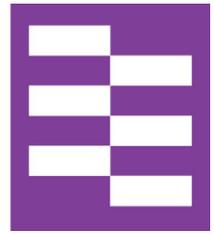


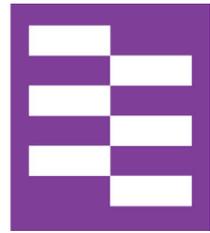
**Cheshire
Probation**



Cheshire Probation Trust

**Annual Report and Accounts
2012–2013**

**Cheshire
Probation**



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Annual Report and Accounts
2012–2013

Presented to Parliament pursuant to The Government Resources and Accounts Act 2000
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Cheshire Probation Trust Vision, Mission & Values

Our mission is to stop offenders re-offending

Our vision is to be an excellent organisation inspiring confidence in our ability to rehabilitate offenders and reducing the number of victims of crime

Our strategic priorities are:

Delivering the right outcomes	Developing capacity	Demonstrating efficiency
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Our strategic objectives are:

Customer				
Deliver Contracts	Reduce re-offending	Engage communities	Influence commissioners	Deliver the sentence
Resources				
Understand Costs	Demonstrate Value for Money	Access new resources	Align resources with need	Operate as an ethical business
Business Process				
Re-design Services	Implement what works	Strengthen Local Delivery Units	Manage demand	Operate efficiently
Learning & Growth				
Nurture a learning organisation	Harness knowledge	Build alliances	Empower & Engage with staff	Scan the environment

Foreword

I have pleasure in presenting this Annual Report for Cheshire Probation Trust.

The year has been dominated by “**Transforming Rehabilitation**”, the Government’s proposals for the future of probation services. Two extensive consultation processes have prepared the ground for transformational changes to the way in which re-offending is intended to be reduced. Cheshire has engaged fully with the consultations and has been assertive in seeking to ensure that the very strong local collaborative approach to supervising offenders is maintained and enhanced under the emerging new arrangements.

We are most appreciative of our four local authorities; the Constabulary; the local NHS; housing authorities within Cheshire and other agencies, including many in the voluntary sectors, who continue to assist us in seeking to reduce re-offending and working with victims and thereby help keep local communities safe. For example, the “pooling” of some community budgets has enabled integrated work to provide easier access to early interventions with troubled families especially to reduce domestic violence, to reduce the numbers of vulnerable children and to help combat lack of work.

Despite the inevitable uncertainties about the future, our service continues to perform well and has met all the targets set by the Ministry of Justice.

We welcomed the establishment of the Cheshire Police and Crime Commissioner and have worked closely with John Dwyer in helping formulate his Crime and Policing Plan and we are fully committed to working constructively with him in the future.

Innovation and initiative has remained an important element in our work. Of particular note, is our work on a number of initiatives aimed at supporting prolific and priority offenders into employment (**Navigate**) through work placements, providing formal qualifications and with close mentoring support. Results have been encouraging with demonstrable reductions in re-offending by those who have been supported.

We have secured funding from the National Offender Management Service (NOMS) and the NHS to deliver targeted specialist services for offenders with personality disorder.

Access to reliable housing is an essential element in the process of rehabilitation for offenders and a successful support programme (**Fresh Start**) involving Wulvern Housing and the Cheshire East Council has been extended to Macclesfield with the involvement of Peaks and Plains Housing. The result has been a significant reduction in re-offending by those who have been able to find accommodation through the scheme.

We look forward to introducing further initiatives to enhance our service in the years to come.



Leslie Robinson
Chair, Cheshire Probation Trust
April 2013

1. Operational & Performance Review 2012–13

The following table represents the contract delivery requirements that the Trust is measured against. The requirements are negotiated in advance with NOMS. These requirements cover measures relating to public protection and rehabilitative interventions and form the core of the Business Plan. Cheshire Probation Trust (CPT) exceeded on all but two of the requirements. The two requirements not met relate to the delivery of accredited programmes. These fell short of the required number of completions for a variety of reasons which are now being addressed.

Description	Target 2012–13	Achieved 2012–13	Target For 2013–14
x% of orders of the Court and Releases from Custody on Licence are successfully completed	73%	78%	75%↑
x% of Pre-Sentence Reports (PSRs) are completed within timescales set by the court (inc Remands In Custody)	90%	99%	90%↔
x% of cases in which initiation of breach proceedings took place within 10 working days of the relevant unacceptable failure to comply	90%	100%	90%↔
x% of licence recall requests to reach NOMS Post Release Section within 24 hrs of the decision of the Offender Manager	90%	97.3%	90%↔
To achieve a rating of level 3 or better for creating appropriate records on ViSOR (OM046) and attendance at both SMB (OM041A) meetings and MAPPAs meetings for Level 2 and 3 cases (OM041B)	86%	96.8%	86%↔
x% of offenders surveyed who have engaged positively with the offender management process	70%	81%	70%↔
At least x% of OASys final reviews (terminations) are completed or updated within the appropriate timescales for all Tier 2 (where appropriate), Tier 3, Tier 4 offenders and Prolific and Priority Offenders	90%	91%	90%↔
x% of OASys assessments are assessed as either “Satisfactory” or “Good” on the OASys Quality Assurance	90%	94.1%	90%↔
x% of Indeterminate Sentence Prisoner (IPP and Lifer) assessment reports are completed by target deadline of date set	90%	98.4%	90%↔
The number of offenders on an order or licence who find and sustain employment to be at least x	170	174	180↑
Percentage of offenders in employment at termination of their order or licence to be at least x%	40%	51%	50%↑
Percentage of offenders in settled and suitable accommodation at the end of their order or licence to be at least x%	80%	87%	85%↑
The number of Accredited Offending Behaviour Programme completions (excluding Sex Offender programmes and Domestic Violence programmes) to be at least x	90	77	119↑
The number of Sex Offender Programme completions to be at least x	22	23	22↔
The number of Domestic Violence Programme completions to be at least x	120	117	131↑
The number of Community Payback completions to be at least x	950	1046	950↔
x% of victims responding to NOMS Victim Survey are satisfied or very satisfied with service received	90%	92.8%	90%↔

The Trust received a total of £14,037k income to deliver the contract delivery requirements as detailed above. During the period the Trust spent £13,968k in the delivery of the contract in accordance with the requirements as set out in Managing Public Money and the Probation Finance Handbook.

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). The Secretary of State pursuant to the OM Act is entitled to contract for the provision of Probation Services. During the period 2012–13 Cheshire Probation Trust was contracted to deliver these services on behalf of the Secretary of State.

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 46, by the Secretary of State under the OM Act.

Principal activities

Cheshire Probation Trust covers the Cheshire Police area, as defined in Schedule 1 of the Police Act 1996, serving a population of approximately one million. During the year the Trust employed some 335 full and part time staff who worked from 9 buildings, 2 Approved Premises and 3 Prisons across Cheshire. The average numbers of FTEs employed during the year was 269.

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.

During the year Cheshire Probation Trust supervised at any one time approximately 4,000 offenders subject to community sentences, custody and post release licences and delivered over 138,000 hours of Community Payback. Additionally some 3,900 reports were produced for the Magistrates' and Crown Courts.

Operational Performance during 2012–13

An analysis of performance outcomes is summarised in the Annual Report on page 4.

Results for the year

The Statement of Comprehensive Net Expenditure (SoCNE) for the year is shown on page 19. The Statement of Changes in Taxpayers' Equity is shown on page 22.

Operating costs

The net operating cost before tax for 2012–13 stands at £(75k) compared to £(479k) for 2011–12. The reason for the decrease is due to increased pension costs reflecting the age profile of the Trust's employees and the performance of the stock market.

Statement of Financial Position and Statement of Cash Flows

The Statement of Financial Position and Statement of Cash Flows are on pages 20 and 21.

The net liability position has increased from £13,547k at March 2012 to £17,692k at March 2013. The largest single movement in net liabilities is £4,197k due to increased pension liabilities.

Payment of creditors

In the year to 31 March 2013, the Trust paid 2,582 trade invoices with a value of £3,824,000. The percentage of undisputed invoices paid within 30 days by the Trust was 99.5% compared to 98.3% 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 10.95 days/fte across the Trust (2011–12 12.10 days/fte).

Personal data related incidents

There were no significant personal data related incidents in 2012–13, which were formally reported to the Information Commissioner's Office (ICO).

All staff undertake Information Assurance awareness training when joining the Trust and an annual refresher course.

Complaints to the Parliamentary Ombudsman

There were no complaints to the Parliamentary Ombudsman during the period

During the period the Trust investigated a total of 17 complaints from Offenders. Excepting one outstanding complaint, at the end of the period all other complaints were resolved. None of the complaints have been referred to the Prison and Probation Ombudsman.

Health and Safety Reporting

The Trust reports all health and safety incidents to the Trust Health and Safety Panel who review the incidents and look for any emerging trends. In total there were 92 incidents reported in year. Of these two were RIDDOR reportable. The majority of incidents related to provision of first aid to offenders or use of abusive language to staff members by offenders. Eight incidents were classified as near miss.

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”.

Events after the reporting period

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

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

The results of the “Transforming Rehabilitation” consultation paper were published on 9 May 2013, by the Secretary of State for Justice, which announced the future requirements for the provision of probation services. The recommendations will change the way in which probation services are commissioned and delivered. A new National Probation Service will be created to protect the public from the most dangerous offenders and manage the provision of probation services. England and Wales will be divided into 21 contract areas which align closely with local authorities and Police and Crime Commissioner areas. MoJ/NOMS will be responsible for commissioning rehabilitation services. Probation service 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.

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 47 to 51. In support of this agenda the Trust has developed a Sustainability Strategy and associated action plan aimed at reducing environmental impact.

Future developments

The Trust has committed, alongside the contracted delivery requirements as set out on page 4, to the following priority objectives for 2013/14:

1. Deliver the joint Department of Health /NOMS Offender Personality Disorder Strategy.
2. Develop and implement a peer mentor scheme.
3. Engage with the Cheshire West and Chester Altogether Better Community Budget Pilot to deliver improved integrated services.
4. Implement a layered approach to domestic abuse with the introduction of a new, targeted specified activity requirement.
5. Develop and implement a layered approach to address violent offending.
6. Develop and implement Circles of Support and Accountability to enhance the management of sex offenders.
7. Implement a Restorative Justice Strategy.
8. Deliver ‘Through the Gate’ improved outcomes through implementation of the joint prison and probation offender journey and engagement project.
9. Deliver the MoJ priorities for women offenders.
10. Demonstrate enhanced public protection, with quantifiable improvements on the management of risk of harm.
11. Deliver the ‘Transforming Rehabilitation’ Programme.

Communications and employee involvement

CPT is currently in the process of developing enhanced communication with service user groups. Under an overarching offender engagement strategy, service user forums have been developed in each Local Delivery Unit, and there are further plans to incorporate service user perspectives into strategy and policy development within the Trust.

CPT engages with staff directly via weekly electronic bulletins and more formally through a Joint Negotiation and Consultative Committee (JNCC) with the recognised Trade Unions.

Staff diversity

CPT is committed to equal opportunities in both employment practice and service delivery. In accordance with the requirements of the Equality Act 2010 CPT has published equality data on the website and developed a suite of equality objectives which are driven and monitored throughout the organisation.

Audit

In accordance with the direction given by the Secretary of State, these accounts have been prepared in accordance with the FReM. With effect from 1 April 2012, the external Auditor changed from the Audit Commission to the National Audit Office. This change of the external Auditors was driven by a Department for Communities and Local Government 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 17.

Total audit fees reported in the Accounts are £35,000. The audit fees for 2011–12 relate to the previous external auditor. The audit fees for 2012–13 are made up of:

- £22,000 relating to the audit of the statutory accounts and
- £13,000 relating to internal audit.

As Accounting 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 Cheshire Probation Trust Management Board

The governance arrangements within the Trust for the period 1 April 2012 to 31 March 2013 included the following:

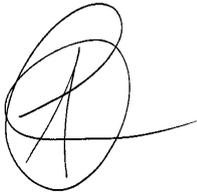
- Trust Board which met in public on six occasions during the year
- Audit Committee including Member and Auditor representation
- Health and Safety Panel including Member, Union and Staff representation
- Joint Negotiation and Consultation Committee including Member and Union representation

Details of the remuneration of the Management Board are set out in the Remuneration Report on pages 10 to 11.

All Members of the Board served throughout 2012–13. Membership of the Board is set out in the table below:

Position	Name	Date appointment commenced / ended (during 2012–13) where appropriate
Chief Executive	Angela Cossins	
Chair	Leslie Robinson	
Chair Audit Committee	Ron Howarth	
Member	Andrew Backhouse	
Member	Michael Darby	
Member	John Eccles	
Member	Yvonne McLean	
Member	Mary Roberts	

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



Angela Cossins
Accounting Officer

Date 7 June 2013

Remuneration Report

Appointments

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

The salary and pension entitlements of the senior managers and non-executive directors of the Cheshire 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) £
Angela Cossins	75–80	5	0	75–80	2	0
Leslie Robinson	15–20	0	6	15–20	0	8
Andrew Backhouse	0–5	0	0	0–5	0	0
Michael Darby	0–5	0	1	0–5	0	1
John Eccles	0–5	0	1	0–5	0	1
Ron Howarth	0–5	0	2	0–5	0	2
Yvonne McLean	0–5	0	2	0–5	0	2
Mary Roberts	0–5	0	2	0–5	0	2

All MoJ appointed Trust Board members receive non-pensionable remuneration of £15.40 per hour from 1 April 2007, 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 (pay band)	£75,000–80,000	£75,000–80,000
Median for other staff	£25,298	£25,050
Pay multiple ratio	3.12:1	3.11:1

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

Salary

‘Salary’ includes the gross salary and any overtime paid by the Trust.

Benefits in kind

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

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
Angela Cossins	Pension = 42 Lump sum = 43	Pension = 19 Lump sum = 43	332	19	313

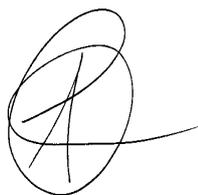
This scheme provides benefits on a 'final salary' basis at a normal retirement age of 65. Benefits accrue at the rate of 1/60th of pensionable salary for service from 1 April 2008 with no automatic lump sum. For pensionable service up to 31 March 2008, benefits accrue at the rate of 1/80th of pensionable 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 Local Government Pension Scheme. 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.



Angela Cossins
Accounting Officer

Date 7 June 2013

Statement of Accounting Officer's Responsibilities

Under the Schedule 1, paragraph 13(1)(b) of the Offender Management Act 2007, the Secretary of State has directed Cheshire 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 Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and in particular to:

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

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

Governance Statement

Scope of Responsibility

Cheshire Probation Trust was formed in April 2010 as successor body to the former Cheshire Probation Board. As Accounting Officer for Cheshire Probation Trust it is my responsibility to ensure completion of the final accounts for the period 2012–13.

As Accounting Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Cheshire Probation Trust policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money, the Probation Finance Handbook and the Letter of Delegated Authority issued under the Trust contract.

I am held accountable by Cheshire Probation Trust Board for the administration of finances and for the overall performance of the Trust. The Cheshire Probation Trust Board ensures that the public funds for which I have responsibility are allocated in accordance with Standing Orders and the financial memorandum and regulations. The Trust also ensures that organisational risks are identified and managed in accordance with the policy and structures agreed with Cheshire Probation Trust Board and has monitoring arrangements in place through the Audit Committee. There are also regular reports to the nominated senior representative of the National Offender Management Service (NOMS) in respect of performance against the requirements set out in the contract.

The governance structures are 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 structures are based on an ongoing process designed to identify and prioritise risks to the achievement of departmental policies, aims and objectives and to manage them efficiently, effectively and economically. The governance structures have been in place for the year ended 31 March 2013 and up to the date of approval of the accounts, and accord with Treasury guidance.

The Governance Framework of the Trust

Cheshire Probation Trust Board must ensure, through the Chief Executive, that arrangements are in place to meet its accountabilities to the NOMS Agency and through the Agency to Parliament. These include:

- Agreeing and delivering the contract with NOMS for the provision of probation services in the Trust area.
- Preparing annual plans for service provision, including an assessment of risks associated and ensuring these are commensurate with the Agency's aims and objectives.
- Ensuring the annual accounts and associated reports are prepared and presented in accordance with the Government Financial Reporting Manual and ensuring appropriate records are held.
- Holding the Chief Executive accountable for the operational performance of the Trust.

The Trust Board met in public meeting on six occasions during 2012–13 and was quorate for each meeting ensuring the work of the Board progressed in a timely manner. In order to further discharge these responsibilities the Trust Board has put supporting structures in place. These include the identification of a lead Board member in respect of specific activities and the establishment of a Committee structure. The Committee structure supports formal employee consultation and negotiation through the Joint Negotiation and Consultative Committee (JNCC), Health and Safety through a Panel meeting including staff and union representation and an established Audit Committee.

The Audit Committee operates under the remit given by the Trust Board as defined by the Terms of Reference for the Committee which are reviewed, revised as required and adopted by the Trust Board annually. These draw fully on the guidance provided in the 'Audit Committee Handbook' issued by Treasury which defines the policy principles for Audit Committees operating within the public sector. In

order to ensure continued effectiveness the Audit Committee has reviewed their performance annually against the 2009 effectiveness checklist issued by the National Audit Office. The most recent such assessment took place in February 2012 and the resulting output report, including recommendations for the Board to consider as a means of enhancing the effectiveness of the Audit Committee, was approved by the Board for implementation in May. Towards the end of the period now under review, the Committee agreed to examine the potential benefits of a fresh approach to gauging effectiveness and, consequently, the exercise which would normally have taken place, and been reported upon, by this time has been deferred until later during 2013. The Committee met on four occasions during the year, all members met the attendance requirements set out in the Terms of Reference and all meetings were quorate.

A primary purpose of the Trust's Audit Committee is to provide advice and support to the Accounting Officer in the effective discharge of her responsibilities for Governance, Risk Management and Internal Control. In the discharge of its responsibilities, the Audit Committee reviews and scrutinises:

- Internal Financial Control Matters including maintenance of proper accounting records and reliability of financial information.
- Risks regarding disclosure statements including the Annual Governance Statement supported by the Head of Internal Audit Opinion and other opinions.
- The primary risks underlying the achievements of the Trust's strategic objectives, together with the underlying assurances provided by way of mitigation.
- Adequacy of relevant policies and procedures, related legal issues and codes of conduct.
- Specific procedures relating to anti fraud and corruption.

Within the Audit Committee Annual Report to the Board the Trust Audit Committee Chair presented the work of the Audit Committee undertaken in the review and assessment of regular audit reports on internal controls and risk management activity. The report also took due notice of other sources of information relevant to the management and governance of the Trust. Based on these assurances it was considered that the Committee could provide the Board and the Accounting Officer with positive assurance as to the continued effectiveness of the Trust's overall systems of internal control for the year ending March 2013.

Risk Assessment

Detailed below are the main processes which are in place for the identification and management of risk. These also provide an indication of how management of risk is led by the Chief Executive and the Senior Management Team (SMT) and is embedded in policy making, planning and delivery:

- SMT takes a lead to ensure that approaches for the development and management of risk are being deployed and implemented.
- A Trust-wide risk register is maintained and there are processes in place to ensure ongoing review of the risks identified on the register, agree actions and monitor progress. Scrutiny and validation is undertaken at all Audit Committee meetings and access to the register for Committee members will be extended to include real time access. The risk register clearly links to the achievement of the Trust aims and objectives with clear links in place.
- Processes are in place to identify new risks and ensure, where appropriate, that these are placed on the risk register. The identification and management of risks associated with projects is an integral part of the processes deployed within the Trust. A risk owner is identified for all risks included on the register. They have the responsibility for ensuring appropriate controls are in place to manage the risk.
- Internal Audit who are in the position to advise on good practice, as part of their plan of work will review areas of risk and provide independent feedback to the Audit Committee on the management of risk within the organisation.
- The Audit Committee reviews the risk register at each meeting, the risk management processes and the decisions about risk exposure. No areas of weakness identified during 2012–13 are deemed sufficiently serious to warrant inclusion in this statement.

The Risk and Control Framework

The Trust has established a Business Risk Management Policy and Guidelines. These were initially developed in consultation with Internal Audit. Audit Committee agreed the documentation which was first endorsed by the Probation Board in 2003. This policy and guidelines have been reviewed on a regular basis, informed by Internal Audit. The final policy and guidelines have been endorsed by Audit Committee and the Trust Board. The document details the Trust's approach in relation to risk assessment, identification, analysis and categorisation. It also summarises the management approach to monitoring and review.

The risk register is reviewed on a regular basis by SMT; outcomes from reviews have been considered in depth by Audit Committee and where appropriate Health and Safety Panel and have been reported to the Probation Trust Board.

The Trust continues to ensure systems are in place for secure data handling. The Trust has maintained GSI accreditation. Regular information in respect of information security is provided to Audit Committee. A full review of controls was undertaken by an external information security specialist during 2012–13 and an action plan put in place to drive information security throughout the organisation. An internal audit has subsequently taken place to further test current procedures to ensure data security is maintained.

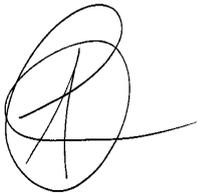
Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of internal auditors and the executive managers within Cheshire Probation Trust who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditor in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Trust Board, Audit Committee and a plan to address weaknesses and ensure continuous improvement is in place.

The Board has established the following processes:

- In order to ensure the Audit Committee operates in line with best practice an Annual Self Assessment against Audit Commission guidelines has previously been undertaken with the final review in February 2012. Alternative methods of review are currently being assessed and a review under the new framework will be carried out during 2013–14.
- The Audit Committee Chair reports regularly to the Board concerning internal controls.
- The Audit Committee's primary purpose is to provide support and advice to the Board and to me in my role as Accounting Officer, in the effective discharge of my responsibilities for Governance, Risk Management and Internal Control.
- The Audit Committee Report 2012–13 prepared by the Chair reports on the work of the Committee over the year.
- Regular reports by Internal Audit include an independent opinion on the adequacy and effectiveness of internal controls, together with recommendations for improvements.
- Progress on the implementation of internal audit recommendations is reviewed regularly by Audit Committee.
- Risk owners are required to implement any actions identified as part of the review processes which are necessary to ensure adequate systems of control are in place.

The Annual Internal Audit Report 2012–13 states that Internal Audit were able to give reasonable assurance that the Trust's overall risk, control and governance framework is generally adequate to enable the achievement of its objectives and that the key risks to the Trust are being effectively managed. The review of Financial Control completed by Internal Audit in year found the Trust to be Amber Green with no significant areas of risk identified. No risks emerged during the year sufficiently substantial to amend the Internal Audit Plan.

A handwritten signature in black ink, consisting of a large, stylized 'A' with a horizontal line extending to the right.

Angela Cossins
Accounting Officer

Date 7 June 2013

2. 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 Cheshire 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 Accounting 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 Cheshire 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 thereunder.

Emphasis of Matter – Material uncertainty in respect of going concern

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

3. Accounts

Statement of Comprehensive Net Expenditure

For the year ended 31 March 2013

	Notes	2012–13 £000	2011–12 £000
Administration costs			
Staff costs	3(a)	10,277	10,418
Other administration costs	6(a)	3,716	3,651
Income	7(a)	(14,505)	(14,673)
Net administration costs		(512)	(604)
Programme costs			
Staff costs	3(a)	388	326
Other programme costs	6(b)	18	26
Income	7(b)	(401)	(352)
Net programme costs		5	0
Net operating costs		(507)	(604)
Expected return on pension assets	4(d)	(2,167)	(2,534)
Interest on pension scheme liabilities	4(d)	2,599	2,659
Net operating costs before taxation		(75)	(479)
Taxation	5	(32)	29
Net operating costs after taxation		(107)	(450)

Other Comprehensive Expenditure

	Notes	2012–13 £000	2011–12 £000
Net (gain)/loss on revaluation of property, plant and equipment	8	(5)	5
Pension actuarial (gain)/loss	18	4,257	3,996
Total comprehensive expenditure for the year ended 31 March 2013		4,145	3,537

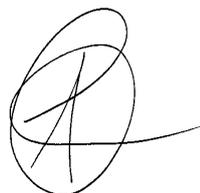
The notes on pages 23 to 45 form part of these accounts.

Statement of Financial Position

As at 31 March 2013

	Notes	2012–13 £000	2011–12 £000
Non-current assets			
Property plant and equipment	8	86	110
Total non-current assets		86	110
Current assets			
Deferred tax asset	14	0	0
Trade and other receivables	9(a)	2,513	1,494
Cash and cash equivalents	10	453	1,566
Total current assets		2,966	3,060
Total assets		3,052	3,170
Current liabilities			
Trade and other payables	11(a)	(952)	(1,006)
Provisions	12	0	(153)
Taxation payables	11(a)	(689)	(652)
Total current liabilities		(1,641)	(1,811)
Non-current assets plus/less net current assets/(liabilities)		1,411	1,359
Non-current liabilities			
Pension liability	4(c)	(19,103)	(14,906)
Total non-current liabilities		(19,103)	(14,906)
Assets less liabilities		(17,692)	(13,547)
Taxpayers' equity			
General fund	18	(17,704)	(13,554)
Revaluation reserve – property, plant and equipment	19	12	7
		(17,692)	(13,547)

The financial statements on pages 19 to 22 were approved by the Board on 7 June 2013 and were signed on its behalf by:



..... Accounting Officer

Date: 7 June 2013

The notes on pages 23 to 45 form part of these accounts.

Statement of Cash Flows

For the year ended 31 March 2013

		2012-13	2011-12
	Notes	£000	£000
Cash flows from operating activities			
Net operating costs	18	107	450
Adjustments for non-cash transactions	6(a)	25	208
Adjustments for pension cost	4(d)	(60)	(498)
(Increase)/decrease in receivables	9(a)	(1,019)	1,146
Increase/(decrease) in payables	11(a)	(17)	(418)
Utilisation of provisions	12	(149)	(72)
Less payments of amounts due to Consolidated Fund to NOMS	11(a)	0	1
Net cash outflow from operating activities		(1,113)	817
Cash flows from investing activities			
Proceeds on disposal of property, plant and equipment	8	0	(1)
Net cash outflow from investing activities		0	(1)
Cash flows from financing activities			
Payments of amounts due to the Consolidated Fund to NOMS		0	(1)
Net financing		0	(1)
Net increase/(decrease) in cash and cash equivalents in the period		(1,113)	815
Cash and cash equivalents at the beginning of the period	10	1,566	751
Cash and cash equivalents at the end of the period	10	453	1,566
Increase/(decrease) in cash		(1,113)	815

The notes on pages 23 to 45 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
Balance as at 1 April 2011		(10,015)	12	(10,003)
Changes in taxpayers' equity for 2011–12				
Net operating cost after taxation	SocNE	450		450
Net gain/(loss) on revaluation of property, plant and equipment	19		(5)	(5)
Transferred from revaluation reserve	18	7	0	7
Pension actuarial (loss)/gain	18	(3,996)	0	(3,996)
Net NOMS financing received in year	18	0	0	0
Balance as at 31 March 2012		(13,554)	7	(13,547)
Changes in taxpayers' equity for 2012–13				
Net operating cost after taxation	SocNE	107		107
Net gain/(loss) on revaluation of property, plant and equipment	19		5	5
Transferred from revaluation reserve	18	0	0	0
Pension actuarial (loss)/gain	18	(4,257)	0	(4,257)
Net NOMS financing received in year	18	0	0	0
Balance as at 31 March 2013		(17,704)	12	(17,692)

The notes on pages 23 to 45 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 increased charge of £276,000.

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 or restatement of comparatives in these accounts.

1.3 Going concern

The Statement of Financial Position at 31 March 2013 shows negative Taxpayers' Equity, which reflects the inclusion of liabilities falling due in future years. The future financing of the Probation Trust liabilities is met by future grants of Supply to the 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 that with 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 and utilities”. The charge to the Probation Trust does not represent the full cost incurred by NOMS.

Revaluation of non-current assets

The revaluation reserve reflects the unrealised element of the cumulative balance of revaluation and indexation adjustments in non-current assets (excluding donated assets). Upward revaluations go to the Revaluation Reserve. Downward revaluations are charged to the revaluation reserve if there is a prior credit balance; otherwise they are charged to the SoCNE.

1.5 Depreciation

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

Asset lives are currently in the following ranges:

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

1.6 Impairment

All non-current assets are assessed annually for indications of impairment as at 31 March. Where indications of impairment exist, the asset value is tested for impairment by comparing the book value to the recoverable amount. In accordance with IAS 36 the recoverable amount is determined as the higher of the “fair value less costs to sell” and the “value in use”. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and written down to the recoverable amount and an impairment loss is recognised in the SoCNE. Any reversal of an impairment charge is

recognised in the SoCNE to the extent that the original charge, adjusted for subsequent depreciation, was previously recognised in the SoCNE. The remaining amount is recognised in the Revaluation Reserve. Under IAS 36, Intangible Assets under construction should be tested for impairment annually.

1.7 Inventories

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

1.8 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.

1.9 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.

1.10 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.

1.11 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.

1.12 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.

1.13 Deferred Tax

It is the Probation Trust's policy to recognise deferred tax assets on tax losses to the extent it is considered more likely than not that future suitable profits will arise against which the losses can be utilised.

1.14 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 corporation tax on their profits and ‘profit’ for this purpose means income and chargeable gains. These accounts include estimates of corporation tax liabilities.

1.15 Cash and Cash Equivalents

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

1.16 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.

1.17 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. This is in accordance with IFRS 8 Segmental Reporting.

1.18 Third party assets

The Trust holds, as custodian or trustee, certain assets belonging to third parties. These assets are not recognised on the Statement of Financial Position and are disclosed within **Note 21**.

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

The Trust has changed the detail in which results are reported to the Board. Figures for the year ended 31 March 2013 are now reported for the whole Trust as a single segment.

The results for the year ended 31 March 2012 were reported segmentally as follows:

	Net expenditure £000	Assets / (Liabilities) £000
Approved Premises	1,210	
Core (inc corporate services and TPO training)	13,157	
Net non-pension assets / (liabilities)		1,359
Net pension liabilities		(14,906)
	14,367	(13,547)
Non cash:		
Depreciation	47	
Loss (profit) in disposal of fixed assets	8	
Other provisions provided in the year	153	
	14,575	(13,547)
Net Operating Costs	(450)	
Income	15,025	
TOTAL COSTS	14,575	(13,547)

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	9,082	8,949	133	9,466
Social security costs	718	718	0	781
Other pension costs	1,688	1,688	0	1,518
Sub-total	11,488	11,355	133	11,765
Less recoveries in respect of outward secondments	(823)	(823)	0	(1,021)
Total staff costs	10,665	10,532	133	10,744
Administration-related staff costs	10,277	10,144	133	10,418
Programme-related staff costs	388	388	0	326
	10,665	10,532	133	10,744

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**.

1 person (2011-12: 0 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 full time equivalent persons (including senior management) employed during the year was as follows:

	2012-13		2011-12
	Total	Permanently- employed staff	Total
	269	265	305
	269	265	305

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	0	24	24	0	4	4
£10,000–£25,000	0	10	10	0	0	0
£25,000–£50,000	0	1	1	0	0	0
£50,000–£100,000	0	2	2	0	0	0
£100,000–£150,000	0	0	0	0	0	0
£150,000–£200,000	0	0	0	0	0	0
£200,000+	0	0	0	0	0	0
Total number of exit packages by type	0	37	37	0	4	4
Total resource cost £000	0	518	518	0	13	13

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

4. Pensions costs

4a Pension costs

A full actuarial valuation was carried out at 31 March 2010 by Hymans Robertson LLP. For 2012–13, employers' contributions of £2,180,000 were payable to the LGPS (2011–12 £2,141,000) at a rate of 26.2%. 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.

The approximate employer's contributions for the years ended 31 March 2013 and 31 March 2014 are both 26.2%. The employer's contributions for the year ended 31 March 2015 are awaiting a full actuarial valuation.

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%	5.5%
Discount rate	4.5%	4.8%

Life expectancy is based on the SAPS year of birth tables with improvements from 2010 in line with the Medium Cohort and a 1% p.a. underpin. Mortality loadings were applied to the SAPS tables based on membership class.

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%	73%	32,983	6.2%	72%	28,044
Other bonds	4.5%	14%	6,326	3.3%	14%	5,453
Property	4.5%	6%	2,711	4.4%	7%	2,727
Other	4.5%	7%	3,163	3.5%	7%	2,727
Total	4.5%	100%	45,183	5.5%	100%	38,951
(Present value of scheme liabilities)			(64,286)			(53,857)
Surplus/(deficit) of the scheme			(19,103)			(14,906)
Net pension asset/(liability)			(19,103)			(14,906)

4d. Analysis of amounts recognised in SoCNE

	2012–13	2011–12
	£000	£000
Pension cost		
Current service cost	1,497	1,507
Past service cost	59	0
Effect of curtailment	132	11
Effect of settlement	0	0
Total operating charge	1,688	1,518

	2012–13	2011–12
	£000	£000
Analysis of interest cost on pension scheme – assets/(liabilities)		
Expected return on pension scheme assets	(2,167)	(2,534)
Interest on pension scheme liabilities	2,599	2,659
Net interest costs	432	125

4e. Analysis of amounts recognised in other comprehensive expenditure

	2012–13	2011–12
	£000	£000
Pension actuarial gain/(loss)	(4,257)	(3,996)
Irrecoverable surplus	0	0
Total shown in other comprehensive expenditure	(4,257)	(3,996)

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

	2012–13	2011–12
	£000	£000
Opening present value of liabilities	53,857	48,280
Current service cost	1,497	1,507
Interest cost	2,599	2,659
Contributions by members	504	543
Actuarial (gains)/losses on liabilities*	7,244	2,795
Benefits paid	(1,606)	(1,938)
Past service cost	59	0
Unfunded benefits paid	0	0
Curtailments	132	11
Settlements	0	0
Closing present value of liabilities	64,286	53,857

* Includes changes to actuarial assumptions

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

	2012–13	2011–12
	£000	£000
Opening fair value of assets	38,951	36,872
Expected return on assets	2,167	2,534
Actuarial gains/(losses) on assets	2,987	(1,201)
Contributions by the employer	2,180	2,141
Contributions by members	504	543
Benefits paid	(1,606)	(1,938)
Net increase from disposals and acquisitions	0	0
Unfunded benefits paid	0	0
Curtailments	0	0
Settlements	0	0
Closing fair value of assets	45,183	38,951

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	45,183	38,951	36,872	32,880	23,066
Present value of liabilities	64,286	53,857	48,280	61,636	36,809
Surplus/(deficit)	(19,103)	(14,906)	(11,408)	(28,756)	(13,743)
Experience gains/(losses) on scheme assets	3,146	(1,250)	456	7,075	(8,338)
Experience gains/(losses) on scheme liabilities	74	(576)	6,053	0	0
Percentage experience gains/(losses) on scheme assets	7%	-3%	1%	22%	-36%
Percentage experience gains/(losses) on scheme liabilities	0%	-1%	13%	0%	0%

4i. Sensitivity analysis

	+0.1%	0%	-0.1%
	£000	£000	£000
Adjustment to discount rate			
Present value of total obligation	62,924	64,286	65,648
Projected service cost	1,814	1,875	1,937
Adjustment to mortality age rate assumption			
	+1yr	none	-1yr
	£000	£000	£000
Present value of total obligation	66,214	64,286	62,357
Projected service cost	1,945	1,875	1,805
Adjustment to inflation			
	+0.1%	0%	-0.1%
	£000	£000	£000
Present value of total obligation	65,623	64,286	62,948
Projected service cost	1,937	1,875	1,813

5. Taxation

	2012–13	2011–12
	£000	£000
UK corporation tax	0	61
Over accrual relating to prior period	(32)	(32)
Total	(32)	29

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

As at 31 March 2013, the Trust had taxable losses of £94,000 available to carry forward against suitable future profits arising.

6. Other administrative costs and programme costs

6a. Administration costs

	2012-13		2011-12	
	£000	£000	£000	£000
Rentals under operating leases	0		0	
Interest charges	0		0	
Accommodation, maintenance and utilities	1,359		1,499	
Travel, subsistence and hospitality	274		307	
Professional services	82		107	
IT services	513		550	
Communications, office supplies and services	226		237	
Other staff related	88		66	
Offender costs	336		402	
Other expenditure	778		236	
External Auditors' remuneration – statutory accounts	22		22	
External Auditors' remuneration – other	0		0	
Internal Auditors' remuneration and expenses	13		17	
		3,691		3,443
Non-cash items				
Depreciation of tangible non-cash assets	29		47	
Amortisation of intangible non-cash assets	0		0	
Impairment of non-current assets	0		0	
Profit/(loss) on disposal of tangible non-cash assets	0		8	
Profit/(loss) on disposal of intangible non-cash assets	0		0	
Other provisions provided for in year	(4)		153	
Early retirement provisions not required	0		0	
		25		208
Total		3,716		3,651

6b. Programme costs

Current expenditure	18		26	
Total		18		26
Total other administration and programme costs		3,734		3,677

6. (Continued)

Cheshire Probation Trust, along with other Trusts in the North West Region, has entered into a Jointly Controlled Operation, Laurus OD Solutions, which was set up solely as a vehicle for undertaking staff training. It aims to improve efficiency (through the pooling of resources/scale economies) and utilise specialist skills. During the year to 31 March 2013 CPT provided funds to Laurus of £52,000 (2012: £51,000) and staff, with associated costs, of £142,000 (2012: £84,000).

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

	2012-13		2011-12	
	£000	£000	£000	£000
Income receivable from the sponsoring department – NOMS	14,037		14,265	
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	
		14,037		14,265
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		114		78
Other income from NOMS		18		47
Other income from rest of MoJ Group		0		0
Other income from other Government departments		183		144
Miscellaneous income		152		139
		14,505		14,673
Interest received:				
From bank	0		0	
From car loans	0		0	
From other sources	0		0	
Total interest received		0		0
Total administration income		14,505		14,673

7b. Programme income

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

Total income

EU income from NOMS	0	0
EU income from other Government departments	0	0
Other EU income	401	352
Other programme income	0	0
Total programme income	401	352
Total income	14,906	15,025

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
Cost or valuation						
As at 1 April 2012	0	188	251	0	0	439
Additions	0	0	0	0	0	0
Disposals	0	(54)	0	0	0	(54)
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	0	6	15	0	0	21
As at 31 March 2013	0	140	266	0	0	406
Depreciation						
As at 1 April 2012	0	179	150	0	0	329
Charge in year	0	6	23	0	0	29
Disposals	0	(54)	0	0	0	(54)
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	0	5	11	0	0	16
As at 31 March 2013	0	136	184	0	0	320
Carrying value as at 31 March 2013	0	4	82	0	0	86
Carrying value as at 31 March 2012	0	9	101	0	0	110
Asset financing						
Owned	0	4	82	0	0	86
Finance leased	0	0	0	0	0	0
Carrying value as at 31 March 2013	0	4	82	0	0	86

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
Cost or valuation						
As at 1 April 2011	0	257	291	0	0	548
Additions	0	0	0	0	0	0
Disposals	0	(71)	(41)	0	0	(112)
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	1	0	0	3
As at 31 March 2012	0	188	251	0	0	439
Depreciation						
As at 1 April 2011	0	220	166	0	0	386
Charge in year	0	22	25	0	0	47
Disposals	0	(64)	(41)	0	0	(105)
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	0	1	0	0	0	1
As at 31 March 2012	0	179	150	0	0	329
Carrying value as at 31 March 2012	0	9	101	0	0	110
Carrying value as at 31 March 2011	0	37	125	0	0	162
Asset financing						
Owned	0	9	101	0	0	110
Finance leased	0	0	0	0	0	0
Carrying value as at 31 March 2012	0	9	101	0	0	110

9. Trade receivables and other current assets

9a. Analysis by type

	2012–13 £000	2011–12 £000
Amounts falling due within one year		
Trade receivables	17	6
VAT	0	0
Deposits and advances	0	0
Receivables due from Probation Trusts	10	78
Receivables due from NOMS agency	2,404	1,287
Receivables due from Ministry of Justice – core	0	0
Receivables due from Ministry of Justice – NDPBs	0	0
Receivables due from HM Courts & Tribunals Service (HMCTS)	0	0
Receivables due from Office of the Public Guardian (OPG)	0	0
Receivables due from all other Government departments	62	74
Other receivables	0	5
Prepayments	19	44
Accrued income	1	0
	2,513	1,494
Amounts falling due after more than one year		
Trade receivables		
Deposits and advances	0	0
Other receivables	0	0
Prepayments and accrued income	0	0
	0	0
Total	2,513	1,494

9b. Intra-Government receivables

	Amounts falling due within one year		Amounts falling due after more than one year	
	2012–13 £000	2011–12 £000	2012–13 £000	2011–12 £000
Balances with other central Government bodies (inc. parent department)	2,414	1,365	0	0
Balances with local authorities	63	74	0	0
Balances with public corporations and trading funds	5	0	0	0
	2,482	1,439	0	0
Balances with bodies external to Government	31	55		0
Total	2,513	1,494	0	0

10. Cash and cash equivalents

	2012–13	2011–12
	£000	£000
Balance at 1 April	1,566	751
Net change in cash and cash equivalents	(1,113)	815
Balance at 31 March	453	1,566
The following balances at 31 March are held at:		
Government Banking Service	0	0
Commercial banks and cash in hand	453	1,566
Balance at 31 March	453	1,566

11. Trade payables and other current liabilities

11a. Analysis by type

	2012–13	2011–12
	£000	£000
Amounts falling due within one year (excluding taxation)		
Trade payables	102	94
Accruals	744	496
Deferred income	40	40
Staff payables	0	37
Payables due to Probation Trusts	22	9
Payables due to NOMS Agency	41	307
Payables due to all other Government departments	3	23
	952	1,006
Tax falling due within one year		
VAT	484	405
Corporation tax	0	29
Other taxation and social security	205	218
	689	652
Total amounts falling due within one year	1,641	1,658
Amounts falling due after more than one year	0	0
Total	1,641	1,658

11b. 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)	914	968	0	0
Balances with local authorities	7	23	0	0
Balances with NHS bodies	1	0	0	0
Balances with public corporations and trading funds	13	0	0	0
	935	991	0	0
Balances with bodies external to Government	706	667	0	0
Total	1,641	1,658	0	0

12. Provisions for liabilities and charges

	2012–13	2011–12
	£000	£000
Balance at 1 April	153	72
Provided in year	0	153
Provisions not required written back	(4)	0
Provision utilised in the year	(149)	(72)
Balance as at 31 March	0	153

	2012–13	2011–12
	£000	£000
Analysis of expected timing of discount flows		
Not later than one year	0	153
Balance as at 31 March	0	153

Provisions of £153,000 at 31 March 2012 related to redundancy costs. There were no costs at 31 March 2013 requiring provisions.

13. Capital commitments

The Trust had no capital commitments at 31 March 2012 or 31 March 2013.

14. Deferred tax asset

	2012–13	2011–12
	£000	£000
Non-current asset	0	0
Current asset	0	0
Total	0	0

The Trust has tax losses of £94,000 at 31 March 2013 (2012: £Nil) which have not been recognised. These losses are available to be utilised against suitable taxable profits arising in future periods.

15. 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.

16. Contingent liabilities

The Trust had no contingent liabilities at 31 March 2012 or 31 March 2013.

17. Losses and special payments

17a. Losses statement

	2012–13		2011–12	
	Number of cases	Total value £000	Number of cases	Total value £000
Cash losses	2	0	0	0
Total	2	0	0	0

Two losses of less than £50 each were suffered in the year.

17b. Special payments

One special payment, totalling less than £100, was recorded in the year.

18. General fund

	2012–13 £000	2011–12 £000
Balance at 1 April	(13,554)	(10,015)
Net transfers from Operating Activities:		
Statement of Comprehensive Net Expenditure	107	450
Transferred from revaluation reserve	0	7
Actuarial gains and losses	(4,257)	(3,996)
Balance at 31 March	(17,704)	(13,554)

19. Revaluation reserve

Property, plant and equipment

	2012–13	2011–12
	£000	£000
Balance at 1 April	7	12
Arising on revaluations of PPE during the year (net)	5	2
Transferred to General Fund	0	(7)
Balance at 31 March	12	7

20. Related party transactions

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

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

21. Third-party assets

These are not Trust's assets and are not included in the accounts. The sole asset in this category held at the financial position statement date comprised a bank balance for the Chief Officer's Fund. The money is used to assist offenders who have demonstrated a strong willingness to make a positive change in their lifestyle, to the benefit of themselves and the community they live in. Money from the Fund is paid out at the discretion of the Chief Officer, following requests made to her by operational Probation staff. The Fund is topped up from time to time by charitable donations. Movements in the Fund are set out in the table immediately below. Although the Fund has been used, to the nearest thousand pounds it is still the same.

	31 March 2013	Funds paid in during the year	Funds paid out during the year	31 March 2012
	£000	£000	£000	£000
Chief Officer's Fund	2	0	0	2
	2	0	0	2

22. 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 that with 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.

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

4. Sustainability Report

Introduction

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

This report covers 11 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.

The Sustainability Report is not subject to audit.

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 adaptation and mitigation

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

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

Carbon Reduction Commitment (CRC)

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

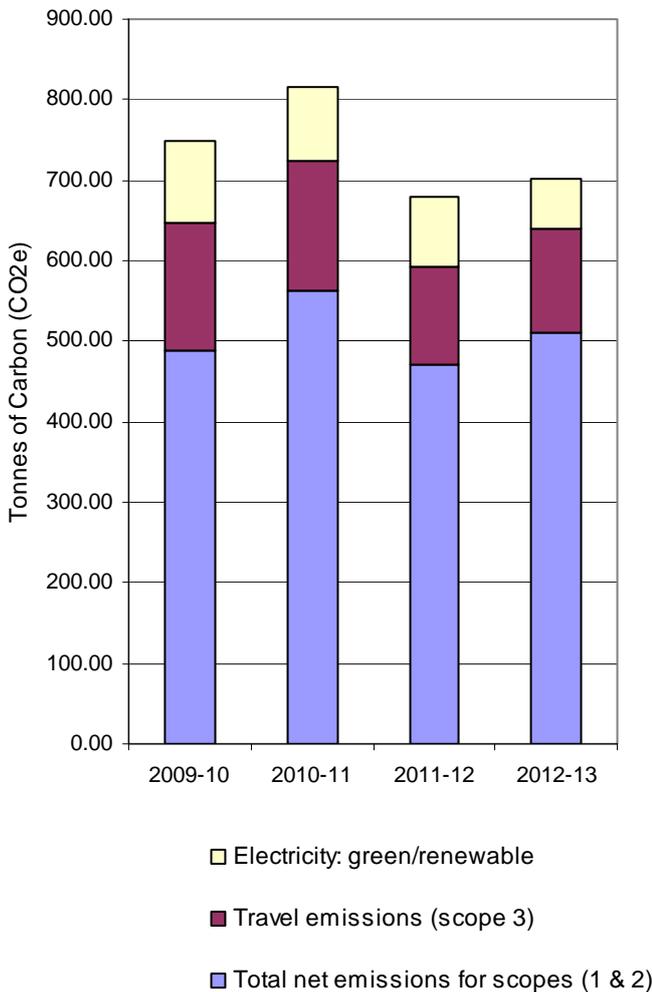
Cheshire Probation Trust has access to purchasing agreements for commodities from suppliers that make available recycled and low carbon products where appropriate.

Performance summary

Greenhouse gas (GHG) emissions

		2009–10	2010–11	2011–12	2012–13
Non-financial indicators (tCO ₂ e)	Total gross emissions for scopes 1 & 2	589.65	656.98	555.46	575.25
	Electricity: green/renewable	101.85	93.09	85.46	63.49
	Total net emissions for scopes 1 & 2	487.8	563.9	469.99	511.76
	Travel emissions scope 3	159.09	159.09	123.72	127.53
	Total gross GHG emissions (all scopes)	748.74	816.07	679.18	702.78
Non-financial (kWh)	Electricity: Grid, CHP & non-renewable	587,195	536,648	492,711	366,056
	Electricity: renewable	195,732	178,883	164,237	122,019
	Gas	799,587	1,352,473	933,752	1,531,388
	Other energy sources	0	0	0	0
	Total energy	1,582,514	2,068,004	1,590,700	2,019,463
Financial indicators	Expenditure on energy	£119,357	£101,019	£97,439	£110,659
	Expenditure on official business travel	£423,529	£423,529	£341,722	£309,735

GHG Emissions by scope



Performance commentary (including targets)

Reported carbon dioxide emissions from our buildings have fallen against the 2009–2010 baseline, although emissions from gas have risen significantly. Several gas readings for Q4 2012–13 are in query.

Controllable impacts commentary

81.8% of our reported carbon dioxide emissions are from electricity and gas use in buildings.

Overview of influenced impacts

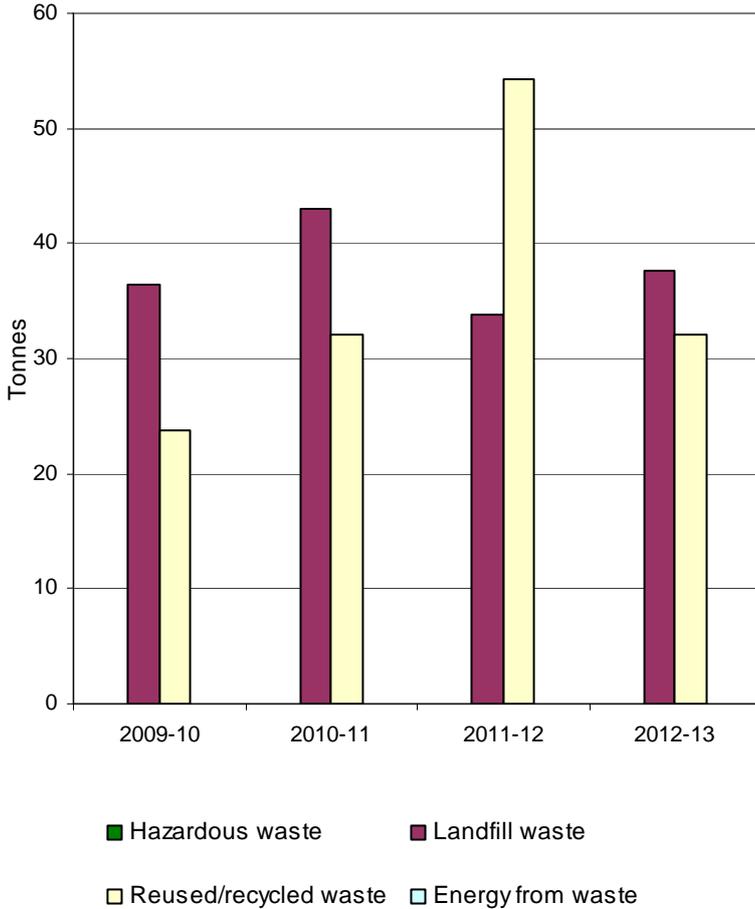
We only report energy use in buildings where we are directly billed and responsible for payment. Travel data includes travel by all of our staff, regardless of their location. Travel data for 2009–10 is not available, and the figures shown above are taken from the records for 2010–11. We do not have data on fugitive emissions.

Waste

Non-financial indicators (tonnes)	Hazardous waste	Hazardous waste
	Non-hazardous waste	Landfill waste
		Reused/recycled waste
		Energy from waste
	Total waste arising	

2009–10	2010–11	2011–12	2012–13
0	0	0	0
36	43	34	38
24	32	54	32
0	0	0	0
60	75	88	70

Waste by final disposal



Performance commentary

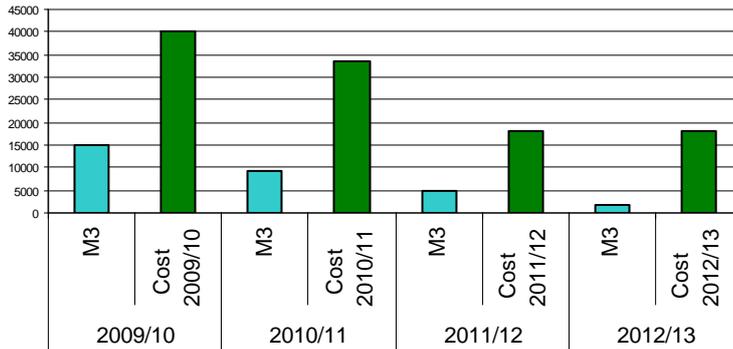
Waste disposal has risen against the 2009–10 baseline, with the majority of the increase (80%) going to recycling. It is believed that the figures for 2011–12 are erroneous, as several of the buildings covered apparently sent 100% of their waste to recycling. Figures for 2012–13 are extrapolated from figures provided for the first four months of the year. No information has been provided relating to the costs of disposal.

Water

Non-financial indicators **Total water consumption (cubic metres)**
 Financial indicators **Total water supply costs (£)**

	2009–10	2010–11	2011–12	2012–13
Total water consumption (cubic metres)	14,833	9,443	4,978	1,730
Total water supply costs (£)	£40,244	£33,744	£18,297	£18,304

Water. Total consumption and costs.



Performance commentary (including targets)

The figures above show water consumption falling significantly from the 2009–10 baseline. However, few bills or meter readings have been provided for 2012–13, and it is therefore possible that actual use is higher than showed above. Based on the figures above, consumption stands at 6.43 m³ per FTE. FTEs for these purposes are limited to those working in Trust buildings.

Paper

Cost (excluding VAT)

	2009–10	2010–11	2011–12	2012–13
Cost (excluding VAT)	0	0	£9,631	£8,319

3,611 reams of paper were purchased in 2012–13, compared with 4,182 reams in 2011–12. No figures for paper purchased are available for earlier periods.

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
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