



Greater Manchester Probation Trust

Annual Report and Accounts 2012–2013



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2012–2013

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Vision, Mission & Values

Greater Manchester Probation Trust (GMPT) works with the courts and its partner organisations to reduce the number of victims of crime by the robust and effective supervision of offenders. It helps offenders to lead law-abiding lives and to play a constructive part in their local community.

Greater Manchester is one of the largest of the 35 probation trusts in England and Wales, covering a population of around 2.5 million people and 495 square miles.

Our offender management services are delivered from eight local delivery units in the area in Bolton, Oldham, Manchester/Trafford, Bury/Rochdale, Salford, Stockport, Tameside and Wigan. We also have a probation programmes unit, six approved premises and run nine community payback units across the county. Our staff also work in local courts and prisons and work in partnership with other criminal justice agencies. The Trust is led by Chief Executive Roz Hamilton and the Greater Manchester Probation Trust Board.

Along with the Prison Service – and other organisations working with convicted offenders – we are part of the National Offender Management Service (NOMS). NOMS is a department of the Ministry of Justice. It aims to lead and co-ordinate all the services that work with offenders in order to cut crime.

Our Ambition and Strategic Priorities

Our **MISSION** is to reduce the number of victims by the effective supervision of offenders

Our **VISION** is to be an excellent organisation, trusted by the public to reduce crime, uphold the rights of victims and protect communities from harm

Our **AMBITION** is to be an organisation that is fundamentally different in structure and delivery in order to grow and diversify and be one that continues to provide the highest quality services possible. Our values come with us.

Strategic Priorities

Our strategic priorities are to be efficient and effective and to engage positively with offenders we supervise, with our partners and with our stakeholders.

Our Strategic Objectives

1. **Efficiency** – Transforming Justice seeks to drive down demand and costs in the Criminal Justice System by delivering reductions in crime rates and offending. GMPT focuses on achieving outcomes while controlling our costs and managing the demand on our services. We will work with our staff and partners in all sectors, to make the most of our combined resources and ideas.
2. **Effectiveness** – GMPT will build on our innovative, effective services which reduce reoffending. We will challenge our traditional ways of working and we will deliver the right services to the right offender by effectively targeting resources to match the risk of reoffending and harm, and to achieve successful outcomes for the community, victims and offenders.
3. **Engagement** – Our commitment to localism is evident in our locally provided services. We will be creative with partners in all sectors to meet the expectations of local communities. We will work with communities to help reintegrate offenders and identify opportunities for them to be supported and to offer something back. We are committed to full engagement with our staff as we embrace the changes and challenges of Transforming Rehabilitation.

Our Values

- **Public Protection** – we will give the highest priority to the assessment and management of risk so the public is protected from those who threaten it most
- **Change** – we recognise that people have the capacity for change and we will provide challenge and encouragement to achieve this
- **Accountability** – we accept collective responsibility for the actions we take and that we are answerable to the people of Greater Manchester
- **Respect** – we commit ourselves to working with all people fairly and openly, ensuring that their differences are valued and that they are treated with respect
- **Organisational Excellence** – we commit ourselves to achieving the highest standards of which we are capable, to equality of opportunity and to improving continuously the results we achieve
- **Valuing our Staff** – we will work to ensure that all our staff play a full part in the life of the organisation, uphold its standards and represent it positively in our local communities.

Our ambition is to continue to build on the changes already achieved within the Trust by designing and delivering high quality services that produce tangible protection of the public, meet the needs of communities and victims, rehabilitate offenders, reduce re-offending and driving down our costs.

Foreword

2012/13 has seen many achievements within Greater Manchester Probation Trust which have included:

- The delivery of new programmes of intervention for offenders
- Reduced reoffending and increased offender employment opportunities in the Intensive Alternative to Custody (IAC) project
- The successful introduction of restorative justice facilities
- A significant contribution to the multi-agency Greater Manchester Transforming Justice and Community Budgets initiative
- The successful introduction of a new electronic assessment tool OASys-R
- Outstanding numbers of offenders finding employment on the Achieve project
- Improved and effective risk of harm and public protection procedures
- Evidence of excellent value for money in all aspects of GMPT's work
- Outstanding results from the GMPT Talent Management Programme.

Our staff are at the heart of our successes and it is impressive that they have achieved so much in the last 12 months. We thank them for the incredible commitment and imagination they have shown in serving the communities of Greater Manchester. We will continually encourage a positive and vibrant working atmosphere as we work towards new structures and models for the delivery of offender services in Greater Manchester.

Our contribution to the Government's Public Sector Reform agenda has included robust responses to the two consultation documents published in 2012/13 with clear suggestions as to how Government plans could be effectively implemented. As we await the Government's proposals for the future of Probation including the competition for the delivery of offender services and the formation of a public protection service, we will continue to innovate and to improve practice particularly in relation to reduced reoffending and the reduction of costs.

In 2013/14 GMPT business plans include a series of initiatives to achieve improvements in performance such as:

1. Maintaining a stable organisation which is resilient and improves performance throughout the transforming rehabilitation process
2. Focusing on the quality of delivery coupled with robust monitoring and auditing systems.
3. The redesign of operational and corporate services to improve the quality of practice, reduce costs and achieve effective public protection
4. Implementation of a new portfolio of cost effective interventions
5. Improved services to young adults and women offenders
6. Increased involvement in Transforming Justice and Community Budgets initiatives to reduce dependency and demand on the public sector
7. The preparation of the organisation for the competition agenda including creating shadow unreserved and reserved services
8. Increased staff development opportunities to improve the quality of offender supervision and corporate services.

The year ahead will be more testing than ever, but we are determined to continue to provide high quality, reliable standards of service and creative responses to the problems of crime and disorder within our communities. Helping to drive down crime and improve our neighbourhoods for the better is everyone's concern, and therefore we depend on your involvement and support.

We encourage you to let us know what you think of Greater Manchester Probation Trust and how we might improve what we do. Please get in touch.



Dr. Hilary Tucker
Chair of the Probation Trust Board



Roz Hamilton
Chief Executive

1. Operational & Performance Review 2012–13

This section provides information about some specific initiatives carried out to meet our improvement objectives identified in our Business Plan for 2012/13.

Leadership

Over the year we have worked to build on our achievements and develop our strategies for long term success.

- We continue to be a major player in the Greater Manchester Transforming Justice Project and Community Budgets project. Both projects have involved the co-operation of a diverse and complex range of organisations and stakeholders. They aim to tackle the high overall demand on our criminal justice services and the high numbers of offenders that repeatedly appear in that system. They seek to ensure that we safeguard the interests of victims and witnesses while pursuing the aims of reducing reoffending, improving public confidence and ensuring that justice is done and seen to be done.
- We launched our Achieving Radical Reform Programme which aims to prepare the GMPT for greater efficiency and best value required to meet the outcomes of Transforming Rehabilitation.
- In February and March 2013, senior managers conducted a series of staff briefings across the Trust to spell out the important issues for the year ahead, as we await the outcome of the Transforming Rehabilitation consultation.
- We held our annual staff conference in March. It focussed on our ability to meet and exceed the outcomes of Transforming Rehabilitation and on ensuring staff were fully aware of the commitment required for the changes ahead. Our staff heard an inspirational talk from Guardian columnist Erwin James, an ex-offender who has clear and enlightened views about the value of rehabilitation for offenders versus the effect prison has on an offender's prospects for rehabilitation.

Policy and Strategy

Each year, we look at which policies need to be reviewed and whether any new strategies or policies are needed to support our business objectives.

During this year, we undertook the following:

- We developed a new service delivery model.
- We commenced a programme of activity costings to benchmark the current cost of service delivery against the new model.
- We designed and piloted a new intervention for young adults and a new low intensity SAR for violent offenders.
- GMPT's Intensive Alternative to Custody (IAC) programme was launched in Trafford – the programme now covers Trafford, Salford and Manchester.
- Under the Community Budgets agenda, the Trust began to scope the readiness to upscale IAC across Greater Manchester.
- Additional Community Budgets initiatives include the implementation of Women's Triage in police custody suites.
- A new electronic Effective Proposals Framework was designed.
- The implementation of the NOMS Restorative Justice (RJ) Pilot was consolidated preparing for the launch of pre-sentence RJ in 2013/14.

People Management

Over the year we have carried out a number of initiatives to manage, develop and help staff realise their full potential.

- We focused on developing further the Trust's Engagement Strategy by supporting business units to establish local employee forums to align with the corporate employee forum.

- The first two cohorts of staff successfully completed the GMPT's Talent Management Programme and delivered positive business outcomes with recommendations for service improvements.
- The Trust confirmed a successful business arrangement with Laurus, the North West region's Learning & Development provider and extended the contract to end March 2014.
- We successfully rolled out the Trust's stress and resilience programme across a number of business units resulting in joint management/staff action plans for business process improvements.
- We established HR Business Partners to work closely with business units and we worked with managers on the development of a web-based HR Management Toolkit.
- We developed enhanced workforce planning/development capability linked to service requirements for the future.
- We commissioned a review of leadership and management development needs and the development of a programme to meet operational requirements of the future.

Partnerships and Resources

Involvement in the Public Sector Reform and Community Budgets Pilot has provided GMPT with an influential role in the development of whole system reforms and investment models.

GMPT leads the design of new service delivery models to be up-scaled across Greater Manchester, such as the Intensive Community Order, the Resettlement Consortia, Women Offender Centres and Youth/Young Adult Police Custody Triage. The ambition for 2013/14 is that each of these will be underpinned by a Greater Manchester-wide investment agreement by October 2013.

The next three priorities will be the following:

- To ensure the overarching framework of IOM links public protection, volume crime and neighbourhoods. They will be mapped using cases of domestic abuse/violence and organised crime groups to identify cross-thematic issues in Transforming Justice, troubled families and early years.
- To build the business cases for delivery model that will act as gateways to critical services such as health, housing, employment and families.
- To strengthen the GMPT connection to the voluntary and community sector supply chain, through GMCVO, and promote a justice reinvestment approach that promotes community capacity building. In addition, we will support the development of a model to recruit and manage volunteers and mentors in the criminal justice system.

This year, as in previous years, we have maximised the use of our resources and, through excellent financial management, we have delivered a balanced budget. During the year, we have invested in the infrastructure of our business and in projects to improve the quality, efficiency and effectiveness of our services to offenders and communities. We have also been able to reduce the overall size of our workforce by 4.5% in line with increasing efficiencies in our service delivery.

Processes

Below are some of the initiatives we have been involved in to improve the way we design, manage and plan our services over the year.

- We introduced Business Unit Planning across the operational, corporate and commercial units.
- We are introducing a new intranet to improve our staff communications processes and engagement.
- We are working towards a September/October 2013 launch of the new national Delius system.
- We are planning roll-out of a new, on-line human resources toolkit to aid better and more efficient working for our staff
- We have carried out a Business Process review to make our business more efficient and effective.

Results

In this section you can read about our performance against priority targets set by the National Offender Management Service.

Performance Report 2012/13 – Area Summary

Performance Indicators		Target for year	Result
Offender Management			
OM3	To resolve proportion of breaches of community orders within 25 working days of the relevant failure to comply	N/A	
OM4	Proportion of licence recall requests to reach NOMS Post Release Section within 24 hours of the decision by the Offender Manager	90%	98.12%
OM5	The percentage of cases in which initiation of breach proceedings took place within 10 working days of the relevant unacceptable failure to comply	90%	98.05%
OM7	The percentage of victims who are contacted within 8 weeks of an offender receiving 12 months or more for a serious sexual or violent offence	N/A	97.01%
OM17	The percentage of offenders in settled and suitable accommodation at the end of their order or licence	80%	87.6%
OM20	Proportion of orders and licences successfully completed	70%	77.32%
OM21	Reduce the rate of proven re-offending whilst under the supervision of probation	9.57%	9.50%
OM27	The percentage of Indeterminate Sentenced Prisoner Assessment Reports completed and returned to prison within 8 weeks of Parole Review Assessment date	80%	98.25%
OM29	The percentage of offenders surveyed have an overall positive perception of engagement	67%	77.3%
OM39	Timeliness of final reviews (termination) OASys for tier 2,3,4 and PPO	90%	90.88%
OM40	The percentage of pre-sentence reports (including remands in custody for magistrates courts) completed within the timescale set by the court	90%	98.9%
Interventions (Programmes, Community Payback, Approved Premises)			
INT1	Sex Offender Volume Completions	60	66
INT2	IDAP Volume Completions	130	181
INT3	GOBP Volume Completions	450	550
INT4	The proportion of Accredited Programme starts that meet the relevant programme criteria to be at least 85%	N/A	99.4%
INT8	The number of offenders under supervision who find and sustain employment to be at least 840	900	1388
INT9	The percentage of offenders in employment at termination of their order or licence to be at least 39%	39%	49.38%
INT11	The proportion of Unpaid Work offender days which are lost because of stand-downs on the day	less than 1%	0.01%
INT13	Accredited Sex Offender Programme completion rate to be at least 60%	60%	73.5%
INT14	Accredited Domestic Violence Programme completion rate to be at least 60%	N/A	42.86%
INT15	Accredited Offending Behaviour Programme completion rate to be at least 60%	N/A	56.4%
INT16	Alcohol Treatment Requirement completion rate to be at least 60%	N/A	51.01%
INT17	Drug Rehabilitation Requirement completion rate to be at least 50%	N/A	60.15%
INT18	Unpaid Work completion rate to be at least 70%	N/A	71.96%
Management Information			
IPPF08	Staff Sickness not to exceed an average of 9 days per member of staff per year	9 days	9.66

Rating: Red = below target, Amber = approaching target, Green = target achieved

	Target for year	Result
Customer Results		
Percentage of victims who are contacted within 8 weeks of an offender receiving 12 months or more for a serious sexual or violent offence.	N/A	97.01%
Percentage of offenders living in settled and suitable accommodation at the end of their order or licence to be at least 70%	80%	87.6%
Number of offenders under supervision who find and sustain employment	900	1,388
People Results		
Reduce sickness absence to an average of 9 days per staff year.	9 days	9.66
Society Results		
Number of unpaid work completions	3,600	3712
Proportion of unpaid work offender days lost because of stand-downs on the day	Less than 1%	0.01%
Percentage of unpaid work hours worked in agencies	Overall target for partners: 35%	38.69%
Percentage of unpaid work hours commissioned by Community Safety Partnerships	25%	20.3%
Key Performance Results		
Number of Drug Rehabilitation Requirement completions	450	406
Court reports provided in accordance with the timescale required by the court	90%	99.9%
Proportion of orders and licences completed successfully	70%	77.32%
Number of accredited offending behaviour programmes completions	450	550
Proportion of OASys assessments completed within appropriate timescales for all tiers of offenders including Prolific and Priority offenders	N/A	N/A

Workload and Activity

The following tables show the main areas of activity throughout the year.

Commencements by type of order/licence 2012–2013

	2010–2011	2011–2012	2012–2013
Community Orders	9087	8210	7977
Pre CJA Community Sentences	109	16	5
Suspended Sentence Order	3436	3308	3354
Pre CJA Custodial sentences	676	699	703
Post CJA custodial sentences	2664	2600	2531

Caseloads as at 31 March 2013

	2010–2011	2011–2012	2012–2013
Community Sentences	9,274	8,506	7010
Releases on licence	2,604	2,971	3102
Custodial sentences	5,091	5,096	4999

Reports produced (PSRs/SSRs) by court type

	PSR/SDR		SSR/FDR	
	Magistrates	Crown	Magistrates	Crown
2010/2011	1,166	1,830	4,638 written 33 oral	4,181 written 165 oral
2011/2012	291	890	3,569 written 3,548 oral	4,463 written 220 oral
2012/2013	48	593	2,640 written 2,773 oral	3943 written 223 oral

Unpaid Work hours ordered/worked

	2010–2011	2011–2012	2012–2013
Hours Ordered	850,278	754,790	669,838
Hours Worked	603,382	573,021	514,816

Victims contacted within 8 weeks of sentence

	2010–2011	2011–2012	2012–2013
No. of victims	1,634	1,387	636
No. of victims contacted within 8 weeks	1,634	1,337	617

Key to tables

PSR – Pre Sentence Report
 SSR – Suspended Sentence Report
 FDR – Fast Delivery Report
 SDR – Standard Delivery Report

2. Management Commentary

Statutory background

The Probation Trusts were established under the Offender Management Act 2007 (OM Act). Each Trust is a corporate body under the OM Act and a Non-Departmental Public Body (NDPB) which reports to the National Offender Management Service (NOMS). This Trust came into existence on 1 April 2009 (following transition from Greater Manchester Probation Board which was established in 2001).

These accounts have been prepared in accordance with the Government Financial Reporting Manual (FRoM) issued by HM Treasury (HMT) and in accordance with the accounts direction issued, on page 58, by the Secretary of State under the OM Act.

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 FRoM 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 (FRoM), 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.

Principal activities

The Trust’s strategic priorities, values and principle activities are set out in our Vision, Mission and Values on pages 2 to 3 of this report. Principally, our critical aim is to work with the courts and with our partner organisations to reduce the number of victims of crime by the robust and effective supervision of offenders.

Operational Performance during 2012–13

An analysis of performance outcomes is summarised in the Annual Report on pages 6 to 10.

Results for the year

The Statement of Comprehensive Net Expenditure (SoCNE) for the year is shown on page 27. The Statement of Changes in Taxpayers' Equity is shown on page 30.

Operating costs

The net operating cost before tax for 2012–13 stands at £1,655k compared to a net operating surplus before tax of £479k for 2011–12. The reason for the increase/decrease is due to the change in expected return on pension assets and interest on pension scheme liabilities as per IAS19 calculations.

Statement of Financial Position and Statement of Cash Flows

The Statement of Financial Position and Statement of Cash Flows are on pages 28 and 29.

The net liability position has increased from £47,362k at March 2012 to £60,996k at March 2013. The largest single movement in net assets is £13,588k due to an increase in the pension liability as per IAS19 calculations

Payment of creditors

In the year to 31 March 2013, the Trust paid 12,247 trade invoices with a value of £11,684,300. The percentage of undisputed invoices paid within 30 days by the Trust was 86.05% compared to 94.68% in 2011–12. The movement in performance between 2011–12 and 2012–2013 is currently the subject of an internal review.

Treatment of Pension Liabilities

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

Sickness absence data

The average levels of absence due to staff sickness were 9.22 days across the Trust (2011–12 10.95 days).

Personal data related incidents

The following gives a summary report of significant personal data related incidents in 2012–13, which were formally reported to the Information Commissioner's Office (ICO).

Date of incident (month)	Nature of incident	Nature of data involved	Number of people potentially affected	Notification of steps
July 2012	Offender complained to ICO that GMPT had not released all documents to which he was entitled to in response to a Subject Access Request.	Offender Information	1	
July 2012	Offender complained to ICO that GMPT had not released all documents to which he was entitled to in response to a Subject Access Request.	Offender Information	1	

In all the above cases, a risk assessment was carried out to assess who, if anyone should be notified and to ensure measures were in place to mitigate risk to individuals and prevent recurrence of the incident. All staff undertake a compulsory Information Assurance training course when joining the department and an annual refresher course.

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 60 to 64.

Future developments

The Trust’s in year priorities are detailed in our Business Plan which is available via the Greater Manchester Probation Trust website. Our high level in year priorities are:

- New structures are in place and meet national policy requirements,
- Public Protection is enhanced,
- Integrated working is developed to reduce reoffending,
- Business practice is embedded including a) core processes in place and costed b) mechanisms are in place for model fidelity,
- The budget is well managed,
- Value added partnerships have been created, and
- We develop a new culture (and prepare people for the future).

Communications and employee involvement

Our communications activities are set out in the Trust’s Communications Strategy which is currently under review and focuses on both internal and external stakeholders. Alongside this, the Trust has a comprehensive approach to employee engagement including regular consultation, written and face to face communications, use of electronic media such as the Chief Executive’s weekly blog and a vibrant employee forum. Our last staff survey tells us that the majority of our staff believe in the work of the Trust, are proud to work for us and understand their role within the organisation.

Staff diversity

GMPT tracks staff diversity comprehensively across gender, ethnicity and disability and is developing systems to capture wider data on sexuality and faith/religion/belief.

Women, disabled and people of an ethnic origin other than white are more highly represented in the Trust workforce than in the wider community, at 67%, 19% and 14% respectively. The lack of recent recruitment has made it difficult to address some of these imbalances, particularly in respect of gender where a more balanced workforce would be beneficial to our client group.

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 Her Majesty's Treasury 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 25.

Total audit fees reported in the Accounts are £33,959. The audit fees for 2011–12 relate to the previous external auditor.

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 Greater Manchester Probation Trust Management Board

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

- The Trust Board
- Four standing sub-committees of the Trust dedicated to audit, diversity, health and safety, and the Joint Negotiating and Consultative Committee
- The Trust Executive Team, headed by the Chief Executive

Comprehensive details of the Trust governance framework and principles are set out in the Annual Governance Statement on pages 20 to 24.

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

Details of the remuneration of the Management Board are set out in the Remuneration Report on pages 16 to 18.

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

Position	Name	Date appointment commenced / ended (during 2012–13) where appropriate
Chief Executive	Ms Roz Hamilton	
Chair	Mrs Hilary Tucker	
Board Member	Mrs Gita Conn	
Board Member	Mr Khan Moghal	Ended 1 April 2012
Board Member	Mr Michael Hyman	
Board Member	Judge Tony Gee	
Board Member	Mrs Coren Williams	
Board Member	Mrs Viv Carter	
Board Member	Ms Emily Lam	Ended 1 April 2012
Board Member	Mr Peter Henson	
Board Member	Mr Sydney Lloyd	
Board Member	Mr Abdul Malik-Ahad	

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



Accounting Officer

20th June 2013

Remuneration Report

Appointments

A Probation Trust shall consist of a Chairman and not less than four other members appointed by the Secretary of State; and the Chief Executive. The Probation Trust shall have a Chief Executive appointed by the appointed members.

The terms of employment of the appointed members are for the Secretary of State to determine, though the terms of employment of the Chief Executive are for the appointed members to determine, with the approval of the Secretary of State.

The Lord Chancellor appointed Judge Tony Gee to the board from among judges of the Crown Court. The emoluments of this appointee are paid from the Lord Chancellor's Department.

The salary and pension entitlements of the senior managers and non-executive directors of the Greater Manchester 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) £
Chief Executive Officer	Ms Roz Hamilton	90–95	None	900	85–90	None	None
Chair	Mrs Hilary Tucker	20–25	None	None	20–25	None	None
Board Member	Mrs Gita Conn	0–5	None	None	0–5	None	None
Board Member	Mr Khan Moghal	None	None	None	None	None	None
Board Member	Mr Michael Hyman	0–5	None	None	0–5	None	None
Board Member	Judge Tony Gee	None	None	None	None	None	None
Board Member	Mrs Coren Williams	0–5	None	None	0–5	None	None
Board Member	Mrs Viv Carter	0–5	None	None	0–5	None	None
Board Member	Ms Emily Lam	0–5	None	None	0–5	None	None
Board Member	Mr Peter Henson	None	None	None	0–5	None	None
Board Member	Mr Sydney Lloyd	0–5	None	None	0–5	None	None
Board Member	Mr Abdul Malik-Ahad	None	None	None	None	None	None

All MoJ appointed Trust Board members receive non-pensionable remuneration of £15.40 per hour from 1 April 2008, with the exception of the Chief Executive and the Chair. Trusts at their discretion may pay a travelling allowance and any other relevant expenses incurred.

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

	Total Full-time Equivalent Remuneration	
	2012–13	2011–12
Highest paid Director (pay band)	£92,500	£87,500
Median for other staff	£27,102	£26,950
Pay multiple ratio	3.42:1	3.25:1

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

Salary

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

Benefits in kind

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

B) PENSION BENEFITS – AUDITED

	Total accrued pension at pension age as at 31 March 2013 & related lump sum	Real increase/ (decrease) in pension and related lump sum at pension age	CETV at 31 March 2013	CETV at 31 March 2012	Real increase/ (decrease) in CETV after adjustment for inflation and changes in market investment factors
	£000s	£000s	£000s	£000s	£000s
Ms Roz Hamilton (Chief Executive)	50–55, lump sum 95–100	0–2.5, lump sum 0–2.5	782	701	66

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

Cash Equivalent Transfer Value (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total

membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service Pension arrangements and for which the Civil Service Vote has received a transfer payment commensurate to the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries, and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn.

Real increase in CETV

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



Accounting Officer

20th 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 the Greater Manchester 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.

3. Governance Statement

Introduction

As Accountable Officer, I have responsibility for maintaining a sound system of governance and internal control that supports the achievement of the Greater Manchester Probation Trust and National Offender Management Service (NOMS) policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible. This is carried out in accordance with the responsibilities assigned to me in “Managing Public Money”.

This governance statement replaces the ‘Statement on Internal Control’ presented with previous sets of Trust accounts and incorporates governance, risk and control issues in a single statement. This change is in accordance with the HM Treasury Financial Reporting Manual (FRoM).

Governance Framework

The Trust is governed by the Trust Board. During 2012/13, the Board had six full members, including the chair, and three advisors. I, as Chief Executive, am also a member of the Trust Board. The Board meets six weekly to discuss and oversee all matters of strategic significance that are laid down in its Terms of Reference and not delegated to me, as Chief Executive, through the Scheme of Delegation, which is also owned by the Board.

There are four standing sub-committees of the Board:

The Audit Committee meets to deal with matters as laid down in its Terms of Reference, mainly related to maintenance of strong internal controls, risk and value for money. More details of the function and work of the Committee are contained below.

The Health and Safety Committee meets regularly to consider issues affecting health and safety at work. Membership includes the recognised Trade Unions.

The JNCC (Joint Negotiating and Consultative Committee) also includes Trade Union representatives and meets to consider issues affecting the employment, terms and conditions of GMPT staff. The chair of this committee is alternated between the Trust (via a Board member) and the Unions.

The Equalities Committee meets to oversee the work of the Trust from an equality and diversity perspective, including aspects of work that relate to Trust staff, offenders and victims. Representatives from employee staff groups are included as members. The role and purpose of the Diversity Committee is currently under review and options for the future will be considered shortly.

All four sub-committees are chaired by a member of the Board (except for the JNCC in alternate years, as described above)

Trust Corporate Governance follows the principles laid down in the 2011 HM Treasury guidance ‘Corporate Governance in Central Government Departments – Code of Good Practice’ as it relates to arms length bodies. Boards, sub-committee and the wider governance functions subscribe to the four recognised precepts of good corporate governance – leadership, effectiveness, accountability and sustainability. Their work focuses on the five main areas detailed in the code, namely strategic clarity, commercial sense, talented people, results focus and management information. In line with the Treasury Code, as an arms length body the Trust is ultimately accountable to the NOMS agency via its Trust contract. This lays down the purpose, responsibilities, standards of performance and reporting required of the Trust and the means by which it will be monitored. NOMS Commissioners also receive copies of board papers to ensure further oversight of the complete work of the Trust.

Risk Management

The system of governance is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of departmental policies, aims and objectives, to evaluate the likelihood of those risks being realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Greater Manchester Probation Trust for the year ended 31 March 2013 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

Capacity to Handle Risk

The Trust manages risk at all levels within the organisation. The strategic risk register is approved by the Audit Committee, on behalf of the Board, who provide scrutiny of the implementation of mitigation measures. These, in turn, are owned by senior management.

The Trust's risk management framework was revised during 2008/09 and approved by the Audit Committee on 19 March 2009. It is documented on the Trust's intranet which is accessible by all staff. It provides for the identification of business risks in the making of policy decisions and the maintenance of the Area Risk Register which is integrated in to, and driven by, the business planning process. Each service area, including Corporate Services, also has their own local risk registers which are linked to local area plans.

Managers review and discuss risks on a formal basis, as part of senior management meetings and in supervision and when making local management decisions. The identification of risks and of actions that can be taken to mitigate them is encouraged as part of this process. The Risk Management Strategy clearly lays down how these risks are then captured.

In the implementation of policy and practice, senior managers share their experience and learning, including the risks that such implementations can generate and how the Trust's leaders seek to manage that risk. The work of internal audit, in providing assurance and advice on areas identified as risk critical in the Trust risk register is an important part of overall corporate management of risk.

The Risk and Control Framework

The Trust's risk management framework is laid down in its Risk Management Strategy, revised in 2009. Strategic and local risk registers generated under the requirements of the strategy are monitored and updated regularly, at least quarterly, at the appropriate level within the organisation. The framework is overseen by the Director of Corporate Services and the Audit Committee which approves the strategic risk register and receives quarterly reports from senior management on progress. During 2009/10, the framework was reviewed by internal audit and the audit report gave an assurance assessment of amber/green.

The 2012/13 corporate risk register opened the year with 11 risks logged, 2 of them rated red. At the end of the financial year there were 12 live risks of which 3 were rated red. 6 risk 'scores' were reduced during the year, principally as a result of management action. The dynamic nature of the Trust's operating environment meant that a new risk was highlighted during the year, relating to the risk of staff disengagement and industrial action following government announcements in 2013. This is also reflected in the 2013/14 risk register as an issue of ongoing concern.

The key processes which support the internal control framework are:

- Procedures for identifying the Board's objectives and key business risks
- Risk Management Strategy and procedures
- The work of the Audit Committee
- The work of Internal and External Audit
- Performance Management Framework and business planning

- Financial reporting against budget, including variance analysis
- Business Continuity Planning
- Information Security and Data Protection
- Framework of controls documented in the Trust's Standing Orders, Financial Instructions and Scheme of Delegation (all revised in 2010) and the Trust's policies and procedures
- The Trust organisational efficiency programme and governance arrangements for ensuring the delivery of the business plan.

The Trust's performance management framework, incorporating its balanced scorecard, provides for regular reporting on progress against the Trust business plan and its budget to senior management meetings and to the Board. In addition, the Trust operates under contract to NOMS and our performance against the requirements of that contract is subject to regular review and monitoring. This has been carried out properly during the year and we have continued to achieve a strong performance outcome, reflecting continued good performance across the majority of our service provision.

GMPT has robust policies in place for all areas of information security, including data protection, remote working and email and internet use. These are available to all staff and their effective implementation overseen by the Information Security Manager. Policies, procedures and controls are reviewed on a regular basis by the IS/IT Strategy Group, who also consider any significant information security issue, risk or incident. An internal audit of information assurance was carried out during 2009/10 and received an amber/ green rating. Three recommendations were made for improvements in controls, and these were put in place and are fully operating. In addition, an internal audit of Information Sharing Agreements was carried out in the previous financial year, with an amber/ green rating and generating two recommendations which are now in place. In 2012/13, the Information Commissioner's Office (ICO) undertook a comprehensive audit of our policy, procedures, practice and knowledge across the Trust. We were pleased to receive an outcome of 'reasonable assurance' from this audit.

There were two incidents involving actual data loss during the year. The first related to a third party worker who had sensitive documents stolen from his car and the second related to internal post being accidentally collected by the Royal Mail. Action has been taken to prevent these incidences occurring again and there have been no further consequences as a result of these data losses.

Oversight and Assurance arrangements

As Accountable Officer, I also have responsibility for reviewing the effectiveness of the system of internal control. My review is informed by the work of MoJ Audit & Assurance, the Audit Committee and the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework. I am assisted further by comments made by the External Auditors in their Annual Audit 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 Board and the Audit Committee and plans to address weaknesses and ensure continuous improvements are in place.

In ensuring the effectiveness of the system of internal control, consideration is given to the role of the following:

The Trust Board plays a key role in ensuring that the Trust has in place correct policies and procedures to ensure the operation of effective internal controls and in scrutinising performance, including financial performance. The Board receives regular reports on these matters and also raises areas of concern with senior managers where it feels that further work is needed. The Board reviewed and approved revised Standing Orders, Financial Instructions and the Scheme of Delegation when Greater Manchester Probation Trust was formed on 1 April 2009 and again in April 2011 and April 2012 to reflect changes to the delegated authority framework. It received the Audit Commission Annual Audit Letter on 22 June 2012, after an unqualified opinion on the accounts was issued. In line with the HM Treasury Corporate Governance Good Practice Code, the Board has in place formal procedures for the appointment and supervision of board members, induction and training for the board, a high quality of timely management information presented to the board, annual appraisals for all board members and a dedicated board

secretary resource. These support the board's development and ensure that it remains effective in carrying out a key role for the Trust.

The Audit Committee's work during the year included the business risk register, internal and external audit plans, reviewing a programme of internal compliance audits and reviewing the work undertaken by internal audit. The committee's Terms of Reference were revised during 2010 to meet the model standards laid down in the HM Treasury Audit Committee Handbook (2007) and to ensure that its work remains focussed and relevant. The Chair of the Committee is in receipt of a copy of all internal audit reports produced and Committee receives regular reports on the implementation of all internal audit recommendations. The Committee also receives updates on progress against an action plan formulated from the recommendations in the Annual Audit Letter and provides scrutiny on its implementation. Due to timings, the draft Annual Governance Statement was not presented to the Audit Committee but to the full Board, with the draft outturn, on 10 May 2013. The Audit Committee is accountable to the full board and will be presenting an annual report of its activity to the Board in July 2013.

The Internal Audit service to the Trust is provided by the Ministry of Justice Audit and Corporate Assurance (ACA) unit under an agreed service delivery framework. An audit plan is prepared annually and approved by the Trust's Audit Committee. The Regional Audit Manager reports to the Committee on progress against the plan and other audit matters. On the basis of work undertaken during the year the ACA produces an Annual Report. The report for 2012/13 was received on 27 March 2013 and gave an overall assessment of 'reasonable assurance' based on audit activity during the year. Of the 6 individual audit reports which recorded an assurance statement, 2 gave an assessment of 'green', 2 an assessment of 'amber/ green', 1 an assessment of 'amber/ red' (Sickness Absence Management) and 1 an assessment of 'red' (Offender Management of Multiple Orders). The latter audit was the subject of a separate and detailed report by the Director of Operations and has also been reported to the Trust Board. Progress on other recommendations is monitored by the Audit Committee.

An explicit statement of the effectiveness of our governance and control framework is the delivery, as projected for most of the financial year, of a balanced budget with a £26k overspend (0.06% of the total £47m budget).

A number of actions to be carried out in 2012/13 which would strengthen the control framework were identified in the Annual Governance Statement last year. Progress made in relation to those actions is summarised below:

- All LDUs and departments were established as 'business units' as part of the 2013/14 budget setting process with clear delegated accountabilities and responsibilities for financial, human and other resources within the Scheme of Delegation
- The Metropolitan Area Capacity Model (MACM) has been further developed during the year and rolled out to business units to support local resource modelling and understanding of the resource requirements and implications of business change
- The Trust has begun to progress its Activity Based Costing (ABC) project and the data generated is providing a better understanding of costs and of opportunities for efficiency.

Whilst my assessment is that the overall system of governance and internal control operates effectively the following additional action is planned for 2013/14 which will further strengthen the system and address weaknesses:

- The implementation of delegation letters and Service Level Agreements between corporate services and business units will clarify and allow better monitoring of compliance with essential control systems across the Trust
- Following on from the ICO audit in 2012/13, there are a number of recommendations which will be implemented during the year which will improve the robustness of information security and management
- A review of the local Business and Performance Manager (BPM) role in 2012/13 has led to the redesign of this critical business unit role which has been implemented in May 2013. This redefines the role to focus on resource management and generation and on acting as the business 'hub' of the

local delivery unit. Having this redesigned role in place should mean an increase in the resource management skill set of the individuals in post and better liaison between corporate services and the delegated functions in the LDUs.

The Trust is satisfied that it has sound governance in place and that it is compliant in all material aspects with the relevant sections of the Corporate Governance Code in all its guidance and complexities.

Board Attendance

Trust Board members and advisors achieved an 80% attendance rate during 2012/13.

		Meetings attended
Chief Executive Officer	Ms Roz Hamilton	6 / 7
Chair	Mrs Hilary Tucker	7 / 7
Board Member	Mrs Gita Conn	6 / 7
Board Member	Mr Michael Hyman	5 / 7
Board Member	Judge Tony Gee	0 / 7
Board Member	Mrs Coren Williams	7 / 7
Board Member	Mrs Viv Carter	7 / 7
Board Member	Mr Peter Henson	6 / 7
Board Member	Mr Sydney Lloyd	7 / 7
Board Member	Mr Abdul Malik-Ahad	5 / 7



Accounting Officer

20th June 2013

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

Audit Certificate

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

Respective responsibilities of the Chief Executive and auditor

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

Scope of the audit of the financial statements

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

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

Opinion on regularity

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

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of Greater Manchester 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.

Opinion on other matters

In my opinion:

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

Matters on which I report by exception

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

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

Report

I have no observations to make on these financial statements.

Amyas C E Morse
Comptroller and Auditor General

Date 3rd July 2013

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

5. 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)	37,287	38,450
Other administration costs	6(a)	13,471	12,224
Income	7(a)	(50,087)	(50,851)
Net administration costs		671	(177)
Programme costs			
Staff costs	3(a)	646	551
Other programme costs	6(b)	23	15
Income	7(b)	(711)	(566)
Net programme costs		(42)	0
Net operating costs		629	(177)
Expected return on pension assets	4(d)	(8,605)	(10,040)
Interest on pension scheme liabilities	4(d)	9,631	9,738
Net operating costs before taxation		1,655	(479)
Taxation	5	1	1
Net operating costs after taxation		1,656	(478)

Other Comprehensive Expenditure

	Notes	2012–13 £000	2011–12 £000
Net (gain)/loss on revaluation of property, plant and equipment	8	21	1
Pension actuarial (gain)/loss	23	11,991	22,150
Total comprehensive expenditure for the year ended 31 March 2013		13,668	21,673

The notes on pages 31 to 57 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	188	236
Intangible assets	9	0	11
Total non-current assets		188	247
Current assets			
Trade and other receivables	12(a)	1,043	1,439
Cash and cash equivalents	13	3,353	4,553
Total current assets		4,396	5,992
Total assets		4,584	6,239
Current liabilities			
Trade and other payables	14(a)	(3,452)	(3,869)
Provisions	15	0	(149)
Taxation payables	14(a)	(1,855)	(2,898)
Total current liabilities		(5,307)	(6,916)
Non-current assets plus/less net current assets/(liabilities)		(723)	(677)
Non-current liabilities			
Pension liability	4(c)	(60,273)	(46,685)
Total non-current liabilities		(60,273)	(46,685)
Assets less liabilities		(60,996)	(47,362)
Taxpayers' equity			
General fund	23	(61,013)	(47,400)
Revaluation reserve – property, plant and equipment	24(a)	16	37
Revaluation reserve – intangible assets	24(b)	1	1
		(60,996)	(47,362)

The financial statements on pages 27 to 30 were approved by the Audit Committee on 20th June 2013 and were signed on its behalf by



Accounting Officer

20th June 2013

The notes on pages 31 to 57 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	23	(1,656)	478
Adjustments for non-cash transactions	6(a)	72	268
Adjustments for pension cost	4(d)	1,597	(475)
Decrease/(Increase) in receivables	12(a)	396	1,683
(Decrease)/(Increase) in payables	14(a)	(1,460)	134
Utilisation of provisions	15	(149)	(16)
Less payments of amounts due to Consolidated Fund to NOMS	14(a)	0	4
Net cash outflow from operating activities		(1,200)	2,076
Cash flows from investing activities			
Proceeds on disposal of property, plant and equipment	8	0	5
Net cash outflow from investing activities		0	5
Cash flows from financing activities			
Payments of amounts due to the Consolidated Fund to NOMS		0	(4)
Net financing		0	(4)
Net (Decrease)/increase in cash and cash equivalents in the period		(1,200)	2,077
Cash and cash equivalents at the beginning of the period	13	4,553	2,476
Cash and cash equivalents at the end of the period	13	3,353	4,553
(Decrease)/Increase in cash		(1,200)	2,077

The notes on pages 31 to 57 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		(25,727)	37	(25,690)
Changes in taxpayers' equity for 2011–12				
Net operating cost after taxation	SocNE	478	0	478
Net gain/(loss) on revaluation of property, plant and equipment	24(a)	0	1	1
Transferred from revaluation reserve	23	(1)	0	(1)
Pension actuarial (loss)/gain	23	(22,150)	0	(22,150)
Balance as at 31 March 2012		(47,400)	38	(47,362)
Changes in taxpayers' equity for 2012–13				
Net operating cost after taxation	SocNE	(1,656)	0	(1,656)
Net gain/(loss) on revaluation of property, plant and equipment	24(a)	0	(21)	(21)
Transferred from revaluation reserve	23	34	0	34
Pension actuarial (loss)/gain	23	(11,991)	0	(11,991)
Balance as at 31 March 2013		(61,013)	17	(60,996)

The notes on pages 31 to 57 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 IAS19 that will come into force for the 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 to the Statement of Comprehensive Expenditure of £1,229,000.

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

Implementation of the new arrangements will require a Statutory Instrument to be issued by the Secretary of State under the Offender Management Act 2007, subject to negative affirmation. This had not been drafted at the date the Annual Report and Accounts were approved. Senior management has concluded therefore that, having reviewed the results of the consultations within the context of the Financial Reporting Manual (FReM), it is appropriate for the Trust to prepare the 2012–13 Annual Report and Accounts on a going concern basis, with disclosure of a 'material uncertainty' around going concern, arising from the recommendations of the report, Transforming Rehabilitation: A strategy for Reform.

1.4 Property, plant and equipment

Non-current assets are included at cost upon purchase and are restated at each Statement of Financial Position date using the Price Index Numbers for Current Cost Accounting (Office for National Statistics). The minimum level for capitalisation of a tangible non-current asset is £10,000, inclusive of any irrecoverable VAT element, where appropriate.

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

Revaluation of non-current assets

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

1.5 Depreciation

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

Asset lives are currently in the following ranges:

Information technology	3 to 5 years depending on individual asset type with the exception of 1 item (server) with a life of 15 years
Plant & equipment	5 years with the exception of 1 item (Graffiti Removal Plant) with a life of 10 years
Vehicles	5 to 13 years depending on individual asset type
Furniture, fixtures & fittings	5 years

1.6 Impairment

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

1.7 Intangible non-current assets

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

The minimum level for capitalisation of an intangible non-current asset is £10,000, inclusive of any irrecoverable VAT element, where appropriate.

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

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

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

The intangible assets (Software and Development) are amortised over 3 years using the straight-line.

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

1.8 Inventories

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

1.9 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.

1.10 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.

1.11 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.

Actuarial gains and losses which are calculated in line with IAS19 are recognised in the SOCNE in the year in which they arise.

1.12 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.

1.13 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.

1.14 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, 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. The segments reflect the Trust’s own individual structure allowing the Board to have a clear view on the costs of front-line operations. This is in accordance with IFRS 8 Segmental Reporting.

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 26**.

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

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

	2012–13	2011–12
Operational Unit	Net Expenditure (£000)	Net Expenditure (£000)
Offender management	27,268	24,531
Interventions	11,199	10,594
Corporate & Commercial	8,577	12,881
Total Net Expenditure	47,044	48,006
Contract Income	(47,017)	(48,009,)
Overspend/(Underspend)	27	(3)

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	31,512	30,626	886	33,091
Social security costs	2,347	2,347	0	2,441
Other pension costs	4,970	4,970	0	4,340
Sub-total	38,829	37,943	886	39,872
Less recoveries in respect of outward secondments	(896)	(896)	0	(871)
Total staff costs	37,933	37,047	886	39,001
Administration-related staff costs	37,287	36,401	886	38,450
Programme-related staff costs	646	646	0	551
	37,933	37,047	886	39,001

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**. The change in other pension costs relates primarily to the past service cost which in 2012-13 is £423k (2011-12 £36k).

6 people (2011-12: 1 person) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £237,526 (2011-12: £5,825).

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
	1,069	1,039	30
			1,133

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	14	14	0	8	8
£10,000–£25,000	0	10	10	0	10	10
£25,000–£50,000	0	7	7	0	2	2
£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	33	33	0	20	20
Total resource cost £000	0	667	667	0	271	271

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. The 33 exit packages agreed during 2012–2013 equate to 30.5 full time equivalent posts which will result in estimated savings of £1,099,016 per annum.

4. Pensions costs

Pension benefits are provided through the Local Government Pension Scheme (LGPS) which for GMPT is administered by Greater Manchester Pension Fund. This is a statutory scheme and intended to be a fully funded scheme which 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 each year of service. In addition, up to and including 31/3/08 a lump sum equivalent to 3/80th of pensionable pay for each year of service is payable on retirement. With effect from 1/4/08, extra lump sum can be purchased from the annual pension at the rate of £12 lump sum for every £1 from the annual pension. Members pay contributions dependant upon pensionable earnings in accordance with the table below.

2012–13	
Members Contributions	
% (of pensionable pay)	
Up to £13,500	5.5
£13,501 to £15,800	5.8
£15,801 to £20,400	5.9
£20,401 to £34,000	6.5
£34,001 to £45,500	6.8
£45,501 to £85,300	7.2
Over £85,301	7.5

Pensions payments are increased in line with the Consumer Price Index. On death, pensions are payable to the surviving spouse at the rate of half the member's pension. On death in service the scheme pays a death grant of three times pensionable pay and also provides a service enhancement on computing the spouse's pension, which depends on length of service. Medical retirement is possible in the event of serious ill-health. In this case, pensions are brought into payment immediately without actuarial reduction and with service enhanced as for widow(er) pensions." The closing liability valuation for 31 March 2012 was estimated based on the period 1 April 2012 to 31 December 2012.

4a Pension costs

A full actuarial valuation was carried out at 31 March 2010 by Hymans Robertson LLP. For 2012–13, employers' contributions of £4,399k were payable to the LGPS (2011–12 £4,513k) at a rate of 16.2% of pensionable salary. 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.

Partnership accounts are excluded under IAS19.

The approximate employer's pension contributions for the three years since 2010; were 16.2% of pensionable salaries in 2012–13, will be 16.9% of pensionable salaries for 2013–14 and will amount to approximately £4,231,000, and will be 16.9% of pensionable salaries in 2014–15 subject to the next tri-annual review.

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

	2012–13	2011–12
	%	%
Inflation assumption	2.8%	2.5%
Rate of increase in salaries	4.6%	4.3%
Rate of increase for pensions in payment and deferred pensions	4.5%	5.6%
Discount rate	4.5%	4.8%

Life expectancy is based on the Fund's Vita Curves with improvements in line with the Medium Cohort and a 1% p.a. underpin from 2010. Based on these assumptions the average future life expectancies at age 65 are summarised below:

	Males	Females
Current pensioners	20.1 years	22.9 years
Future pensioners (assuming members aged 45 as at the last formal valuation date)	22.5 years	25.0 years

40 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%	72%	126,449	6.3%	70%	107,792
Government bonds	4.5%	17%	29,856	3.9%	18%	27,718
Other bonds	0.0%	0%	0	0.0%	0%	0
Property	4.5%	5%	8,781	4.4%	5%	7,699
Other	4.5%	6%	10,537	3.5%	7%	10,779
Total		100%	175,623		100%	153,988
(Present value of scheme liabilities)			(235,896)			(200,673)
Surplus/(deficit) of the scheme			(60,273)			(46,685)
Net pension asset/(liability)			(60,273)			(46,685)

4d. Analysis of amounts recognised in SoCNE

	2012–13	2011–12
	£000	£000
Pension cost		
Current service cost	4,524	4,243
Past service cost	423	36
Effect of curtailment	23	61
Effect of settlement	0	0
Total operating charge	4,970	4,340

	2012–13	2011–12
	£000	£000
Analysis of interest cost on pension scheme – assets/(liabilities)		
Expected return on pension scheme assets	(8,605)	(10,040)
Interest on pension scheme liabilities	9,631	9,738
Net interest costs	1,026	(302)

The above figures are based on the current version of IAS19. Changes to IAS19 come into effect for the financial year to 31 March 2014. The changes will be adopted retrospectively for the prior year, in accordance with IAS8. The effect of the change to IAS19 on the SoCNE to 31 March 2013 will be an increase of £1,229,000.

4e. Analysis of amounts recognised in other comprehensive expenditure

	2012–13	2011–12
	£000	£000
Pension actuarial gain/(loss)	(11,991)	(22,150)
Irrecoverable surplus (if applicable)	0	0
Total shown in other comprehensive expenditure	(11,991)	(22,150)

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

	2012–13	2011–12
	£000	£000
Opening present value of liabilities	200,673	177,478
Current service cost	4,524	4,243
Interest cost	9,631	9,738
Contributions by members	1,669	1,746
Actuarial (gains)/losses on liabilities*	25,656	14,304
Benefits paid	(6,576)	(6,807)
Past service cost	423	36
Unfunded benefits paid	(127)	(126)
Curtailments	23	61
Settlements	0	0
Closing present value of liabilities	235,896	200,673

* 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	153,988	152,468
Expected return on assets	8,605	10,040
Actuarial gains/(losses) on assets	13,665	(7,846)
Contributions by the employer	4,399	4,513
Contributions by members	1,669	1,746
Benefits paid	(6,576)	(6,807)
Net increase from disposals and acquisitions	0	0
Unfunded benefits paid	(127)	(126)
Curtailments	0	0
Settlements	0	0
Closing fair value of assets	175,623	153,988

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	175,623	153,988	152,468	145,398	104,899
Present value of liabilities	235,896	200,673	177,478	218,507	129,065
Surplus/(deficit)	(60,273)	(46,685)	(25,010)	(73,109)	(24,166)
Experience gains/(losses) on scheme assets	13,665	(7,846)	(3,146)	31,268	(30,183)
Experience gains/(losses) on scheme liabilities	208	(2,360)	10,631	(22)	(20)
Percentage experience gains/(losses) on scheme assets	8%	-5%	-2%	22%	-29%
Percentage experience gains/(losses) on scheme liabilities	0%	-1%	6%	0%	0%

4i. Sensitivity analysis

IAS1 requires the disclosure of the sensitivity of the results to the methods and assumptions used. The sensitivities regarding the principal assumptions used to measure the scheme liabilities are set out in the table below.

	Approximate increase to employer liability	Approximate monetary amount
	%	£000
0.5% decrease in Real Discount Rate	10	23,969
1 year increase in member life expectancy	3	7,077
0.5% increase in the Salary Increase Rate	3	7,220
0.5% increase in the Pension Increase Rate	7	16,409

5. Taxation

	2012–13	2011–12
	£000	£000
UK corporation tax	1	1
Total	1	1

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 (CT) on their profits and 'profit' for this purpose means income and chargeable gains.

The value shown for 2012–13 is the anticipated CT liability for the year subject to a more detailed computation to be undertaken in line with normal CT filing timetables and deadlines.

6. Other administrative costs and programme costs

6a. Administration costs

	2012-13		2011-12	
	£000	£000	£000	£000
Interest charges	0		2	
Accommodation, maintenance and utilities	5,673		5,755	
Travel, subsistence and hospitality	596		607	
Professional services	2,625		1,976	
IT services	1,672		1,715	
Communications, office supplies and services	1,125		1,034	
Other staff related	1,163		274	
Offender costs	443		515	
Other expenditure	40		7	
External Auditors' remuneration – statutory accounts	34		38	
Internal Auditors' remuneration and expenses	28		33	
		13,399		11,956
Non-cash items:				
Depreciation of tangible non-cash assets	61		70	
Amortisation of intangible non-cash assets	11		39	
Profit/(loss) on disposal of tangible non-cash assets	0		10	
Other provisions provided for in year	0		149	
		72		268
Total		13,471		12,224

6b. Programme costs

Current expenditure	23		15	
Total		23		15
Total other administration and programme costs		13,494		12,239

7. Income

7a. Administration income

	2012-13		2011-12	
	£000	£000	£000	£000
Income receivable from the sponsoring department – NOMS	47,017		48,009	
		47,017		48,009
Other income received from Probation Trusts		88		120
Other income from NOMS		212		176
Other income from other Government departments		2,199		1,995
Miscellaneous income		566		545
		50,082		50,845
Interest received:				
From bank	5		6	
Total interest received		5		6
Total administration income		50,087		50,851

7b. Programme income

Other EU income	711		566	
Total programme income		711		566
Total income		50,798		51,417

8. Property, plant and equipment

	2012-13					Total £000
	Information technology	Plant and machinery	Transport equipment	Furniture, fixtures and fittings	Payments on account and assets under construction	
	£000	£000	£000	£000	£000	
Cost or valuation						
As at 1 April 2012	77	31	490	0	0	598
Disposals	(70)	(10)	0	0	0	(80)
Indexation/revaluation	2	1	31	0	0	34
As at 31 March 2013	9	22	521	0	0	552
Depreciation						
As at 1 April 2012	74	22	266	0	0	362
Charge in year	3	3	55	0	0	61
Disposals	(70)	(10)	0	0	0	(80)
Indexation/revaluation	1	1	19	0	0	21
As at 31 March 2013	8	16	340	0	0	364
Carrying value as at 31 March 2013	1	6	181	0	0	188
Carrying value as at 31 March 2012	3	9	224	0	0	236
Asset financing						
Owned	1	6	181	0	0	188
Carrying value as at 31 March 2013	1	6	181	0	0	188

8. (Continued)

	2011-12					Total £000
	Information technology	Plant and machinery	Transport equipment	Furniture, fixtures and fittings	Payments on account and assets under construction	
	£000	£000	£000	£000	£000	
Cost or valuation						
As at 1 April 2011	77	31	611	0	0	719
Disposals	0	0	(122)	0	0	(122)
Indexation/revaluation	0	0	1	0	0	1
As at 31 March 2012	77	31	490	0	0	598
Depreciation						
As at 1 April 2011	72	18	308	0	0	398
Charge in year	2	4	64	0	0	70
Disposals	0	0	(107)	0	0	(107)
Indexation/revaluation	0	0	1	0	0	1
As at 31 March 2012	74	22	266	0	0	362
Carrying value as at 31 March 2012	3	9	224	0	0	236
Carrying value as at 31 March 2011	5	13	303	0	0	321
Asset financing						
Owned	3	9	224	0	0	236
Carrying value as at 31 March 2012	3	9	224	0	0	236

9. Intangible assets

	2012-13				
	Development	Software	Licences	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000
Cost or valuation					
As at 1 April 2012	0	116	0	0	116
Disposals	0	(5)	0	0	(5)
Indexation/revaluation	0	1	0	0	1
As at 31 March 2013	0	112	0	0	112
Amortisation					
As at 1 April 2012	0	105	0	0	105
Charge in year	0	11	0	0	11
Disposals	0	(5)	0	0	(5)
Indexation/revaluation	0	1	0	0	1
As at 31 March 2013	0	112	0	0	112
Carrying value as at 31 March 2013	0	0	0	0	0
Carrying value as at 31 March 2012	0	11	0	0	11
Asset financing					
Owned	0	0	0	0	0
Carrying value as at 31 March 2013	0	0	0	0	0

9. (Continued)

	2011-12				
	Development	Software	Licences	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000
Cost or valuation					
As at 1 April 2011	0	116	0	0	116
Additions	0	0	0	0	0
As at 31 March 2012	0	116	0	0	116
Amortisation					
As at 1 April 2011	0	66	0	0	66
Charge in year	0	39	0	0	39
As at 31 March 2012	0	105	0	0	105
Carrying value as at 31 March 2012	0	11	0	0	11
Carrying value as at 31 March 2011	0	50	0	0	50
Asset financing					
Owned	0	11	0	0	11
Carrying value as at 31 March 2012	0	11	0	0	11

10. Impairments

There were no asset impairments during either 2012–13 or 2011–12.

11. Assets held for sale

There were no assets held for sale at either 31st March 2013 or 31st March 2012

12. Trade receivables and other current assets

12a. Analysis by type

	2012–13 £000	2011–12 £000
Amounts falling due within one year		
Trade receivables	94	112
Deposits and advances	0	86
Receivables due from Probation Trusts	7	176
Receivables due from NOMS agency	59	263
Receivables due from Ministry of Justice – core	0	6
Receivables due from all other Government departments	463	645
Other receivables	0	3
Prepayments	127	148
Accrued income	293	0
	1,043	1,439
Amounts falling due after more than one year		
Trade receivables	0	0
	0	0
Total	1,043	1,439

12b. 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)	74	445	0	0
Balances with local authorities	547	576	0	0
Balances with NHS bodies	22	69	0	0
	643	1,090	0	0
Balances with bodies external to Government	400	349	0	0
Total	1,043	1,439	0	0

13. Cash and cash equivalents

	2012–13 £000	2011–12 £000
Balance at 1 April	4,553	2,476
Net change in cash and cash equivalents	(1,200)	2,077
Balance at 31 March	3,353	4,553
The following balances at 31 March are held at:		
Commercial banks and cash in hand	3,353	4,553
Balance at 31 March	3,353	4,553

14. Trade payables and other current liabilities

14a. Analysis by type

	2012–13	2011–12
	£000	£000
Amounts falling due within one year (excluding taxation)		
Trade payables	842	697
Accruals	2,510	586
Deferred income	11	46
Staff payables	30	0
Payables due to Probation Trusts	1	43
Payables due to NOMS Agency	10	2,261
Payables due to all other Government departments	48	236
	3,452	3,869
Tax falling due within one year		
VAT	1,010	1,962
Corporation tax	1	3
Other taxation and social security	844	933
	1,855	2,898
Total amounts falling due within one year	5,307	6,767
Amounts falling due after more than one year		
Staff payables	0	0
	0	0
Total	5,307	6,767

14b. Intra-Government payables

	Amounts falling due within one year		Amounts falling due after more than one year	
	2012–13	2011–12	2012–13	2011–12
	£000	£000	£000	£000
Balances with other central Government bodies (inc. parent department)	1,867	5,202	0	0
Balances with local authorities	625	236	0	0
	2,492	5,438	0	0
Balances with bodies external to Government	2,815	1,329	0	0
Total	5,307	6,767	0	0

15. Provisions for liabilities and charges

	2012–13	2011–12
	£000	£000
Balance at 1 April	149	16
Provided in year	0	149
Provision utilised in the year	(149)	(16)
Balance as at 31 March	0	149

	2012–13	2011–12
	£000	£000
Analysis of expected timing of discount flows		
Not later than one year	0	149
Current liability	0	149
Later than one year and not later than five years	0	0
Later than five years	0	0
Non-current liability	0	0
Balance as at 31 March	0	149

16. Capital commitments

There were no capital commitments at 31 March 2013 or 31 March 2012.

17. Commitments under lease

17a. Operating leases

There were no operating leases.

17b. Finance leases

There were no finance leases

18. Other financial commitments

The Trust has no non-cancellable contracts as at 31 March 2013. There were no non-cancellable contracts as at 31 March 2012.

19. Deferred tax asset

There is no deferred tax asset held as at 31 March 2013, and there was no deferred tax asset held as at 31 March 2012.

20. Financial instruments

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

21. Contingent liabilities

The Trust does not have any contingent liabilities as at 31 March 2013, and there were no contingent liabilities as at 31 March 2012.

22. Losses and special payments

22a. Losses statement

	2012–13		2011–12	
	Number of cases	Total value £000	Number of cases	Total value £000
Cash losses	8	0	0	0
Administrative write-offs	39	37	6	2
Total	47	37	6	2

22b. Special payments schedule

	2012–13		2011–12	
	Number of cases	Total value £000	Number of cases	Total value £000
Special payments	1	0	7	2
Total	1	0	7	2

There was one special payment amounting to £40 in 2012–13.

23. General fund

	2012–13	2011–12
	£000	£000
Balance at 1 April	(47,400)	(25,727)
Prior period adjustment (Note 28)	0	0
Balance restated at 1 April	(47,400)	(25,727)
Financing	0	0
Net transfers from Operating Activities:		
Statement of Comprehensive Net Expenditure	(1,656)	478
Transferred from revaluation reserve	34	(1)
Actuarial gains and losses	(11,991)	(22,150)
Balance at 31 March	(61,013)	(47,400)

24. Revaluation reserve

24a. Property, plant and equipment

	2012–13	2011–12
	£000	£000
Balance at 1 April	37	36
Prior period adjustment (Note 28)	0	0
Balance restated at 1 April	37	36
Arising on revaluations of PPE during the year (net)	13	0
Transferred to General Fund	(34)	1
Balance at 31 March	16	37

24b. Intangibles

	2012–13	2011–12
	£000	£000
Balance at 1 April	1	1
Prior period adjustment (Note 28)	0	0
Balance restated at 1 April	1	1
Arising on revaluations of intangibles during the year (net)	0	0
Transferred to General Fund	0	0
Balance at 31 March	1	1

25. Related party transactions

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

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.

26. Third-party assets

The Greater Manchester Probation and After Care Social Welfare Fund, a registered charity, is operated by the Service. Trustees are the Chief Officer, Deputy Chief Officer, and members of the Probation Board. The purpose of the fund is to provide assistance to those under the supervision of the Service. Income during the year was £859 and expenditure was £200. In addition shares held by the Fund increased in value by £251. The Fund had net assets of £25,085 at year ending 31 March 2013. Separate accounts are produced for the Fund and they are not included in these Statements. These are not Trust assets and are not included in the accounts. The assets held at 31 March 2013 comprised monetary assets, such as bank balances and monies on deposit, listed securities, trust funds, amenity funds.

	31 March 2013	Funds paid in during the year	Funds paid out during the year	31 March 2012
	£000	£000	£000	£000
Greater Manchester Probation and After Care Social Welfare Fund	25	1	0	24
	25	1	0	24

27. Events occurring after the reporting period

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

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

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


28. Prior period adjustments

No prior period adjustments were necessary in the production of these accounts.

Accounts Direction

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

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



Edward Kirby

On behalf of the Secretary of State for the Ministry of Justice
6 March 2013

Appendix 1

35 Probation Trusts:

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

6. Sustainability report

Introduction

This is the second Sustainability Report for Greater Manchester 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. **The sustainability report is not subject to audit.** Sustainability focus is on achieving government targets, reducing environmental impact and reducing costs. Priorities include reducing carbon emissions, water consumption and waste to landfill. Information contained in this report will be used to inform the MOJ consolidated report in the Ministry’s Annual Report and Accounts.

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.

This report focuses on the environmental challenges that most affect our estate. This includes the environmental impact of our energy and water use, waste generation and recycling together with the costs associated with each of these.

Governance, responsibilities and internal assurance

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

Greening Government Commitments

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

Climate change adaption and mitigation

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

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

Carbon Reduction Commitment (CRC)

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

Carbon Management Plan (CMP)

A CMP is a systematic approach to reducing greenhouse gas emissions; integrating technical, financial, corporate governance and communications within an overarching strategy. A CMP covers the entire

probation estate across 35 Trusts and was developed in partnership with the Carbon Trust. MoJ SDT is working to consolidate all CMPs, including those in place in the Prison Service and Courts & Tribunals to deliver a single cohesive approach with costed projects for each unit to provide an overarching framework to tackle climate change.

Our vision is to:

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

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

Environmental Management System (EMS)

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

Sustainable procurement

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

Our priorities

In its Environmental Strategy, the Trust laid down the following commitments and priorities:

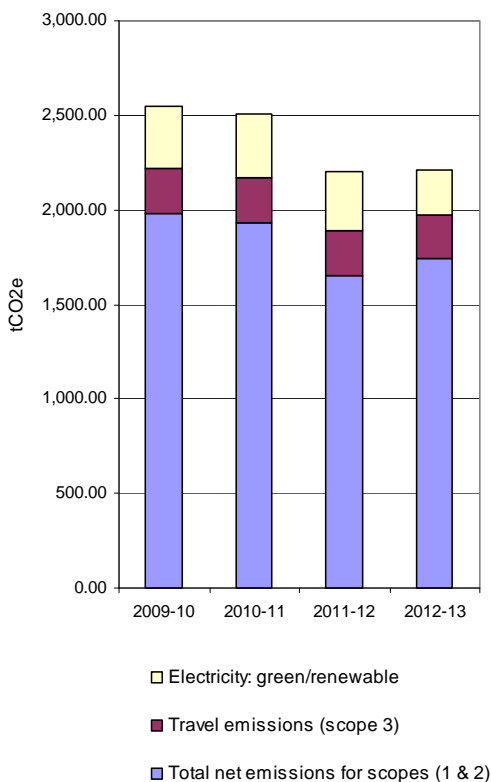
- **Service Delivery:** In all aspects of our service delivery and planning we will consider the impact on the Environment. This will include such things as:
 - Delivering Environmental projects through our Community Payback
 - Considering the impact on carbon emissions of any service redesigns (e.g. increases in staff or offender mileage)
- **Waste Management:** We recognise the impact that waste can have on our environment and our costs. Accordingly, in the use of all materials in the pursuit of our business we will:
 - Use recycled materials (e.g. paper) on all occasions where the cost differential is less than 10%
 - Work with our facilities management provider to improve recycling facilities in all of our establishments
 - Conserve paper, printing documents and emails only when needed and double sided where possible
- **Energy:** We will strive to reduce energy consumption and associated greenhouse gas emissions by reviewing current practices and encouraging the adoption of energy efficiency measures. These will include:
 - Encouraging all staff to switch off lights and IT equipment when not in use
 - Working with the Home Office Property Group to identify and use the most energy efficient technologies when undertaking property developments, such as high efficiency lighting and heating systems and adequate levels of insulation
- **Pollution:** We will avoid, where possible, the use of environmentally damaging substances, materials and processes, by purchasing environmentally friendly alternatives where these exist and the cost differential is less than 10%.
- **Transport:** We encourage our staff and offenders to use those transport methods which minimise environmental impact most. Where possible, we will use video or telephone conference links to minimise travel. Our positive steps will include:
 - Establishing a cycle to work scheme, supporting employees to buy a cycle should they wish to
 - Reduce the number of contract car parking spaces we purchase, where public transport alternatives exist
 - Work with NOMS/Steria and Global Crossing to improve telephone and video conferencing arrangements via VOIP technology

- Using the accessibility of public transport as a critical factor in the assessment of new estate developments
- Using low cost, fuel efficient hire cars for longer employee journeys
- Consider environmental impact when purchasing fleet vehicles for community payback use
- **Procurement and Contract Management:** We will aim to source suppliers that demonstrate sound environmental practices. We will do so by considering environmental commitments and standards in our tender evaluation criteria and contractual documentation. We will aim to procure goods and services from sustainable and recycled sources. Our approach will be communicated to all suppliers to gain their commitment and enable cooperative working to find solutions to address our environmental impacts.

Performance summary
Greenhouse gas (GHG) emissions

		2009–10	2010–11	2011–12	2012–13
Non-financial indicators (tCO2e)	Total gross emissions for scopes 1 & 2	2,307.3	2,267.1	1,956.7	1,982.6
	Electricity: green/renewable	328.5	332.1	308.6	238.9
	Total net emissions for scopes 1 & 2	1,978.7	1,934.9	1,648.1	1,743.7
	Travel emissions scope 3	237.6	237.6	246.3	229.0
	Total gross GHG emissions (all scopes)	2,544.9	2,504.7	2,203.0	2,211.6
Non-financial indicators (kWh)	Electricity: Grid, CHP & non-renewable	1,894,118	1,914,803	1,779,372	1,377,338
	Electricity: renewable	631,372	638,267	593,124	459,112
	Gas	5,098,040	4,803,559	3,619,931	5,296,445
	Other energy sources	0	0	0	0
	Total energy	7,623,530	7,356,629	5,992,427	7,132,895
Financial indicators	Expenditure on energy	£425,027	£358,471	£353,392	£362,576
	Expenditure on official business travel	£675,003	£675,003	£726,222	£623,784

GHG Emissions by scope



Performance commentary (including targets)

Reported carbon dioxide emissions from our buildings appear to have stabilised in 2012/13 when compared to 2011/12. We would have expected to see a reduction in this figure, due to significant reductions in the size of our estate and also due to ongoing work from our environmental strategy group. An analysis of the figures provided by MoJ and our FM provider leads us to conclude that energy usage for at least some of our properties may have been incorrectly assigned across financial years. We would hope that these issues can be resolved in time for future environmental impact reports.

Controllable impacts commentary

The Trust is committed to reducing overall its greenhouse gas emissions and its use of business travel in line with the priorities set down in its environmental policy.

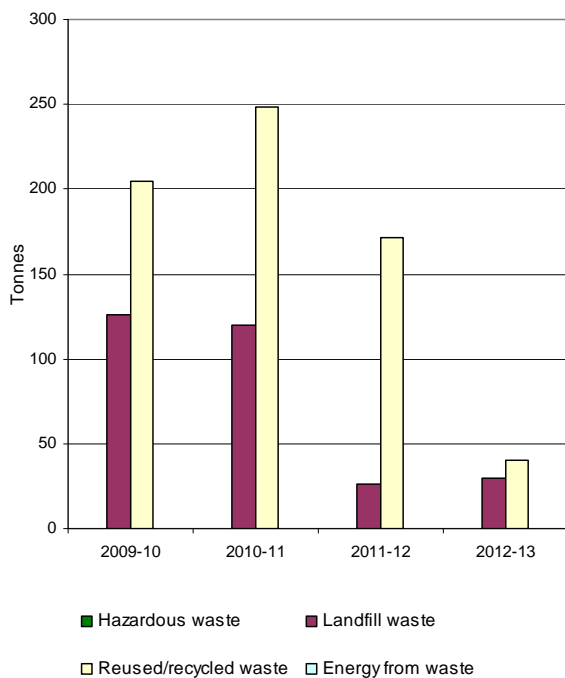
Overview of influenced impacts

During 2012/13, the Trust closed three of its older style buildings across the estate. We have also carried out a review of our video conferencing equipment and invested in improvements to our video conferencing equipment to reduce the need for business travel. Since we monitor travel usage figures ourselves, within the Trust, we are pleased to note a reduction in our overall travel emissions as a result and have confidence in these figures.

Waste

			2009–10	2010–11	2011–12	2012–13
Non-financial indicators (tonnes)	Hazardous waste	Hazardous waste	0	0	0	0
	Non-hazardous waste	Landfill waste	126	120	26	30
		Reused/recycled waste	205	248	171	40
		Energy from waste	0	0	0	0
		Total waste arising	331	368	197	70
Financial indicators	Hazardous waste	Hazardous waste	0	0	0	0
	Non-hazardous waste	Landfill waste	0	0	0	0
		Reused/recycled waste	0	0	0	0
		Energy from waste	0	0	0	0
		Total waste costs (£)	£0	£0	£0	£0

Waste by final disposal



Performance commentary (including targets)

Whilst we have been working to increase our recycling and to minimise the waste we produce, we would not expect to see a reduction in overall waste as significant as that recorded above by MoJ/ Interserve. We therefore have grave doubts about the accuracy of the figures and are unable to comment further.

Controllable impacts commentary

We have been working during 2012/13 to increase recycling and to reduce the amount of waste produced within our offices. However, this would not explain the dramatic reductions seen above.

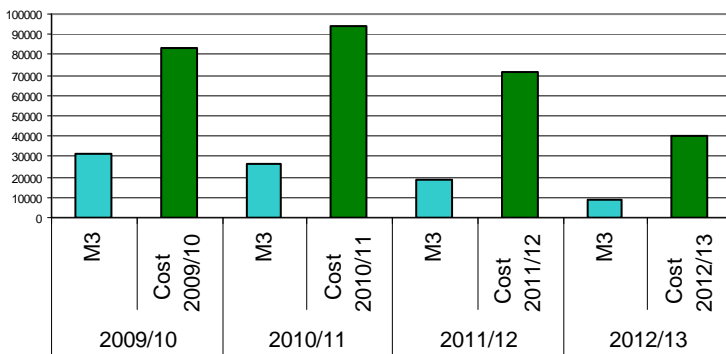
Overview of influenced impacts

Given our concerns about the figures, we are unable to comment further on how our actions have directly influenced our generation of waste.

Water

		2009–10	2010–11	2011–12	2012–13
Non-financial indicators	Total water consumption (cubic metres)	30,926	26,109	18,584	8,813
Financial indicators	Total water supply costs (£)	£83,104	£93,851	£71,239	£40,185

Water. Total consumption and costs.



Performance commentary (including targets)

The above figures seem to evidence a reduction in water usage of 53% over the last year; however, this seems too high to be explained by reductions in the estate or by better environmental practices.

Controllable impacts commentary

Water use is almost exclusively from washrooms and drinking. Some locations have restaurant facilities or similar and use water in heating and ventilation systems.

Overview of influenced impacts

Given our concerns about the figures, we are unable to comment further on how our actions have directly influenced our usage of water.

Paper

	2009–10	2010–11	2011–12	2012–13
Cost (excluding VAT)	£48,578	£40,526	£31,943	£32,143

Paper usage has remained static during 2012/13, with the increase in cost attributable to the increase in price. The reduction since 2010/11 is largely due to changes in copying practices (double sided etc) and initiatives to discourage staff from printing documents unless they really needed to do so.



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