



Essex Probation

Annual Report and Accounts 2012–2013



Essex Probation

Annual Report and Accounts

2012–2013

Presented to Parliament pursuant to The Government Resources and Accounts Act 2000 (Audit of Public Bodies) Order 2012 (S.I. 2012, No. 854).

Ordered by the House of Commons to be printed 17 July 2013

© Essex Probation (2013)

The text of this document (this excludes, where present, the Royal Arms and all departmental and agency logos) may be reproduced free of charge in any format or medium providing that it is reproduced accurately and not in a misleading context

The material must be acknowledged as Essex Probation copyright and the document title specified. Where third party material has been identified, permission from the respective copyright holder must be sought.

Any enquiries regarding this publication should be sent to us at Cullen Mill, 49 Braintree Road, Witham, Essex CM8 2DD
Telephone: 01376 501626

You can download this publication from www.essexprobation.org.uk

ISBN: 9780102985566

Printed in the UK by The Stationery Office Limited
on behalf of the Controller of Her Majesty's Stationery Office
ID 2573605 07/13

Printed on paper containing 75% recycled fibre content minimum.

Contents

Vision, Mission and Values	2
Foreword by the Chief Executive and Board Chair	3
1. Operational & Performance Review 2012–13	5
2. Governance Statement	8
3. Management Commentary	15
4. The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament	22
5. Sustainability report	59

Vision, Mission and Values

Our mission

Essex Probation makes communities safer by the effective and professional management of offenders – controlling and changing their behaviour

Our Vision

Essex Probation is nationally valued as an innovative and effective provider of services to make communities safer by providing a range of services that reduce re-offending.

Our values

Essex Probation values are those of fairness and openness. We recognise the contributions of our staff. We are content to be judged on the results we achieve. We work in strong partnerships with agencies that share our values.

Foreword by the Chief Executive and Board Chair

Essex Probation works hard to reduce levels of offending so as to better protect communities from the damaging effects of crime. At the heart of our work is the effective delivery of community sentences, the management of prison licences and victim protection. We have a strong reputation for engaging with other criminal justice agencies, local authorities, health trusts, employment and training providers and other organisations working together to make Essex a safer place for its communities.

Essex Probation continues to be a high performing Trust during a period of reducing financial resource. Our performance is measured by the national Probation Trust Rating System (PTRS), which compares each Trust's performance against that of others before delivering a rating. During 2012–13 Essex Probation continued to achieve an overall rating of 'Good' and improved performance to 'Exceptional' on the Reducing Re-Offending domain.

The organisation is part of local partnerships, dedicated to serving the people of Essex, Southend and Thurrock. We have worked alongside these partners and others in the private and voluntary sector to keep our work fresh, relevant and connected. We are committed to the Whole Essex Community Budget and the Chief Executive leads on the Reducing Re-Offending work stream with the Police and Crime Commissioner.

We are in a period of reducing financial resource, whilst demand is likely to continue to grow. We have made every effort to improve quality and the volume of service delivered. We also recognise, as a public service organisation, that we must bear in mind the needs of the public in our provision. We have worked to improve the public awareness of the work we do and the crucial part that we play in preventing crime and disorder.

The results of the "Transforming Rehabilitation" consultation paper were published on 9 May 2013, by the Secretary of State for Justice. These 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 competitive package areas which at a local level will 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, while retaining a commitment to localism.

We face considerable challenges as we implement the changes required to deliver the Government's plans for 'Transforming Rehabilitation'. The organisation will go through a series of structural changes over the coming year to prepare part of our current service delivery to be ready for a competitive tender process to commence during 2013. The remaining public sector arm of Probation work will also be reorganised as set out above. While detailed plans are still in development, we are committed to ensuring that our services continue to be delivered to the best of our ability. We have also started a communication programme to share information with our key stakeholders and our staff, as quickly as possible.

Essex Probation continues to be proactive, for example being the first Trust nationally to formalise our partnership with a private sector company. Our partnerships continue to provide opportunities for collaborative ventures and new ways of working across public, private and third sector boundaries. In addition, a group of staff have been successful in winning support from the Cabinet Office to explore the development of an employee-led Mutual, with the aim of competing for delivery of probation services when these contracts come to the market. We wish them every success in this venture.

Alan Hubbard
Board Chair

Mary Archer
Chief Executive

1. Operational & Performance Review 2012–13

Essex Probation priorities during 2012–13 have been to meet its contractual requirements and deliver the Business Plan. Our achievements during this year are summarised below:

Business Plan Outcomes 2012–13

Performance

- Performance against key targets has continued to improve. We have exceeded 18 out of the 19 service delivery requirements set.
- We have redesigned our internal performance management framework to focus on outcomes.
- OASys¹ assessments are completed to a high standard to ensure effective risk assessment and ongoing management of offenders in the community. Performance was above target at 89%.
- We have considered the diverse needs of the offender population and developed a plan to better identify and support the needs of disabled offenders. In 2012 we won the National Probation Award for Diversity.
- We have played a key role in the Whole Essex Community Budget Pilot and led on the reducing re-offending project which has now been accepted by the Essex Partnership.

Best for Local Communities

- We have continued to respond pro-actively to reviews of our work. Learning points from enquiries are clearly disseminated to our staff and systems are in place for the Audit Committee to monitor implementation.
- We have developed a framework to measure our delivery by outcomes, for example increasing the number of offenders successfully referred to bail and support services rather than remanded to costly prison places.
- The Essex Integrated Offender Management model has been fully implemented in partnership with Essex Police.
- We have promoted the work of Essex Probation to ensure the public and partners understand our role in the criminal justice system, through regular appearances on local radio, press interviews, and presentations to local authorities and members of parliament.

Valuing our People

- We continued to recognise the talent of our staff through the High Sheriff's award and achieving a winner in the National Probation Awards.
- Our staff survey achieved a response rate of 70% and an overall positive score of 84%, compared to 81% in 2010. We will use the feedback from the survey to form an action plan for further improvement in 2013–14.
- We have introduced new management competencies that fit with our aims and objectives and a new appraisal process for all middle manager roles.
- We have implemented a succession planning process for staff with aspirations to director and management level posts.

¹ OASys is an assessment tool used to assess the factors likely to reduce re-offending.

Using our Resources to Best Effect

- The national unit costs exercise has demonstrated once again that Essex Probation is one of the most cost effective probation trusts.

Dynamic Innovation

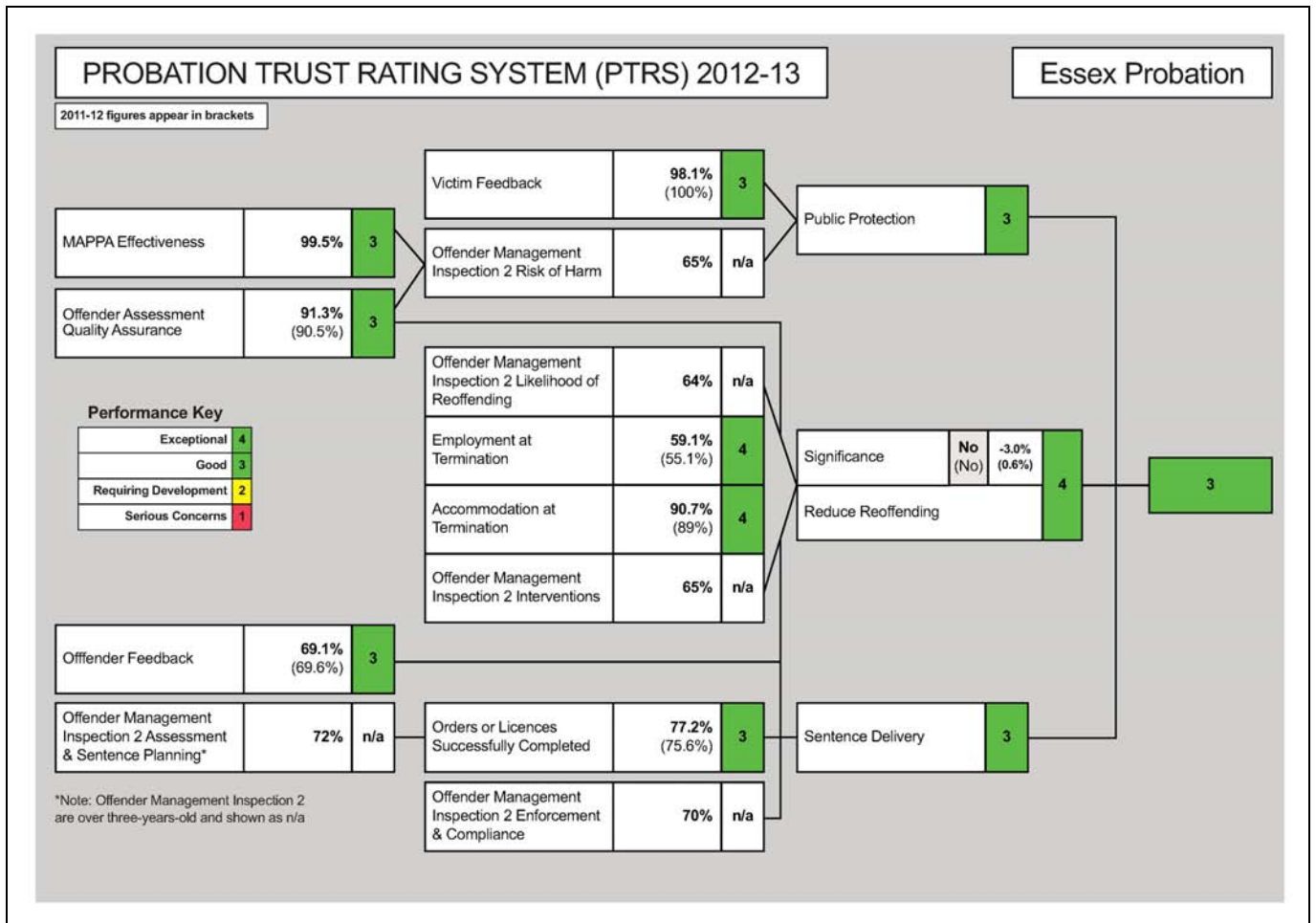
- We have established an ‘Innovations’ group which has generated 20 ideas so far. We have taken forward a number of these to generate improvements in the way we work.
- We developed a successful partnership with a private sector organisation and submitted a bid to deliver Community Payback in the London area.

Sickness absence data

The average levels of absence due to staff sickness for 2012–13 were 12.53 days across the Trust. This was an increase on the previous year average (7.8 days) and relates to an increase in long term sickness cases during the earlier part of the year. All sickness is managed in line with the organisation’s ill-health policies and performance had returned to 8.1 days in March 2013.

Progress against Key Performance Indicators

The performance of Essex Probation is measured by the National Offender Management Service using the Probation Trust Rating System (PTRS). During 2012–2013 Essex Probation once again achieved ‘Green Status’ and an overall rating of ‘Good’. Performance has improved from ‘Good’ to ‘Exceptional’ in the Reducing Reoffending domain. This places our performance above the national average with only 8 (of remaining 34) other Trusts achieving higher ratings across the three domain measures. We continue to strive for exceptional ratings across all domains.



Contract performance targets and outcomes for 2012–13 are shown in detail in the table below. Essex Probation exceeded all targets during the year:

Performance Targets and Outcomes for 2012–13

	Target	Performance
Employment at Termination	55%	59%
License Recall Requests	90%	99%
Enforcement	95%	100%
Accommodation at Termination	79%	91%
Orders or Licences Successfully Completed	73%	77%
OASys Quality	88%	91%
Indeterminate Sentence Prisoners parole report timeliness	80%	92%
Offender Feedback	67%	69%
Victim Feedback	90%	98%
Tier 2, 3, 4 and Prolific and Priority Offenders OASys Final Reviews	90%	89%
Court Report Timeliness	90%	100%
Multi Agency Public Protection Arrangement (MAPPA) Senior Management Board Attendance	75%	100%
MAPPA Level 2 & 3 Meeting Attendance	90%	94%
Violent and Sexual Offenders Register Effectiveness	90%	100%
Sex Offender Programme Completions	27	34
Domestic Violence Programme Completions	110	152
Accredited Offender Behaviour Programmes Completions	350	361
Community Payback Completions	1,700	1,826
Sustained Employment	330	448

2. Governance Statement

The Essex Probation Management Board

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 Mary Archer	
Chair	Mr Alan Hubbard	
Board Member	Mr Martin Bates	
Board Member	Mr Terry Collin	
Board Member	Mrs Jo Durning	
Board Member	Mr Robert Everitt	
Board Member	Mrs C Mellow	Resigned on 17 July 2012
Board Member	Dr Richard Moore	
Board Member	Mr Peter Wilcock	Resigned on 27 March 2013
Board Member	Mr Tim Young	

The Boards Register of Interest is published on the organisation's website (essexprobationtrust.org.uk). There were no significant conflicts of interest declared during the year and details of related party transactions are reported on page 55 of the Accounts.

Details of the remuneration of the Management Board are set out in the Remuneration Report on pages 18 to 20.

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.

Governance Framework

The role of the Board

The role of the Trust Board is to ensure that the Probation Trust has clear strategic aims that are delivered through a robust business plan to meet the contractual obligations to the Secretary of State for Justice. It achieves this by:

- Ensuring that the Secretary of State is kept informed of any changes that are likely to have an impact on the strategic direction of the Trust, its ability to deliver its targets and taking action to deal with such changes;
- Ensuring that any statutory or administrative requirements regarding the use of public funds are complied with;
- Ensuring that the Trust receives and reviews regular financial information concerning its management;
- Demonstrating high standards of corporate governance at all times;
- Ensuring that effective procedures for handling complaints about the Probation Trust are established and made widely known within the Probation Trust.

Day to day operational matters are delegated to the Chief Executive, but certain matters are reserved for Board consideration. These are set out fully in the Essex Probation Governance Handbook which can be found on our website (www.essexprobation.org.uk).

Key items are:

- Approval of the Trusts three year and annual plans
- Approval of the budget
- Approval of the annual report and accounts
- Notification of incidents of serious further offence by offenders supervised by officers of the Trust
- Notification of reportable health and safety incidents which are sufficiently serious as to require notification to the Health and Safety executive without delay

How the Board operates

The Board strives to follow the seven principles of public life: selflessness, integrity, objectivity, accountability, openness, honesty and leadership. It also complies with the HM Treasury Corporate Governance Code of Good Practice as it applies to non-departmental government bodies.

The Board plays a key role in scrutinising performance by reviewing reports from the Executive which are provided on an exception basis. These identify key concerns and corrective action taken or planned. The Board gains assurance on the quality of data provided through direct challenge and the oversight of its various committees, as well as reliance on the systems of assurance and internal control processes, described elsewhere in this report.

Board members also attend key meetings with both Executive and operational staff and receive briefings and training throughout the year.

During 2012–2013 the principal issues addressed by the Board have been:

- Monitoring and maintaining operational performance
- Monitoring and maintaining financial performance
- Monitoring organisation risk
- Working with partner bodies to consider the relocation of the Approved Premise
- Reviewing policies and approving new service models for Offender Mentoring and alcohol requirement
- Development of Whole Essex Community Budget bid in partnership with Essex County Council and other partner bodies
- Monitoring and contributing to the major Government consultation 'Transforming Rehabilitation'

Effectiveness of the Board

The Board formally reviews its performance on an annual basis. This is an internal review informed by feedback from both executive and non-executive Directors. Membership of committees and terms of reference are reviewed at this meeting and Board members development and training needs as a result of the review are considered.

Each Committee reviews its own performance and the Audit Committee as a statutory committee of the Board provides an Annual report to the Board. Attendance during 2012–13 was 84% for the Board and 88% for the Audit Committee:

Member Attendance at Board and Audit Committee Meetings during 2012–13

	Board	Audit Committee
Number of meetings:	9	4
Board Member:		
Alan Hubbard – Chair	9	1
Mary Archer – Chief Executive	8	0
Martin Bates	6	2
Terry Collin	8	4

	Board	Audit Committee
Jo Durning	7	3
Rob Everitt	9	4
Carol Mellow*	1	-
Richard Moore	8	4
Peter Wilcock	9	4
Tim Young	6	-
Total Attendances	71	21
Percentage	84%	88%

* Board Member resigned during the year and only available to attend 4 meetings. The Chair and Chief Executive are ex-officio members of the Audit Committee and as such have a right to attend meetings but are not required to do so. Their attendance is recorded here for completeness but is not recorded in the percentage attendance figures.

During 2012–13, the Board has concentrated on its impact in relation to the Whole Essex Community Budget pilot and preparing the organisation for the outcome of the government proposals in 'Transforming Rehabilitation'.

Oversight and Assurance arrangements

To discharge its responsibilities effectively, the Board operates a number of Committees as well as the Board itself. The principal activities of each Committee and attendance are detailed below:

Committee	Membership	Terms of Reference	Key Issues 2012–13
Audit Committee	R Moore (Chair) M Bates T Collin J Durning R Everitt P Wilcock Attendance 88%	To support the Board in their responsibilities for issues of risk control and governance by reviewing the comprehensiveness of assurances in meeting the Board and Accountable Officer's assurance needs and reviewing the reliability and integrity of these assurances.	<ul style="list-style-type: none"> • Planning of internal and external audits and monitoring of recommendations • Review of risks particularly business continuity, financial and operational performance and the impact of changes to government policy • Monitoring implementation of operational reports and reviews
Business Development	T Collin (Chair) J Durning R Everitt P Wilcock T Young Attendance 77%	To advise and make recommendations to the Board on all strategic matters relating to business development that need to be considered by the Board.	<ul style="list-style-type: none"> • Monitoring contract performance • Impact of Transforming Rehabilitation on business development • Ethical walls in contracting
Diversity	R Everitt (Chair) M Bates R Moore Attendance 89%	To act as an advisory body, supporting and assisting the Board in delivering its organisational commitment to achieving equality and valuing diversity.	<ul style="list-style-type: none"> • Agreeing Essex Probation Single Equality Scheme and objectives • Monitoring diversity performance for employees and offenders • Reviewing outcomes from the disabled offenders working group

Committee	Membership	Terms of Reference	Key Issues 2012–13
Union (Joint Negotiating and Consultative Committee) and Board	R Everitt R Moore T Young Attendance 63%	To consult on any matters concerning existing practices, terms and conditions of employment or proposed changes which affect employees and to act as the initial forum for resolution of any collective dispute.	<ul style="list-style-type: none"> • Consideration of key employee policies • Monitoring and negotiating Union action • Consultation on organisational changes and developments
Health and Safety	P Wilcock/ R Everitt Attendance 100%	To monitor and review the measures taken to ensure a continuing improvement in health and safety performance for our employees and others affected by our activities.	<ul style="list-style-type: none"> • Monitoring incidents and accidents • Risk assessment of Approved Premise staffing model • Crown Fire Inspections and remedial work • Overseeing building health and safety duties and issues

Risk Management

The role of the Accountable Officer

The Chief Executive as the Probation Trust Accountable Officer is personally responsible for safeguarding the public funds for which she has charge, for ensuring propriety and regularity in the handling of those public funds and for the day to day operations and management of the organisation.

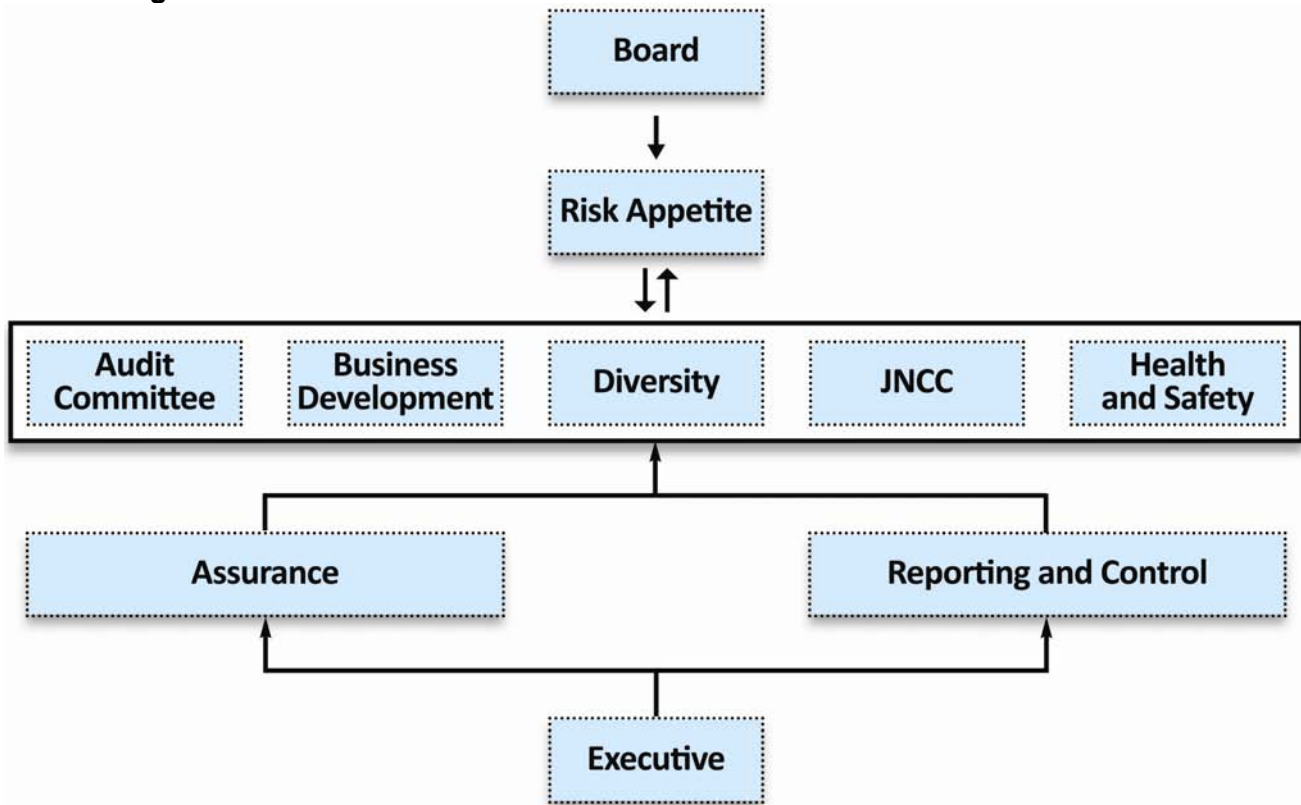
The Accountable Officer is responsible for reviewing the effectiveness of the system of internal control. This review is informed by the work of the internal auditors and the executive managers who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors and inspectors in their management letter and other reports. The Accountable Officer is advised on the implications of the result of the review of effectiveness of the system of internal control by the Board and the Audit Committee. Systems are continuously developed to address weaknesses and ensure improvements in internal control are in place.

Internal Control

The Chief Executive as Accountable Officer has overall responsibility for ensuring risks are managed effectively. The Director of Finance takes the lead role for internal control and risk management co-ordination activities. The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore 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 Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised and to manage them efficiently, effectively and economically. The system of internal control has been in place at Essex Probation for the year ended 31 March 2013 and up to the date of approval of the annual report and accounts. It accords with Treasury guidance.

Risk Management Framework



The Board ensures that there are effective arrangements for governance and risk management. It is supported in this role primarily by the Audit Committee but also the other Committees of the Board. The terms of reference for the Audit Committee are published on the Essex Probation website – www.essexprobation.org.uk

The Risk Management Framework accords with guidance outlined in HM Treasury’s Managing Public Money and other best practice standards. The Board receive an annual risk awareness update and all Board members, senior and middle managers are involved in the process of identifying risks to corporate objectives during the planning process for 2012–13 and subsequent years. The Board reviews the organisation Risk Appetite on an annual basis and agrees the Risk Register.

At each level of planning, risks are identified and evaluated by assessing the degree of risk exposure (impact and likelihood) for each to determine the acceptable level of risk. The key risks are derived from a scoring system based on risk ratings and tolerances defined within the Risk Management Policy. These form the basis of the Risk Register which is managed and overseen by the Executive and Audit Committee on behalf of the Board. The Audit Committee receive and review the Risk Register and management action on a quarterly basis.

During 2012–13, the key risks for Essex Probation have been:

- uncertainty generated by changes in direction of Government policy both for Essex Probation and its local partners
- maintaining public relations
- managing resources during a time of financial pressure
- sustaining performance throughout the above

These issues are likely to continue into 2012–13. There have been no risk issues that the Board have been unable to manage during the year or required escalation. Risk issues are discussed on a quarterly basis as part of the contractual review with the representative of the Secretary of State for Justice.

Effectiveness of Internal Control and Risk Management

The Audit Committee scrutinise performance in relation to internal control and monitor compliance with audit recommendations. While not complacent, the Board assesses the effectiveness of its internal control and risk management processes to be sufficient and cost effective. There have been no unexpected risk issues during 2012–13 which have not been contained within existing controls and processes.

Internal Audit is provided by Ministry of Justice Internal Audit and Assurance Unit. The Internal Auditor provided the following opinion in his report dated 19 April 2013:

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

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

The internal auditor has not identified any critical level recommendations and all recommendations for improvement arising from the work completed by the Internal Auditor are being progressed and monitored by the Audit Committee at each meeting.

Personal data related incidents

There have been no significant personal data related incidents in 2012–13 (and none in 2011–12), which were formally reported to the Information Commissioner’s Office (ICO).

Should an incident occur a risk assessment is 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.

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 page 59.

Future developments

The government’s ‘Transforming Rehabilitation’ review of Probation services has now been published. This will have a fundamental impact on the way probation services are structured and delivered. The Trust is developing plans to meet the challenges of the new framework, including the potential development of an employee led mutual. At this stage it is too early to provide any further detail but stakeholders and staff are being kept up to date with this development.

Communications and employee involvement

The Trust has a structured engagement programme with all key stakeholders. Regular briefing meetings are held with Magistrates and Judges. We have promoted the work of Essex Probation to ensure the public and partners understand our role in the criminal justice system, through regular appearances on local radio, press interviews, and presentations to local authorities and members of parliament. The Chief Executive and Board Members visit all sites during the year to meet with staff and answer their questions. We survey our staff every 2 years to identify improvements in employee engagement. Our

staff survey achieved a response rate of 70% and an overall positive score of 84% compared to 81% in 2010.

Diversity

Essex Probation is committed to ensuring fair treatment for offenders and staff working within Essex and will continue to work to eliminate discrimination, harassment and victimisation, advance equality of opportunity and foster good relations between people who share a relevant protected characteristic.

The Essex Probation Equality and Diversity Report for 2012 is published on our website www.essexprobation.org.uk and provides further information about our workforce and the offenders we work with.

Going Concern

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

The recommendations of the report will change the way in which probation services are commissioned and delivered. A new National Probation Service will be created to protect the public from the most dangerous offenders and manage the provision of probation services. England and Wales will be divided into 21 contract areas which align closely with local authorities and Police and Crime Commissioner areas. MoJ/NOMS will be responsible for commissioning rehabilitation services. Probation service local delivery units will support the gathering of intelligence on needs and priorities at a local level, including from key partners (e.g. local authority needs assessments) to feed into the MoJ/NOMS commissioning process. The implications of the new arrangements for individual Trusts are not provided in the consultation announcement at this stage. Specifically, the announcement does not provide sufficient detail to form a judgement on whether the material functions, assets and liabilities will be transferred for continuing use in the public sector in the context of the FReM paragraph 2.2.15. This is likely to become clearer during 2013–14 as the proposals are further developed and implemented.

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

Mary Archer, Accountable Officer

27 June 2013

3. Management Commentary

Essex Probation operates under contract with the Secretary of State for Justice through the Ministry of Justice and National Offender Management Services. Our purpose is to protect the public and reduce re-offending by delivering the punishment and orders of the courts and supporting rehabilitation by helping offenders to reform their lives.

The Trust Contract for 2012–13 represented a reduction in funding of 0.2% compared to the previous year. An efficiency savings plan totalling £0.5 million was drawn up in order to meet the combined pressure of a reduction in funding and the on-going demand for services.

Despite the significant level of savings to be delivered this year, Essex Probation has successfully managed its finances and delivered a near break even against budget (-0.5%). The efficiency savings plan has been fully achieved and new schemes commenced in anticipation of further reductions in funding in future years.

Monitoring the workforce plan has been the key task during the year. There have been significant vacancies in some grades of staff with turnover exceeding expectations during a period of economic downturn. This has led to lower than anticipated expenditure within the Offender Management function during the first part of the financial year. A successful recruitment drive has improved staffing levels and increased expenditure in this function during latter months. The cost of staff within Intervention teams has also been lower than originally anticipated due to more efficient use of resources.

Additional savings generated during the year have been invested in new technology and processes, designed to reduce both financial and environmental costs in future years.

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 2010 (following transition from Essex Probation Board which was established in 2001).

These accounts have been prepared in accordance with the Government Financial Reporting Manual (FRm) issued by HM Treasury (HMT) and in accordance with the accounts direction issued, on page 57, by the Secretary of State under the OM Act.

Principal Activities

Essex Probation covers the Essex police area, as defined in Schedule 1 of the Police Act 1996, serving a population of 1.66 million. During the year, the Trust employed the full time equivalent of 451 staff, including 17 staff seconded to other organisations and agency staff. Essex Probation operates from 7 buildings and 1 Approved Premise across the county of Essex.

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

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

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

Results for the year

The Statement of Comprehensive Net Expenditure (SoCNE) for the year is shown on page 24. The Statement of Changes in Taxpayers' Equity is shown on page 27.

Operating costs

The net operating cost before tax for 2012–13 stands at £826,000 compared to £260,000 for 2011–12. The main reason for the increase is due to a reduction in the expected return on pension scheme assets and an increase in the interest on pension scheme liabilities (causing an increase in operating costs before tax of £289,000), based on the scheme actuary's valuation of the pension fund at the end of March 2013. Operating costs relating to staff have also increased in 2012–13 reflecting an increase in the number of staff employed during the year combined with fewer staff seconded to other organisations or funded by partner agencies. This increase in staffing is in line with the organisations business plan to maintain and improve the number of staff delivering front line services to offenders and victims.

Statement of Financial Position and Statement of Cash Flows

The Statement of Financial Position and Statement of Cash Flows are on pages 25 and 26.

The net liability position has increased from £28,006,000 at March 2012 to £30,869,000 at March 2013. The largest single movement in net assets is £2,952,000 and relates to a further increase in pension liabilities, following the valuation by the scheme actuary to the end of March 2013.

Payment of creditors

In the year to 31 March 2013, the Trust paid 1,856 trade invoices with a value of £6.5 million. The percentage of undisputed invoices paid within 30 days by the Trust was 88% compared to 95% in 2011–12. The poorer performance in this year has been due to delays following the introduction of a new finance system in October 2012. This has improved in recent months and will be a focus for attention in the coming year.

Treatment of Pension Liabilities

Employees of the Trust are members of the Essex County Council Local Government Pension Scheme. 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.

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

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 the Department for Communities and Local Government decision to disband the Audit Commission and was made by HMT via a 2012 order to the Government Resource Accounts Act 2000. The Comptroller and Auditor General is appointed by statute to audit the Trust and reports on the truth and fairness of the annual financial statements and the regularity of income and expenditure. The Audit Certificate of the Comptroller and Auditor General is attached to the Accounts on page 22.

Total audit fees reported in the Accounts are £29,160. The audit fees for 2011–12 relate to the previous external auditor.

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

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

Mary Archer, Accountable Officer
27 June 2013

Remuneration Report

Appointments

The Chief Executive (CE) is a statutory office holder appointed by the appointed members. The CE is the Accountable Officer for the Trust and is directly accountable to Parliament for safeguarding public funds. The Secretary of State has directed that the first Chief Executive of Essex Probation is to be the person appointed by the Secretary of State on terms determined by the Secretary of State. Chief Executives are appointed on a permanent basis and are subject to three calendar months notice in writing either way.

A Probation Trust consists of a Chairman and not less than five other members appointed by the Secretary of State. 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.

Board members, including the Chair are initially appointed for a term not exceeding three years, with the option to re-appoint for a further two terms of three years. The Secretary of State may give written notice of termination of service to Board members without a specified notice period. Board members may at any time resign office, giving written notice to the Secretary of State. There are no compensation liabilities for early termination of Board members contracts. The appointment terms of Board members of Probation Trusts are for the appointed members to determine.

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

A) REMUNERATION – AUDITED

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

	2012/13			2011/12		
	Salary (as defined below) £000s ²	Bonus £000s ²	Benefits in kind (rounded to the nearest £100) £	Salary (as defined below) £000s ²	Bonus £000s ²	Benefits in kind (rounded to the nearest £100) £
M Archer – CE	85–90	0	0	85–90	0–5	0
A Hubbard – Chair	15–20	0	0	5–10	0	0
M Bates – Member	0–5	0	0	0–5	0	0
T Collin – Member	0–5	0	0	0–5	0	0
J Durning – Member	0–5	0	0	0–5	0	0
R Everitt – Member	0–5	0	0	0–5	0	0
C Mellow – Member	0–5	0	0	0–5	0	0
R Moore – Member	0–5	0	0	0–5	0	0
P Wilcock – Member	0–5	0	0	0–5	0	0
T Young – Member	0–5	0	0	0–5	0	0

The remuneration for Board members is set by the Secretary of State for Justice. Chief Executive remuneration is determined by the Standing Committee for Chief Officer Grades for Probation Trusts, through annual pay negotiation. All Ministry of Justice appointed Trust Board members receive non-pensionable remuneration of £15.40 per hour from 1 April 2007, with the exception of the Chief Executive and the Chair. Trusts at their discretion may pay a travelling allowance and any other relevant expenses incurred. The Board Chair receives an annual non-pensionable remuneration.

² Remuneration is shown in bandings of £5,000.

Chief Executive's performance pay is determined by the Director of Probation and Contracted Services against criteria set by the Trust Board. Up to 4% of Chief Executives pensionable pay is determined by performance conditions. There is no performance element for other Board members.

The remuneration of all other staff is determined by the National Negotiating Council for Probation Trusts. A comparison of median staff pay compared to the highest paid Director is provided for information.

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) £000s	85–90	90–95
Median for other staff £0	24,060	22,697
Pay multiple ratio	3.72:1	3.72:1

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
M Archer – CE	35 to 40 plus lump sum of 95 to 100	-2.5 to -3.0 plus lump sum of -10.0 to -12.5	893	877	16

The pension of the Chief Executive is part of the local government pension scheme Essex Pension Fund.

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

Cash Equivalent Transfer Value (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the local government pension scheme arrangements and for which the pension scheme 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.

Mary Archer, Accountable Officer

27 June 2013

Statement of Accountable Officer's Responsibilities

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

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

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

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

The maintenance and integrity of the Essex Probation website is the responsibility of the Trust; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

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

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSES OF PARLIAMENT

I certify that I have audited the financial statements of Essex Probation 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 Essex Probation'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 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

5 July 2013

Comptroller and Auditor General

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

Statement of Comprehensive Net Expenditure

For the year ended 31 March 2013

		2012–13	2011–12
	Notes	£000	£000
Administration costs			
Staff costs	3(a)	14,755	14,004
Other administration costs	6(a)	4,997	5,098
Income	7(a)	(19,644)	(19,271)
Net administration costs/(income)		108	(169)
Programme costs			
Staff costs	3(a)	0	0
Other programme costs	6(b)	0	0
Income	7(b)	0	0
Net programme costs/(income)		0	0
Net operating costs/(income)		108	(169)
Expected return on pension assets	4(d)	(2,602)	(2,885)
Interest on pension scheme liabilities	4(d)	3,320	3,314
Net operating costs/(income) before taxation		826	260
Taxation	5	6	0
Net operating costs/(income) after taxation		832	260

Other Comprehensive Expenditure

		2012–13	2011–12
	Notes	£000	£000
Net operating costs/(income) after taxation		832	260
Net (gain)/loss on revaluation of property, plant and equipment	8	1	(2)
Net (gain)/loss on revaluation of intangibles	9	0	0
Net (gain)/loss on revaluation of available for sale financial assets		0	0
Pension actuarial (gain)/loss	23	2,031	10,736
Total comprehensive expenditure for the year ended 31 March 2013		2,864	10,994

The notes on pages 28 to 56 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	11	33
Intangible assets	9	2	12
Deferred tax asset	19	0	0
Trade and other receivables	12(a)	0	0
Total non-current assets		13	45
Current assets			
Assets classified as held for sale	11	0	0
Deferred tax asset	19	0	0
Trade and other receivables	12(a)	2,705	2,718
Cash and cash equivalents	13	269	688
Total current assets		2,974	3,406
Total assets		2,987	3,451
Current liabilities			
Trade and other payables	14(a)	(1,919)	(2,123)
Provisions	15	(125)	0
Taxation payables	14(a)	(299)	(773)
Total current liabilities		(2,343)	(2,896)
Non-current assets plus/less net current assets/(liabilities)		644	555
Non-current liabilities			
Trade and other payables	14(a)	0	0
Provisions	15	0	0
Pension liability	4(c)	(31,513)	(28,561)
Total non-current liabilities		(31,513)	(28,561)
Assets less liabilities		(30,869)	(28,006)
Taxpayers' equity			
General fund	23	(30,891)	(28,029)
Revaluation reserve – property, plant and equipment	24(a)	22	23
Revaluation reserve – intangible assets	24(b)	0	0
		(30,869)	(28,006)

The financial statements on pages 24 to 27 were approved by the Board on 18 June 2013 and were signed on its behalf by

Mary Archer, Accountable Officer
27 June 2013

The notes on pages 28 to 56 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	(832)	(260)
Adjustments for non-cash transactions	6(a)	157	56
Adjustments for pension cost	4(d)	921	271
(Increase)/decrease in receivables	12(a)	13	(426)
Increase/(decrease) in payables	14(a)	(678)	517
Utilisation of provisions	15	0	0
Less movements in property, plant and equipment payable	14(a)	0	0
Less payments of amounts due to Consolidated Fund to NOMS	14(a)	0	0
Net cash outflow from operating activities		(419)	158
Cash flows from investing activities			
Purchase of property, plant and equipment	8	0	0
Purchase of intangibles	9	0	0
Proceeds on disposal of property, plant and equipment	8	0	0
Proceeds on disposal of intangibles	9	0	0
Net cash outflow from investing activities		0	0
Cash flows from financing activities			
Net financing received in year	23	0	0
Payments of amounts due to the Consolidated Fund to NOMS		0	0
Net financing		0	0
Net increase/(decrease) in cash and cash equivalents in the period			
		(419)	158
Cash and cash equivalents at the beginning of the period	13	688	530
Cash and cash equivalents at the end of the period	13	269	688
Increase/(decrease) in cash		(419)	158

The notes on pages 28 to 56 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		(17,033)	21	(17,012)
Changes in taxpayers' equity for 2011–12				
Net operating cost after taxation	SocNE	(260)		(260)
Net gain/(loss) on revaluation of property, plant and equipment	24(a)		2	2
Net gain/(loss) on revaluation of intangibles	24(b)		0	0
Movement in donated assets	23	0	0	0
Transferred from revaluation reserve	23	0	0	0
Pension actuarial (loss)/gain	23	(10,736)	0	(10,736)
Net NOMS financing received in year	23	0	0	0
Balance as at 31 March 2012		(28,029)	23	(28,006)
Changes in taxpayers' equity for 2012–13				
Net operating cost after taxation	SocNE	(832)		(832)
Net gain/(loss) on revaluation of property, plant and equipment	24(a)		(1)	(1)
Net gain/(loss) on revaluation of intangibles	24(b)		0	0
Movement in donated assets	23	0	0	0
Transferred from revaluation reserve	23	1	0	1
Pension actuarial (loss)/gain	23	(2,031)	0	(2,031)
Net NOMS financing received in year	23	0	0	0
Balance as at 31 March 2013		(30,891)	22	(30,869)

The notes on pages 28 to 56 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 (FRm) issued by HM Treasury. The accounting policies contained in the FRm 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 FRm permits a choice of accounting policy, the policy which has been judged to be the most appropriate to the particular circumstances of the Probation Trust for the purpose of giving a true and fair view has been selected. The Probation Trust's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

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

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

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

Had the Trust adopted the amended IAS19 for the 2012–13 reporting period, the impact on the financial statements would have been an increase in the net pension liability of £563,000.

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 £5,000, 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
Plant & equipment	5 years
Vehicles	7 years
Furniture, fixtures & fittings	5 years

1.6 Impairment

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

1.7 Intangible non-current assets

Intangible non-current assets should be recognised only if it is probable that future service potential will flow to the Trust and the cost of the asset can be measured reliably. The future service

potential can be defined as a direct contribution of the intangible asset to the delivery of services to the public. These intangibles mainly comprise of internally developed software for internal use and purchased software.

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

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

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

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

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

1.8 Non-current assets held for sale

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

1.9 Inventories

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

1.10 Operating income

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

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

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

1.11 Administration and programme expenditure

The SoCNE is analysed between administration and programme income and expenditure. The classification of expenditure and income for both Administration and Programme follows the definition set out in the FReM by HM Treasury. Administration costs reflect the costs of running the Probation Trust together with associated operating income. Programme costs are defined as projects which are fully or partially funded from outside the Ministry of Justice. On consolidation into NOMS Agency Accounts, all expenditure and income is classified as programme, except the audit fee which is administration expenditure.

1.12 Pensions

Past and present employees are covered by the provisions of the Local Government Pension Scheme (LGPS). This is a funded defined benefit scheme meaning that retirement benefits are determined independently of the investments of the scheme and employers are obliged to make additional contributions where assets are insufficient to meet retirements 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 net pension liability and other disclosures.

1.13 Leases

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

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

Finance leases

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

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

Operating leases

Rentals under operating leases are charged to the SoCNE on a straight-line basis.

Operating leases – incentives

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

IFRIC 4 Determining whether an arrangement contains a lease

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

1.14 Provisions

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

1.15 Value Added Tax

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

1.16 Corporation Tax

The Trust is a "corporate body" in accordance with the Offender Management Act 2007 supplying court work and offender management services to NOMS and the Ministry of Justice, and as a result,

HMRC has confirmed that it is subject to corporation tax. Probation Trusts are therefore subject to Corporation Tax on their profits and 'profit' for this purpose means income and chargeable gains. These accounts include estimates of corporation tax liabilities.

1.17 Cash and Cash Equivalents

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

1.18 Financial instruments

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

1.19 Segmental analysis of spend as reported to the Management Board

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

1.20 Related party transactions

Essex Offender Services (EOS) is not consolidated on the grounds that the Trust ceased to have a controlling interest in EOS on 17 May 2012 and that the results of EOS in 2011–12 and the period 1 April 2012 to 17 May 2012 are immaterial.

1.21 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 following table presents the net cost of operations and total net assets by reportable operating segment for the year ending 31 March 2013:

	2012–13	2011–12
	£000	£000
Operational Unit	Net Expenditure	Net Expenditure
Interventions	4,050	3,353
Offender Management	9,165	9,110
Central Services	4,314	6,311
External Services	2,699	1,229
Total Gross Expenditure	20,228	20,003
Contract Income	(18,760)	(18,606)
Other Income	(1,557)	(1,409)
Overspend/(Underspend)	(89)	(12)

Reconciliation of Net Expenditure to Statement of Comprehensive Net Expenditure:

	2012–13	2011–12
	£000	£000
Overspend/(Underspend)	Net Expenditure	Net Expenditure
Overspend/(Underspend)	(89)	(12)
IAS19 Pension fund *	921	272
Net Operating Costs/(Income) after taxation	832	260

* This adjustment is made to report the full value of assets and liabilities to the Board in the annual Statement of accounts and to comply with International Financial Reporting Standards. Internal reporting to the Board compares expenditure and income to the annual budget comprising Contract income received from National Offender Management Service and other income sources.

Essex Probation's primary objective is to provide assistance to the courts in determining the appropriate sentences to pass and the supervision and rehabilitation of offenders following sentence. Management information including financial reporting reflects the key elements of service provided and is split primarily between Offender Management of offenders and the delivery of Interventions to offenders during the course of their sentence.

Operating segments are:

- Interventions providing programmes designed to reduce re-offending.
- Offender Management delivering the sentence of the courts – protection of the public, reduction of re-offending and services to victims.
- Central Services support the operational service and include the cost of estates and IT systems.
- External Services are provided in partnership with other organisations and are reported separately. These include interventions provided by and to external organisations.
- Income is received for services provided to other organisations including secondments as well as contributions from partner agencies for joint initiatives.

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	12,385	12,215	170	12,145
Social security costs	899	899	0	894
Other pension costs	2,145	2,145	0	1,708
Sub-total	15,429	15,259	170	14,747
Less recoveries in respect of outward secondments	(674)	(674)	0	(743)
Total staff costs	14,755	14,585	170	14,004
Administration-related staff costs	14,755	14,585	170	14,004
Programme-related staff costs	0	0	0	0
	14,755	14,585	170	14,004

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 pensions relates primarily to a reduction in the pensionable payroll during 2012-13 compared to the previous year.

Nil persons (2011-12: Nil persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £0.

3b. Average number of persons employed

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

	2012-13			2011-12
	Total	Permanently- employed staff	Others	Total
	442	434	8	439
	442	434	8	439

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	0	0	0	1	1
£10,000–£25,000	0	0	0	0	0	0
£25,000–£50,000	0	0	0	0	0	0
£50,000–£100,000	0	0	0	0	0	0
£100,000–£150,000	0	0	0	0	0	0
£150,000–£200,000	0	0	0	0	0	0
£200,000+	0	0	0	0	0	0
Total number of exit packages by type	0	0	0	0	1	1
Total resource cost £000	0	0	0	0	5	5

Redundancy and other departure costs have been paid in accordance with the Trust compensation scheme. Exit costs are accounted for in full in the year of departure. The additional costs of any early retirements are met from the Trust and not the pension scheme and are included in the above figures. Ill health retirement costs are met from the pension scheme and are excluded from the above table. The cost of the departures while reported here are accounted for in **Note 6** – Other staff related costs.

The accrued cost of exit packages that have been agreed and will be paid in 2013–14 is recorded as an accrual of £21,000. This related to the reorganisation of a central support department to improve its function and will deliver financial savings in future years.

4. Pensions costs

The pension valuation has been based on assets used for the purpose of the IAS19 valuation as at 31 March 2012, actual fund returns for the period to 28 February 2013 and then market returns (estimated where necessary) for the period to 31 March 2013. The return on the Fund for the year to 31 March 2013 is estimate to be 12%. As required under IAS19 the actuary has used the projected unit method of valuation to calculate the service cost and liabilities for Essex Probation fund have been estimated at 20 years. The actuaries estimate has been adjusted in **Note 4(g)** to reflect the actual Employer payments in 2012–13.

4a Pension costs

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. All actuarial gains and losses are recognised immediately in the statement. To assess the value of the Employers liabilities as at 31 March 2013, the actuary, Mark Norquay, a Fellow of the Institute and Faculty of Actuaries, Barnett Waddingham, has rolled forward the value of the Employer's liabilities calculated for the funding valuation as at 31 March 2010 and allowing for the different financial assumptions required under IAS19. For 2012–13, employers' contributions of £1,942,000 were payable to the LGPS (2011–12 £1,866,000).

Partnership accounts are excluded under IAS19.

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

The approximate employer's pension contributions for three years are:

- Employer's contributions for 2012–13 were 18% of salaries; and,
- Employer's contributions for 2013–14 will be 18% of salaries; and
- Employer's contributions for 2014–15 will be 18% of salaries.

Inflation assumption
Rate of increase in salaries
Rate of increase for pensions in payment and deferred pensions
Discount rate

	2012–13	2011–12
	%	%
Inflation assumption	2.6%	2.5%
Rate of increase in salaries	4.4%	4.3%
Rate of increase for pensions in payment and deferred pensions	2.6%	2.5%
Discount rate	4.4%	4.6%

Mortality Assumptions:

The Actuary's assumption are consistent with those used for the formal funding valuation as at 31 March 2010. The post retirement mortality tables adopted are the S1PA tables with a multiplier of 91% for males and 85% for females allowing for Continuous Mortality Investigation (CMI) 2009 of the UK Actuarial Profession, with a long term rate of 1%.

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	6.1%	64%	32,233	6.4%	70%	31,024
Government bonds	3.0%	7%	3,525	3.3%	4%	1,773
Other bonds	4.1%	8%	4,029	4.6%	10%	4,432
Property	5.1%	12%	6,044	5.4%	14%	6,205
Other	0.5%	9%	4,533	0.5%	2%	886
Total	5.4%	100%	50,364	5.8%	100%	44,320
(Present value of scheme liabilities)			(81,877)			(72,881)
Surplus/(deficit) of the scheme			(31,513)			(28,561)
Net pension asset/(liability)			(31,513)			(28,561)

4d. Analysis of amounts recognised in SoCNE

	2012–13	2011–12
	£000	£000
Pension cost		
Current service cost	2,145	1,682
Past service cost	0	0
Effect of curtailment	0	26
Effect of settlement	0	0
Total operating charge	2,145	1,708

	2012–13	2011–12
	£000	£000
Analysis of interest cost on pension scheme – assets/(liabilities)		
Expected return on pension scheme assets	(2,602)	(2,885)
Interest on pension scheme liabilities	3,320	3,314
Net interest costs	718	429

4e. Analysis of amounts recognised in other comprehensive expenditure

	2012–13	2011–12
	£000	£000
Pension actuarial gain/(loss)	(2,031)	(10,736)
Irrecoverable surplus (if applicable)	0	0
Total shown in other comprehensive expenditure	(2,031)	(10,736)

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

	2012–13	2011–12
	£000	£000
Opening present value of liabilities	72,881	59,409
Current service cost	2,145	1,682
Interest cost	3,320	3,314
Contributions by members	678	674
Actuarial (gains)/losses on liabilities*	4,976	8,418
Benefits paid	(2,034)	(577)
Past service cost	0	0
Unfunded benefits paid	(89)	(85)
Curtailments	0	26
Settlements	0	0
Closing present value of liabilities	81,877	72,881

* Includes changes to actuarial assumptions

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

	2012-13 £000	2011-12 £000
Opening fair value of assets	44,320	41,855
Expected return on assets	2,602	2,885
Actuarial gains/(losses) on assets	2,945	(2,318)
Contributions by the employer	1,942	1,866
Contributions by members	678	674
Benefits paid	(2,034)	(557)
Net increase from disposals and acquisitions	0	0
Unfunded benefits paid	(89)	(85)
Curtailments	0	0
Settlements	0	0
Closing fair value of assets	50,364	44,320

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

	2012-13 £000	2011-12 £000	2010-11 £000	2009-10 £000	2008-09 £000
Fair value of assets	50,364	44,320	41,855	41,339	30,159
Present value of liabilities	81,877	72,881	59,409	62,858	45,245
Surplus/(deficit)	(31,513)	(28,561)	(17,554)	(21,519)	(15,086)
Experience gains/(losses) on scheme assets	2,945	(2,318)	(2,894)	8,696	10,519
Experience gains/(losses) on scheme liabilities	(19)	(93)	4,817	0	0
Percentage experience gains/(losses) on scheme assets	6%	-5%	-7%	21%	35%
Percentage experience gains/(losses) on scheme liabilities	0%	0%	8%	0%	0%

4i. Sensitivity analysis

	+0.1% £000	0% £000	-0.1% £000
Adjustment to discount rate			
Present value of total obligation	80,189	81,877	83,612
Projected service cost	2,332	2,407	2,485
	+1yr £000	none £000	-1yr £000
Adjustment to mortality age rate assumption			
Present value of total obligation	78,987	81,877	84,795
Projected service cost	2,299	2,407	2,517

5. Taxation

	2012–13	2011–12
	£000	£000
UK corporation tax	6	0
Total	6	0

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

6. Other administrative costs and programme costs

6a. Administration costs

	2012-13		2011-12	
	£000	£000	£000	£000
Rentals under operating leases	0		0	
Interest charges	0		0	
Accommodation, maintenance and utilities	1,415		1,397	
Travel, subsistence and hospitality	397		379	
Professional services	438		516	
IT services	741		715	
Communications, office supplies and services	981		369	
Other staff related	218		401	
Offender costs	290		997	
Other expenditure	308		215	
External Auditors' remuneration – statutory accounts	29		34	
External Auditors' remuneration – other	1		1	
Internal Auditors' remuneration and expenses	22		18	
		4,840		5,042
Non-cash items				
Depreciation of tangible non-cash assets	18		39	
Amortisation of intangible non-cash assets	11		15	
Impairment of non-current assets	0		0	
Profit/(loss) on disposal of tangible non-cash assets	4		2	
Profit/(loss) on disposal of intangible non-cash assets	(1)		0	
Other provisions provided for in year	125		0	
Early retirement provisions not required	0		0	
		157		56
Total		4,997		5,098

6b. Programme costs

Current expenditure	0		0	
Total		0		0
Total other administration and programme costs		4,997		5,098

7. Income

7a. Administration income

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

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

Interest received:

 From bank
 From car loans
 From other sources

Total interest received

Total administration income

	2012-13		2011-12	
	£000	£000	£000	£000
Income receivable from the sponsoring department – NOMS	18,759		18,606	
Rent receivable from minor occupiers of Probation estate property:				
From within the departmental boundary	0		0	
From other Government departments	0		0	
From external tenants	0		0	
		18,759		18,606
EU income from NOMS		0		0
EU income from other Government departments		0		0
Other EU income		0		0
Other income received from Probation Trusts		70		63
Other income from NOMS		73		97
Other income from rest of MoJ Group		8		5
Other income from other Government departments		409		231
Miscellaneous income		318		263
		19,637		19,265
Interest received:				
From bank	7		6	
From car loans	0		0	
From other sources	0		0	
Total interest received		7		6
Total administration income		19,644		19,271

7b. Programme income

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

Total income

EU income from NOMS	0	0
EU income from other Government departments	0	0
Other EU income	0	0
Other programme income	0	0
Total programme income	0	0
Total income	19,644	19,271

8. Property, plant and equipment

	2012-13					
	Information technology	Plant and machinery	Transport equipment	Furniture, fixtures and fittings	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
As at 1 April 2012	47	161	311	0	0	519
Additions	0	0	0	0	0	0
Disposals	(7)	(73)	(244)	0	0	(324)
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	5	3	4	0	0	12
As at 31 March 2013	45	91	71	0	0	207
Depreciation						
As at 1 April 2012	41	157	288	0	0	486
Charge in year	4	3	11	0	0	18
Disposals	(7)	(73)	(240)	0	0	(320)
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	5	3	4	0	0	12
As at 31 March 2013	43	90	63	0	0	196
Carrying value as at 31 March 2013	2	1	8	0	0	11
Carrying value as at 31 March 2012	6	4	23	0	0	33
Asset financing						
Owned	2	1	8	0	0	11
Finance leased	0	0	0	0	0	0
Carrying value as at 31 March 2013	2	1	8	0	0	11

8. (Continued)

	2011-12					
	Information technology	Plant and machinery	Transport equipment	Furniture, fixtures and fittings	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
As at 1 April 2011	47	182	309	0	0	538
Additions	0	0	0	0	0	0
Disposals	0	(22)	0	0	0	(22)
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	0	1	2	0	0	3
As at 31 March 2012	47	161	311	0	0	519
Depreciation						
As at 1 April 2011	31	165	270	0	0	466
Charge in year	10	12	17	0	0	39
Disposals	0	(20)	0	0	0	(20)
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	0	0	1	0	0	1
As at 31 March 2012	41	157	288	0	0	486
Carrying value as at 31 March 2012	6	4	23	0	0	33
Carrying value as at 31 March 2011	16	17	39	0	0	72
Asset financing						
Owned	6	4	23	0	0	33
Finance leased	0	0	0	0	0	0
Carrying value as at 31 March 2012	6	4	23	0	0	33

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	9	39	9	0	57
Additions	0	0	0	0	0
Disposals	0	(2)	0	0	(2)
Reclassifications	0	0	0	0	0
Indexation/revaluation	0	0	0	0	0
Transfers	0	0	0	0	0
Impairments	0	0	0	0	0
As at 31 March 2013	9	37	9	0	55
Amortisation					
As at 1 April 2012	6	32	7	0	45
Charge in year	3	5	3	0	11
Disposals	0	(2)	(1)	0	(3)
Reclassifications	0	0	0	0	0
Indexation/revaluation	0	0	0	0	0
Transfers	0	0	0	0	0
Impairments	0	0	0	0	0
As at 31 March 2013	9	35	9	0	53
Carrying value as at 31 March 2013	0	2	0	0	2
Carrying value as at 31 March 2012	3	7	2	0	12
Asset financing					
Owned	0	2	0	0	2
Finance leased	0	0	0	0	0
Carrying value as at 31 March 2013	0	2	0	0	2

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	9	39	9	0	57
Additions	0	0	0	0	0
Disposals	0	0	0	0	0
Reclassifications	0	0	0	0	0
Indexation/revaluation	0	0	0	0	0
Transfers	0	0	0	0	0
Impairments	0	0	0	0	0
As at 31 March 2012	9	39	9	0	57
Amortisation					
As at 1 April 2011	3	24	3	0	30
Charge in year	3	8	4	0	15
Disposals	0	0	0	0	0
Reclassifications	0	0	0	0	0
Indexation/revaluation	0	0	0	0	0
Transfers	0	0	0	0	0
Impairments	0	0	0	0	0
As at 31 March 2012	6	32	7	0	45
Carrying value as at 31 March 2012	3	7	2	0	12
Carrying value as at 31 March 2011	6	15	6	0	27
Asset financing					
Owned	3	7	2	0	12
Finance leased	0	0	0	0	0
Carrying value as at 31 March 2012	3	7	2	0	12

10. Impairments

There were no impairments during the year.

11. Assets held for sale

There were no assets held for sale during the year.

12. Trade receivables and other current assets

12a. Analysis by type

	2012–13 £000	2011–12 £000
Amounts falling due within one year		
Trade receivables	34	466
VAT	445	0
Deposits and advances	0	0
Receivables due from Probation Trusts	0	0
Receivables due from NOMS agency	2,129	2,096
Receivables due from Ministry of Justice – core	0	18
Receivables due from Ministry of Justice – NDPBs	0	0
Receivables due from HM Courts & Tribunals Service (HMCTS)	0	0
Receivables due from Office of the Public Guardian (OPG)	0	0
Receivables due from all other Government departments	63	42
Other receivables	1	13
Prepayments	33	83
Accrued income	0	0
	2,705	2,718
Amounts falling due after more than one year		
Trade receivables		
Deposits and advances	0	0
Other receivables	0	0
Prepayments and accrued income	0	0
	0	0
Total	2,705	2,718

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)	2,591	2,125	0	0
Balances with local authorities	71	26	0	0
Balances with NHS bodies	0	0	0	0
Balances with public corporations and trading funds	0	5	0	0
	2,662	2,156	0	0
Balances with bodies external to Government	43	562	0	0
Total	2,705	2,718	0	0

13. Cash and cash equivalents

	2012-13	2011-12
	£000	£000
Balance at 1 April	688	530
Net change in cash and cash equivalents	(419)	158
Balance at 31 March	269	688
The following balances at 31 March are held at:		
Government Banking Service	1	0
Commercial banks and cash in hand	268	688
Balance at 31 March	269	688

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	1,027	1,216
Other payables	0	0
Accruals	33	35
Deferred income	0	23
Staff payables	497	479
Bank overdraft	0	0
Payables due to Probation Trusts	11	13
Payables due to NOMS Agency	158	323
Payables due to Ministry of Justice – core	0	0
Payables due to Ministry of Justice – NDPBs	0	0
Payables due to HM Courts & Tribunals Service (HMCTS)	0	0
Payables due to Office of the Public Guardian (OPG)	0	0
Payables due to all other Government departments	193	34
Unpaid pensions contributions due to the pensions scheme	0	0
Long-term liabilities due within one year	0	0
Operating income to be surrendered (interest received)	0	0
Non-current asset accruals	0	0
	1,919	2,123
Tax falling due within one year		
VAT	0	490
Corporation tax	6	0
Other taxation and social security	293	283
	299	773
Total amounts falling due within one year	2,218	2,896
Amounts falling due after more than one year		
Staff payables	0	0
Other payables	0	0
	0	0
Total	2,218	2,896

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)	468	1,109	0	0
Balances with local authorities	88	0	0	0
Balances with NHS bodies	0	0	0	0
Balances with public corporations and trading funds	105	34	0	0
	661	1,143	0	0
Balances with bodies external to Government	1,557	1,753	0	0
Total	2,218	2,896	0	0

15. Provisions for liabilities and charges

	2012–13	2011–12
	£000	£000
Balance at 1 April	0	0
Provided in year	125	0
Provisions not required written back	0	0
Provision utilised in the year	0	0
Unwinding of discount	0	0
Balance as at 31 March	125	0

	2012–13	2011–12
	£000	£000
Analysis of expected timing of discount flows		
Not later than one year	125	0
Current liability	0	0
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	125	0

The Trust will make provision where there is an agreement in place at 31st March. A provision has been made for pending litigation cases.

16. Capital commitments

There were no capital commitments for capital expenditure and major maintenance works during the year.

17. Commitments under lease

17a. Operating leases

There were no obligations under operating leases during the year.

17b. Finance leases

There were no obligations under finance leases during the year.

18. Other financial commitments

There were no other financial commitments during the year.

19. Deferred tax asset

There were no deferred tax assets during the year.

20. Financial instruments

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

21. Contingent liabilities

There is one case relating to an employment tribunal for which it is not possible to accurately estimate the timing or amount of any payment.

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	1	0	5	4
Claims abandoned	0	0	0	0
Administrative write-offs	0	0	1	0
Fruitless payments	0	0	0	0
Store losses	0	0	2	0
Total	1	0	8	4
Details of cases over £250,000				
Cash losses	0	0	0	0
Claims abandoned	0	0	0	0
Administrative write-offs	0	0	0	0
Fruitless payments	0	0	0	0
Store losses	0	0	0	0
Total	0	0	0	0

There has been one cash loss with a value of less than £500. There are no losses over £250k.

22b. Special payments schedule

	2012–13		2011–12	
	Number of cases	Total value £000	Number of cases	Total value £000
Special payments	1	0	1	0
Total	0	0	1	0
Details of cases over £250,000				
Special payments	0	0	0	0
Total	0	0	0	0

There has been one special payment with a value of less than £500. There are no special payments over £250k.

23. General fund

	2012–13	2011–12
	£000	£000
Balance at 1 April	(28,029)	(17,033)
Prior period adjustment (Note 28)	0	0
Balance restated at 1 April	(28,029)	(17,033)
Financing	0	0
Net transfers from Operating Activities:		
Statement of Comprehensive Net Expenditure	(832)	(260)
Movement in donated assets	0	0
Transferred from revaluation reserve	1	0
Actuarial gains and losses	(2,031)	(10,736)
Balance at 31 March	(30,891)	(28,029)

24. Revaluation reserve

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

24a. Property, plant and equipment

	2012–13	2011–12
	£000	£000
Balance at 1 April	23	21
Prior period adjustment (Note 28)	0	0
Balance restated at 1 April	23	21
Arising on revaluations of PPE during the year (net)	0	2
Transferred to General Fund	(1)	0
Balance at 31 March	22	23

24b. Intangibles

There were no intangibles adjustments during the year.

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, two members of the Management Board and one executive Director reported a related party interest in relation to Essex Offender Services (EOS), a community interest company for which they are Directors. This company provides training facilities to the Trust valued at £43,000 (2011–12 £18,500). Essex Probation seconded a member of staff to the company and provides other limited administrative support, the value of which is recharged and amounted to £52,000 in 2012–13 (2011–12 £35,000). Transactions with EOS are conducted on an arms length basis at normal commercial terms and conditions. The two members of the Management Board and executive director of the Trust, who are Directors of EOS, are not involved in the approval of payments made to EOS.

No other members of key management staff or other related parties, or their related parties has undertaken any material transactions with the Trust. Essex County Council provided financial and other support services to Essex Probation during the year, to the value of £63,000 (2011–12 £235,700). The services provided included the County Council investing surplus cash balances on behalf of the Essex Probation until 30 September 2012. These amounts are invested in the name of the County Council with approved financial institutions. The Trust also participates in the Local Government Pension Scheme which is administered by Essex County Council.

26. Third-party assets

The Essex Probation Trust Fund is administered solely by Essex Probation and provides educational, employment and resettlement opportunities for offenders resident in the County of Essex which would otherwise not be available, and thereby assist in their re-integration into society. The funds do not represent assets of the Trust and have not been included within the Balance Sheet nor are they subject to Audit. The accounts for the Essex Probation Trust Fund year commences on 1 January and finishes on 31 December. The total value of the accumulated fund at 31 December 2012 stood at £50,758 compared to £56,876 at 31 December 2011. This is a reduction of £6,118 compared to the previous year and reflects an excess of expenditure over income of £5,283 together with a reduction in the value of investments during the year of £11,401. These funds were held in public bank accounts at the end of the financial year.

	31 December 2011	Funds paid in during the year	Funds paid out during the year	31 December 2012
	£000	£000	£000	£000
Essex Probation Trust Fund	57	15	(21)	51

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.

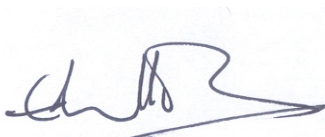
28. Prior period adjustments

There were no prior period adjustments for this year.

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

5. Sustainability report – Not subject to audit

Introduction

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

This report covers 8 buildings.

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

Governance, responsibilities and internal assurance

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

Greening Government Commitments

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

Climate change adaption and mitigation

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

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

Carbon Reduction Commitment (CRC)

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

Carbon Management Plan (CMP)

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

Our vision is to:

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

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

Environmental Management System (EMS)

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

Sustainable procurement

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

Social and environmental awareness

Our Sustainability Policy aims to raise awareness amongst all our staff of the importance of conserving the environment. We follow and promote good sustainability practice, to reduce the environmental impacts of those aspects under our direct control and to help our clients and partners to do the same:

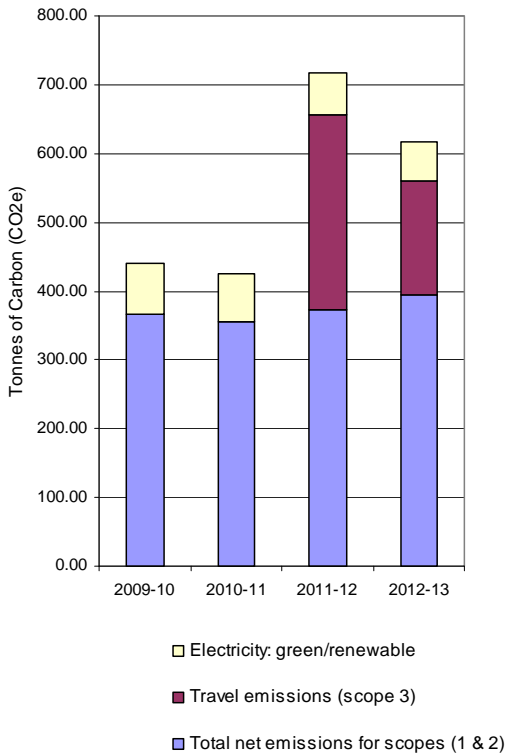
- we comply with all applicable legislation, regulations and codes of practice.
- all staff are fully aware of our Sustainability Policy and are committed to implementing it.
- we pursue value for money in our consumption of resources based on benefits accruing to the organisation across the whole life of each asset

Performance summary

Greenhouse gas (GHG) emissions

		2009–10	2010–11	2011–12	2012–13
Non-financial indicators (tCO ₂ e)	Total gross emissions for scopes 1 & 2	440.7	424.7	433.7	451.6
	Electricity: green/renewable	75.5	69.4	60.4	57.6
	Total net emissions for scopes 1 & 2	365.2	355.3	373.3	393.9
	Travel emissions scope 3	-	-	283.0	166.2
	Total gross GHG emissions (all scopes)	440.7	424.7	716.7	617.7
Non-financial (kWh)	Electricity: Grid, CHP & non-renewable	453,371	400,232	348,343	332,238
	Electricity: renewable	145,124	133,411	116,114	110,746
	Gas	748,690	793,896	692,276	873,356
	Other energy sources	0	0	0	0
	Total energy	1,329,185	1,327,539	1,156,733	1,316,340
Financial indicators	Expenditure on energy	85,777	65,844	72,077	79,665
	Expenditure on official business travel	-	-	503,606	368,969

GHG Emissions by scope



Performance commentary

Reported carbon emissions from our buildings have fallen steadily against the 2009–10 baseline and in line with the Greening Government Commitments. Travel has reduced dramatically during the last year due to measures taken by the organisation to invest in telephone and video conferencing technologies.

Controllable impacts commentary

Staff are encouraged to conserve energy and internal targets have been set to continue to deliver energy efficiency in the coming year. Staff are required to use hire cars for longer journeys, in fuel and carbon efficient vehicles. Offenders are also being directed to local projects, reducing the need for transport journeys.

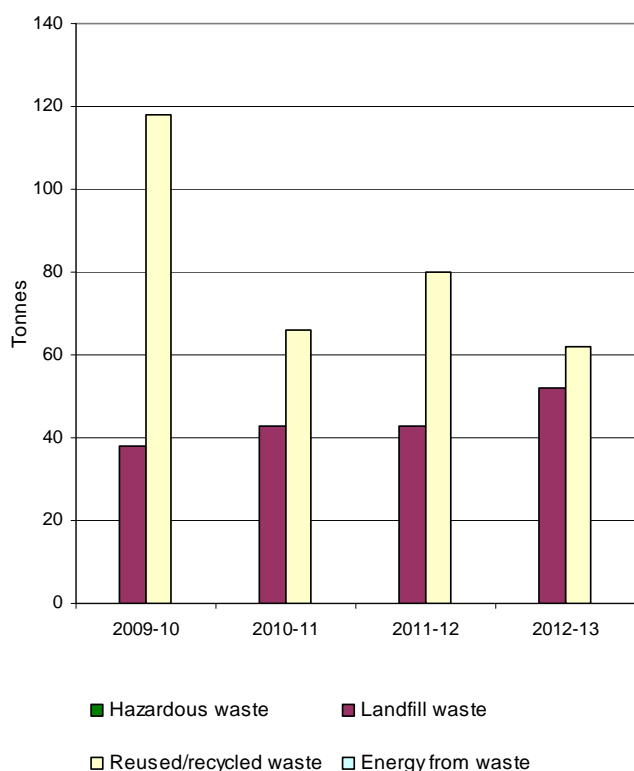
Overview of influenced impacts

Essex Probation has no direct control over management of the building estate, including energy suppliers. However, every effort is made to make efficient use of the estate. All supplier contracts include a requirement for contractors to perform in accordance with the Authority's environmental policy to conserve energy and minimise the release of greenhouse gases, volatile organic compounds and other substances damaging to health and the environment.

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	38	43	43	52
		Reused/recycled waste	118	66	80	62
		Energy from waste	0	0	0	0
		Total waste arising	156	109	123	114
Financial indicators	Hazardous waste	Hazardous waste	0	0	0	0
	Non-hazardous waste	Landfill waste	3,014	3,457	3,432	4,141
		Reused/recycled waste	17,969	10,384	11,967	9,321
		Energy from waste	0	0	0	0
		Total waste costs (£)	20,983	13,841	15,399	13,462

Waste by final disposal



Performance commentary

Total waste continues to reduce compared to 2009–10 but there has been an increase in waste sent to landfill during 2012–13. We have exceeded the target set under the Greening Government Commitments (GGC). A reduction of 35% has been achieved, compared to the target of 25% from a 2009–10 baseline. The data provided by our facilities providers continues to be received late and as a result the information provided has been estimated for the period September to March 2013.

Controllable impacts commentary

We have made considerable progress in reducing office waste. We anticipate further significant reductions in landfill waste next year following the introduction of waste sorting bins by the facilities contractor, during 2012–13.

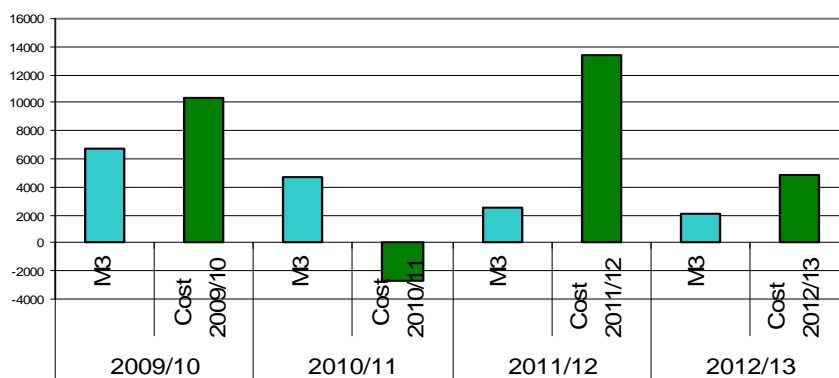
Overview of influenced impacts

Essex Probation has no direct control over management of the building estate, including waste removal suppliers. All locally agreed supplier contracts include a requirement for contractors to perform in accordance with the Authority's environmental policy to reduce waste.

Water

		2009–10	2010–11	2011–12	2012–13
Non-financial indicators	Total water consumption (cubic metres)	6,733	4,581	2,508	2,121
Financial indicators	Total water supply costs (£)	10,378	-2,652	13,385	4,837

Water. Total consumption and costs.



Performance commentary

Reported water use in our building has fallen steadily against the 2009–10 baseline.

Controllable impacts commentary

Water use is almost exclusively from washrooms, drinking water and use in heating and ventilation systems. Water usage across Essex Probation in 2012–13 measured 4.9m³ per FTE and represents good practice against the Best Practice benchmark of between 4 and 6m³.

Overview of influenced impacts

We only report water use in building where we are directly billed and responsible for the payment. All locally agreed supplier contracts include a requirement for contractors to perform in accordance with the Authority's environmental policy to conserve water.

Paper

	2009–10	2010–11	2011–12	2012–13
Cost (excluding VAT)	-	-	-	11,426

Data on the use of paper has been collected for the first time in 2012–13. We anticipate an ability to reduce our use of paper in coming years, following the implementation of technology to reduce the need for paper such as scanning equipment and electronic meeting papers etc.



information & publishing solutions

Published by TSO (The Stationery Office) and available from:

Online

www.tsoshop.co.uk

Mail, telephone, fax and email

TSO

PO Box 29, Norwich, NR3 1GN

Telephone orders/general enquiries 0870 600 5522

Order through the Parliamentary Hotline Lo-Call 0845 7 023474

Fax orders: 0870 600 5533

Email: customer.services@tso.co.uk

Textphone: 0870 240 3701

The Houses of Parliament Shop

12 Bridge Street, Parliament Square,

London SW1A 2JX

Telephone orders/general enquiries: 020 7219 3890

Fax orders: 020 7219 3866

Email: shop@parliament.uk

Internet: <http://www.shop.parliament.uk>

TSO@Blackwell and other accredited agents

ISBN 978-0-10-298556-6



9 780102 985566