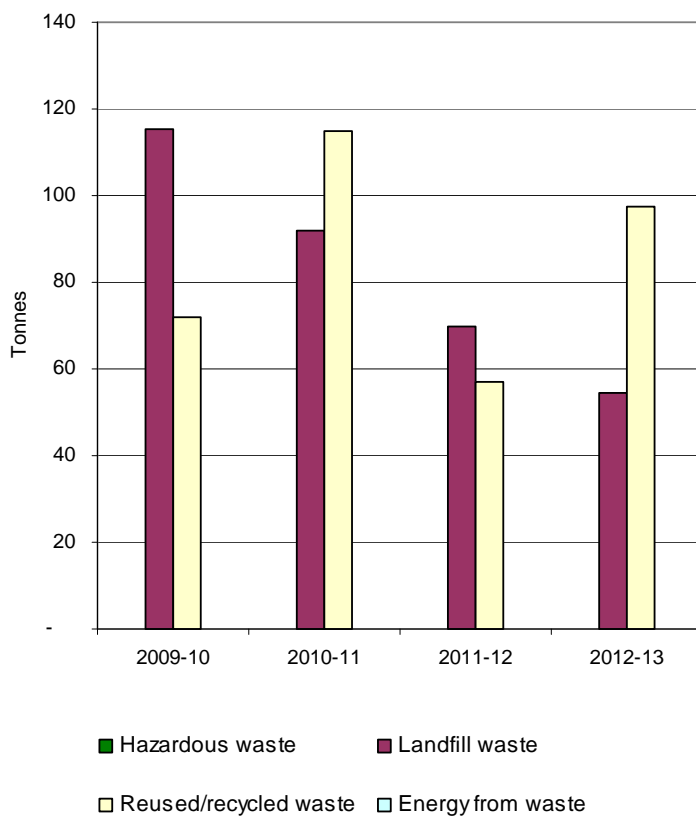
Reported carbon dioxide emissions from our buildings have fallen in the last two years and are lower than the 2009-10 baseline. Emissions from travel have remained broadly unchanged over the last few years. Energy use from our buildings has fallen each year since the 2009-10 baseline.

## Waste

			2009-10	2010-11	2011-12	2012-13
Non-financial indicators (tonnes)	Hazardous waste	Hazardous waste	-	-	-	-
	Non-hazardous waste	Landfill waste	115	92	70	55
		Reused/recycled waste	72	115	57	97
		Energy from waste	-	-	-	-
		<b>Total waste arising</b>	<b>187</b>	<b>207</b>	<b>127</b>	<b>152</b>
Financial indicators	Hazardous waste	Hazardous waste	-	-	-	-
	Non-hazardous waste	Landfill waste	-	-	-	-
		Reused/recycled waste	-	-	-	-
		Energy from waste	-	-	-	-
		<b>Total waste costs (£)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Waste cost data is not available at this stage.

Waste by final disposal

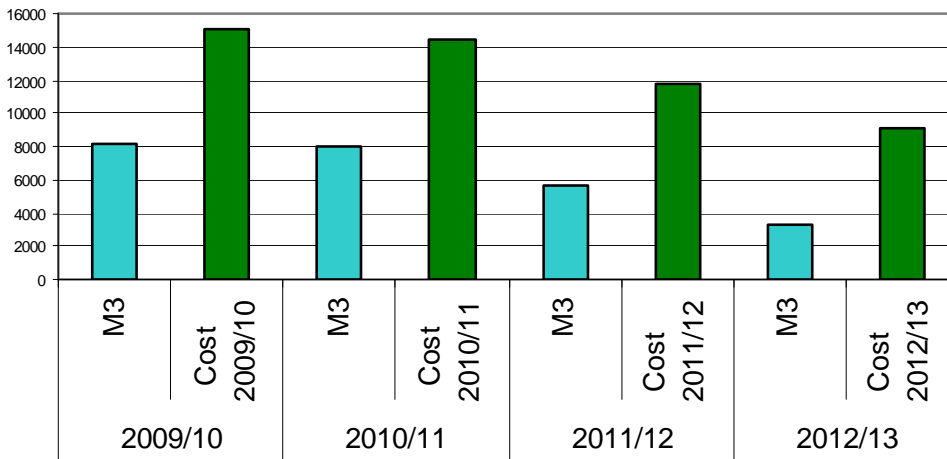


The quantity of waste which has been deposited in landfill sites has reduced over the last three years. Around two thirds of our waste was re-used or recycled in 2012-13.

## Water

		2009-10	2010-11	2011-12	2012-13
Non-financial indicators	<b>Total water consumption (cubic metres)</b>	8,180	7,997	5,648	3,331
Financial indicators	<b>Total water supply costs (£)</b>	15,065	14,474	11,714	9,064

Water. Total consumption and costs.



Reported water use from our buildings has fallen against the 2009/10 baseline but the small number of reported buildings and uneven billing periods make detailed analysis difficult at this point.

## Paper

	2009-10	2010-11	2011-12	2012-13
<b>Cost (excluding VAT)</b>	-	21,613	18,391	19,048



## 9. Glossary

ATR	Alcohol Treatment Requirement
CDRP	Crime and Disorder Reduction Partnership
CE	Chief Executive
CETV	Cash Equivalent Transfer Value
CMP	Carbon Management Plan
CP	Community Punishment/Payback
CRC	Carbon Reduction Commitment
CT	Corporation Tax
DCLG	Department for Communities and Local Government
DTTO	Drug Treatment & Testing Order
EMS	Environmental Management System
ESF	European Social Fund
FReM	Government Financial Reporting Manual
HMiP	Her Majesty's Inspectorate of Probation
HMT	Her Majesty's Treasury
HR	Human Resources
IAS	International Accounting Standard
IASB	International Accounting Standards Board
ICO	Information Commissioners Office
IFRS	International Financial Reporting Standards
ILM	Institute of Leadership and Management
LCCS	Local Crime: Community Sentence Project
LDU	Local Delivery Unit
LGBT	Lesbian Gay Bisexual and Transgender
LGPS	Local Government Pension Scheme
MOJ	Ministry of Justice
MoJ SDT	Ministry of Justice Sustainable Development Team
NAPO	National Association Of Probation Officers
NDPB	Non Departmental Public Body
NOMS	National Offender Management Service
NVQ	National Vocational Qualification
OASys	Offender Assessment System
OM	Offender Management
OM Act	Offender Management Act 2007
OMI	Offender Management Inspection
PAO	Principal Accountable Officer
PPDU	Public Protection Delivery Unit
PPO	Prolific and Priority Offender
PPR	Public Protection Register
PQF	Probation Qualification Framework
PSR	Pre-Sentence Report
SEEDS	Skills for Effective Engagement, Development and Supervision
SoCNE	Statement of Comprehensive Net Expenditure
SSPT	Surrey and Sussex Probation Trust
UNISON	The Public Service Union
UPW (UW)	Unpaid Work
VAT	Value Added tax
VQ	Vocational Qualification



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