

**Durham Tees Valley**  
Probation Trust



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



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### **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 8 July 2013

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ISBN: 9780102985313

Printed in the UK by The Stationery Office Limited  
on behalf of the Controller of Her Majesty's Stationery Office  
ID 2570591 07/13

Printed on paper containing 75% recycled fibre content minimum.

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# Statement of Purpose, Mission & Values

## **Vision**

We exist to provide high quality, timely advice to sentencers and the Parole Board. We implement sentences passed by our courts. Our assessment, management and supervision of offenders in the community protects people from harm, reduces reconviction, rehabilitates offenders and supports victims.

## **Mission**

We will, through our own efforts, and working in collaboration with others, provide probation services which contribute to the safety of communities in County Durham, Darlington and Teesside. We will conscientiously use the best evidence available to inform decisions about the management of individual offenders as well as the design and delivery of policies and practice to achieve the maximum measurable reduction in reconviction of those under our supervision.

## **Our values**

### **We value people**

Our staff are our greatest resource.

### **We value evidence**

We use public funds for practice proven to reduce reconviction.

### **We value difference**

Treating everyone we meet with respect and fairness.

### **We value our communities**

We live and work here too. Everyone should be free from crime and fear of crime.

### **We believe people can change**

Our experience is that most people who offend want to change. They very often do not know how to do so. We support, guide and instruct those efforts.

### **We believe in collaboration**

Probation cannot achieve its goals alone. We will bring expertise and resources together in partnership.

### **We believe good isn't good enough**

We will always look for ways to improve our services and performance.

## Foreword

We introduce this, the third annual report of the Durham Tees Valley Probation Trust, at a time of great uncertainty and anticipated change for probation. Against this backdrop we are proud to present this reflection on another positive year for our Trust.

Following a year of unprecedented success during 2011–2012, Durham Tees Valley Probation Trust has continued to deliver its contractual obligations to the Secretary of State: we have maintained an outstanding performance record and produced reductions in re-offending for our local communities. We continue to innovate across the range of Trust business areas – pressing for greater value for money and improved effectiveness – using research evidence to ensure that the Trust invests public monies only in those interventions known to reduce re-offending.

Although used to change, probation now faces what is probably the greatest period of uncertainty in its 106 year history. Durham Tees Valley Probation Trust remains unwavering in its commitment to rehabilitating offenders, reducing re-offending rates, supporting victims and protecting the public. At the heart of our work is the safety of our local communities and we offer our assurance that this will remain unaltered as we face the challenges of the coming year.

For now, we welcome readers to celebrate with us another outstanding year. We offer our sincere thanks for the Trust Board, the management team and staff across the organisation for another year of dedication and success.

**Sebert Cox OBE**  
Chairman

**Russell Bruce**  
Chief Executive

# 1. Operational & Performance Review 2012–13

Durham Tees Valley Probation Trust covers a varied geographical area that encompasses County Durham, Darlington, Hartlepool, Middlesbrough, Stockton and Redcar & Cleveland. At any one time the Trust's 600 staff are supervising around 6800 offenders and providing support to around 500 victims of serious sexual and violent crime. The Trust's area operates via six discrete Local Delivery Units (LDUs) which are designed to align with local authorities, police force areas and the jurisdictions of other partner agencies. This model facilitates the close local partnership working which lies at the heart of the Trust's mission to reduce re-offending for the local communities it serves.

For the year 2012–13 Durham Tees Valley Probation Trust remained a top performing Trust, achieving six consecutive quarters as a 4-star rated Trust under the NOMS Probation Trust Rating System and remaining one of the highest scoring Trusts as Her Majesty's Inspectorate of Probation published its final Offender Management Inspections of Trusts across England and Wales. The Trust has continued to develop its reputation as a market leader in evidence-based practice. The innovative two-stage supervision model is now embedded across the Trust, making best use of the locally designed cognitive-behavioural programme, Citizenship, and GALLANT projects, which are founded on current theories around desistance from crime.

The Trust is proud to present the following report of its performance during 2012–13.

## Middlesbrough Local Delivery Unit

Middlesbrough is the largest urban population centre of the Trust and has a multi ethnic and cultural population with a wide diversity of economic, employment and housing provision. The Local Delivery Unit supervises approximately 1000 offenders at any given time. Staff are supported by strong partnerships with input from a wide cross section of statutory and voluntary agencies including the local authority, police, employment and benefit agencies and housing providers.

### Major achievements over the year include:

- Re-offending rates for the Middlesbrough LDU continue to show a steady reduction
- Initiatives to tackle Domestic Abuse with special programmes for perpetrators in place in partnership with a registered charity
- Close links to the 'Troubled Families' initiative with protocols in place to ensure cross-agency cooperation
- Continuing close working links with police and health service within the Integrated Offender Management Team which results in targeting of high crime causers and offending linked to drug and alcohol misuse.



## Redcar & Cleveland Local Delivery Unit

Staff based in Redcar, Police HQ Kirkleatham and South Bank supervise approximately 600 offenders at any given time. The Local Delivery Unit operates across a very varied demographic combining some of the most affluent and most challenging areas in the region. Strong partnerships with the Local Authority, Police, employment and benefit agencies and housing providers ensure an holistic approach to tackling offending behaviour.

**Major achievements over the year include:**

- Re-offending rates for the Redcar & Cleveland LDU continue to fall steadily
- Close links to the 'Troubled Families' initiative with protocols in place to ensure cross-agency co-operation which will improve efficiency and outcomes for all agencies
- Continuing close working links with police and health service within the Integrated Offender Management Team which results in targeting of high crime causers and offending linked to drug and alcohol misuse
- Increased use of the Citizenship programme ensuring a structured intervention for all offenders which tackles the causes of offending behaviour.

## North Durham Local Delivery Unit

Staff based in Consett, Chester-le-Street, Durham and Peterlee supervise approximately 900 offenders at any given time. There is a range of partnership work established across North Durham, tailored to the criminogenic needs of offenders in each locality – most particularly, alcohol.

**Major achievements over the year include:**

- County Durham Community Alcohol Service providing support and appropriate intervention to alcohol dependent probationers, supported by the secondment of three Trust staff (at March 2013)
- Staff based within co-located Drug Treatment Centres delivering structured day care to probationers who misuse drugs, working closely with a range of statutory and voluntary sector partners to reduce the harm caused by drugs to individuals and communities
- Three co-located IOM hubs working across County Durham with the county's most prolific offenders. The 'Castle Project' continues to contribute to reduced re-offending by offenders subject to Integrated Offender Management supervision
- Trialling a 'Breach Co-ordinator' role for cases in North Durham LDU leading to the creation of a Breach Team which serves the whole Trust to ensure consistency and best practice in our enforcement activity.



## South Durham Local Delivery Unit

Staff based in Darlington, Bishop Auckland and Newton Aycliffe supervise approximately 1000 offenders at any given time, working in partnership with a range of key agencies and service providers to address the needs of the local caseload. Probationers are distributed between offender management, IOM and the Community Supervision Service (CSS) on the basis of risk and need.

**Major achievements over the year include:**

- A steep reduction in re-offending in Darlington in the context of a rate that has been steadily rising for over two years
- Improved services to probationers with Drug Rehabilitation Requirements following transfer of cases and staff to IOM Units
- Establishment of 'women only reporting' within the Darlington OMU, supported by local partner agencies
- Piloted "Talking Changes", improving access to psychological therapies for offenders – a hard to reach group for psychological interventions.



## Stockton Local Delivery Unit

Offender Management, CSS and IOM units within the Stockton LDU supervise approximately 800 offenders at any given time. The co-location of probation, police, housing workers, outreach workers and strong links with drug and alcohol services within the IOM unit maximises the resources available to probationers and has supported the reduction in re-offending in this area.



### Major achievements over the year include:

- Significant reduction in alcohol misuse and associated offending resulting from IOM working with Alcohol Treatment Requirements and Alcohol Specified Activity Requirements
- Outreach with sex workers in Stockton
- Identifying probationers on the cusp of re-offending who benefit from multi-agency working
- Developing Restorative Justice with non-statutory offenders sentenced to under 12 months custody.

## Hartlepool Local Delivery Unit

The Hartlepool LDU supervises approximately 500 offenders at any given time. Staff continue to work closely with local partners around “Troubled Families”, the innovative “Team Around the Household” approach, and with neighbourhood policing to target probationers presenting both risk of re-offending and issues of vulnerability. The combination of support and surveillance has enabled effective work to be undertaken with challenging individuals and families. Joint working arrangements within the IOM team to target Prolific & Priority Offenders (PPOs) and High Crime Causers (HCCs) have also contributed to the management of re-offending in this particularly challenging LDU.

### Major achievements over the year include:

- Development of “Team Around the Household” in partnership with other agencies
- Ongoing successful joint work with police in local neighbourhoods
- Targeting housing providers to be more pro-active in allocating accommodation to probationers
- Implementing Restorative Justice practice within both IOM and the general Offender Management team.



## Public Protection Units

Public Protection Units (PPU) based in Durham City and Middlesbrough continue to work in close partnership with the police to supervise probationers from all areas of the Trust who present the highest risk of harm. This represents approximately 600 offenders at any given time. Multi-agency Public Protection Arrangements (MAPPA) are an integral element of public protection practice, placing responsibility on statutory agencies – including probation – to work together to manage those offenders presenting the greatest risk of harm.

**Major achievements over the year include:**

- Implemented new MAPPA guidance which brought both clarity and some updates to practice
- PPU staff have collaborated to develop updated risk of harm guidance for all Trust staff.

## Victim Services

The Trust continues to provide statutory support to victims under the Domestic Violence, Crime and Victims Act 2004. Dedicated Victim Liaison Officers work closely with local agencies, support groups and the newly elected Police & Crime Commissioners to support victims and witnesses.

**Major achievements over the year include:**

- Audit of victim services carried out in October 2012 reported an overall top Green Rating
- Sustained high victim satisfaction ratings – 96.8% (Jan 2013)
- Establishment of a probation-led Restorative Justice scheme in partnership with other agencies, helping victims to make contact with offenders to support their recovery.

## Partnership with Prisons

The Trust continues to work in partnership with the 6 prisons located in County Durham and Teesside. A number of Trust staff are seconded to prison establishments in a variety of roles, continuing to build strong links which improve services provided to offenders both pre- and post-release.

**Major achievements over the year include:**

- Working closely with prison colleagues during a time of significant change for HM Prison Service
- Developing shared training opportunities to promote the importance of addressing high risk work together
- The secondment to the North East region of a Governor Grade has facilitated
  - Further improvements to joint sentence management from custody to community
  - Improved use of the Home Detention Curfew (HDC) facility
  - Joint project commenced between DTV and Northumbria Probation Trusts and North East prisons to improve the management of offenders serving Indeterminate Sentences for Public Protection (IPPs).



## Community Supervision Service

2012 saw the Community Supervision Service (CSS) team embedded within our offender management arrangements with the further introduction of the GALLANT project. Once they have completed the intensive one-to-one Citizenship programme, probationers transition to the CSS – although overall responsibility for the case remains with the designated officer. CSS Officers build on the cognitive-behavioural work that has been commenced in early supervision while beginning to focus on the probationer's future. The majority of probationers will then begin to attend GALLANT.



## GALLANT

Built on the principles of Desistance Theory, GALLANT is designed to operate as a one-stop-shop in the probationer's community, where they can both report to their supervising officer and quickly access community resources. The Trust operates 12 GALLANTS, all taking place away from probation premises to begin removing the stigma of being an 'offender'. GALLANT is supported by volunteers from each local community and attended by partner agencies according to the identified needs of the local probationers. GALLANT resembles a vibrant community centre and encourages

probationers to focus on their future, access the services that can support them as they reintegrate into their local community, and rebuild a personal identity as a law-abiding citizen.

## Court Services

Durham Tees Valley Probation Trust provides sentencing advice to the Crown Courts of Teesside and Durham, and to the Magistrates Courts across both County Durham and Teesside. During 2012–13 the Trust provided 6718 reports to the courts – the majority produced by the Courts team. The Courts team supports persons before the courts to find suitable bail accommodation and prosecutes in cases of probationers breaching the terms of their Community Orders.

### Major achievements over the year include:

- Close liaison with sentencers via Local Sentencing Groups
- Delivery of regular training seminars to magistrates with the support of staff and probationers
- Establishment of a dedicated Breach Team within the Legal Services Unit to support the work of the Courts team.



## Accredited Programmes

Our dedicated Accredited Programmes team delivers nationally accredited group work programmes which, local evidence demonstrates, are effective in reducing re-offending by as much as 55% against the predicted rate. Programmes provide a safe and supportive environment in which probationers can understand the impact of their offending on victims and communities, learn positive coping strategies, and begin to feel valued and empowered.

### Major achievements over the year include:

- Delivery of sex offender programmes: the Northumbria Sex Offender Group programme, the Better Lives programme, the Internet Sex Offender Treatment programme
- Delivery of violence-specific programmes: the Community Domestic Violence Programme (CDVP) and the Controlling Anger & Learning to Manage It programme (CALM)
- Delivery of the general offending behaviour programme: Thinking Skills
- Preparation for the replacement of CDVP and CALM with Building Better Relationships and RESOLVE respectively – new programmes that are based on a strengths and desistance model. All programmes delivery staff are trained and prepared for this transition.

## Commitment to Diversity

The Trust is fully committed to valuing diversity in our work with colleagues, partners and probationers, seeking to actively promote the benefits of a positive approach to equality and diversity.



### Major achievements over the year include:

- A complete review and relaunch of the Equality & Diversity policy
- Introduction of two new policies: Transgender policy and procedure for Responding to Incidents of Discrimination Towards Staff
- Commencement of refresher Diversity Training for all employees
- Ongoing development of services for women probationers

## Financial Performance

As a reflection of the generally austere climate which the public purse is experiencing, the Trust has incurred successive reductions in its funding over recent years. 2012 / 2013 was no exception with a reduction in our core grant of £275,000. This represents a 1% reduction on the previous year's funding and we were determined to demonstrate a responsible approach, dealing with the challenge of delivering upon all of our responsibilities whilst doing so at a reduced cost.

The Trust actually spent £22m last year ending the year with a small surplus of less than £1k, equivalent to 0.004% of the total available finance.

As the table below shows, we are essentially an organisation that provides its services directly through the activities of our staff. We are not an organisation with significant service delivery expenses beyond those associated with providing operational bases from which to deliver our work.

Expense Type	*Budget outturn £(000s)	Less Actual Employers Pension £(000s)	Add "Current Service Costs" £(000s)	Published figures inclusive of actuarial pension assessment £(000s)
Employee related costs	16,629	(2,457)	3,459	17,631
Other Administration costs	5,338			5,338
<b>Total Spend</b>	<b>21,967</b>			<b>22,969</b>
<b>Income</b>				
Central government Grant and other public sector agencies	(21,968)			(21,968)
<b>Surplus</b>	(1)			1,001
Expected Return on Pension Assets				(3,522)
Interest on Pension liabilities				4,569
<b>Net Operating costs before Tax</b>				<b>2,048</b>

Approximately 76% of our costs are associated with employee related expenditure and 13% is directly paid to central government for the provision of estate and ICT services. Locally we are responsible for



incurring less than half of our non pay costs, the most significant element being the reimbursement of transport costs of staff that use their own vehicles in the discharge of their offender management responsibilities.

The financial position shown on page 28 reflects the position after the inclusion of an actuarial pension assessment which lies outside the budgetary responsibility of the Trust.

## Operational performance

The Trust has achieved the rating of “exceptional performance” again this year under the Probation Trust Rating System (PTRS) achieving a maximum score of 4, one of only 5 Trusts to achieve this level of performance. This rating stands alongside the Trusts broader performance against “contract” metrics which are tabulated below.

These contract metrics are process oriented targets associated with ensuring:

- timeliness of reports provided to Sentencers in the Courts (OM40 thru' OM27)
- success in taking offenders through programmes & unpaid work (INT4 thru' 25)
- success in taking offenders through drug & alcohol programmes (INT16 & 17)
- success in finding employment & accommodation (INT8 & 9 / OM 17)
- success in ensuring offender compliance with court orders (OM 3,4,5 & 20)
- success in measures reflecting stakeholder confidence (see measures indicated below)

### Performance Summary 2012–2013

Ref	Description of target / measure	Target	Achieved	2012/13	2011/12
<b>Sickness absence</b>					
IPPF8	Sickness Absence	10	10.2	Near Miss	Near Miss
<b>Pre sentence assessments</b>					
OM40	PSR Timeliness – All	90%	99.27	Above	Above
<b>Post sentence assessments</b>					
OM8	OASys Timeliness – Tier 2 & 3	90%	98.0	Above	Above
OM9	OASys Timeliness – Tier 4	90%	94.7	Above	Above
OM10	OASys Timeliness – PPOs	90%	94.4	Above	Above
OM35	OASys Timeliness – Tier 4 & PPOs	90%	94.6	Above	Above
OM14	OASys Timeliness – Phase 2 & 3	90%	96.8	Above	Above
OM11	OASys Termination Timeliness – Tier 2 & 3	90%	95.6	Above	Above
OM12	OASys Termination Timeliness – Tier 4	90%	92.5	Above	Above
OM13	OASys Termination Timeliness – PPOs	90%	91.3	Above	Above
OM39	OASys Termination Timeliness – All	90%	95.3	Above	Above
<b>OM26</b>	<b>OASys QA</b>	90%	99.3	Above	Above
OM27	IPP/Lifer Parole Report Timeliness	80%	91.2	Above	Above
<b>Accredited programmes</b>					
INT4	Eligible Programme Starts (OGRS)	85%	89.2	Above	Near Miss
INT1	SOP Completions	40	40	Above	Above

Ref	Description of target / measure	Target	Achieved	2012/13	2011/12
INT13	SOP Completion Rate	80%	85.2	Above	Near Miss
INT2	DVP Completions	105	105	Above	Above
INT14	DVP Completion Rate	68%	79.6	Above	Above
INT3	Accredited OBP Completions	190	111	Below	Above
INT15	Accredited OBP Completion Rate	70%	51.1	Below	Near Miss
<b>Unpaid work</b>					
INT11	UPW Stand Downs/Send Homes	<1%	0.01	Above	Above
INT5	UPW Completions	1440	1424	Near Miss	Above
INT18	UPW completion rate	75%	76.2	Above	Above
INT24	UPW hours worked in agency placements	33%	40.9	Above	
INT25	Average UPW group size	7	6.5	Near Miss	
<b>Substance misuse</b>					
INT17	DRR completion rate	55%	51.1	Near Miss	Above
INT16	ATR completion rate	50%	74.3	Above	Above
<b>Employment</b>					
INT8	Sustained Employment	250	216	Below	Below
<b>INT9</b>	<b>Employment at Termination</b>	35%	45.1	Above	Above
<b>Compliance</b>					
OM5	Enforcement Timeliness	90%	96.2	Above	Near Miss
OM3	End to End Enforcement	65%	73.0	Above	Above
OM4	Licence Recall Timeliness	90%	97.8	Above	Above
<b>OM20</b>	<b>Successful Sentence Completions</b>	75%	76.8	Above	Above
<b>Accommodation</b>					
<b>OM17</b>	<b>Accommodation at Termination</b>	80%	88.0	Above	Above
BASS	Bass Referrals	40	52	Above	
<b>Stakeholder confidence</b>					
<b>OM21</b>	<b>Reduce Re-Offending</b>	N/A	14.14	Yes	Yes
<b>OM29</b>	<b>Offender Feedback</b>	70%	85.7	Above	Above
OM7	Victim Contact	90%	98.0	Above	Above
<b>OM32</b>	<b>Victim Feedback</b>	90%	97.4	Above	Above
<b>OM41a</b>	<b>MAPPA – SMB Attendance</b>	75%	100	Above	Above
<b>OM41b</b>	<b>MAPPA – Level 2/3 Meeting Attendance</b>	90%	100	Above	Above
<b>OM46</b>	<b>MAPPA – VISOR Effectiveness</b>	90%	100	Above	Above
	Above			81%	79%
	Near Miss			12%	13%
	Below			7%	8%
	No Cases			0%	0%

## 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.

## Governance Statement

### Governance and the purpose of the governance framework

The governance framework comprises the systems and processes, culture and values, by which and organisation is directed and controlled. It enables the organisation to monitor the pursuit of its strategic objectives and to consider those objectives have been met and to identify any organisational improvements that can be made. The system of internal control is a significant part of the governance framework and 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 the policies, aims and objectives of Durham Tees Valley Probation Trust, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Durham Tees Valley Probation Trust for the year ended 31 March 2013 and up to the date of approval of the Annual Report and Accounts.

### Scope of responsibility

As Accountable Officer, I have responsibility for maintaining adequate governance arrangements that support the achievement of Durham Tees Valley Probation Trust's policies, aims and objectives, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me. I am also responsible for ensuring that Durham Tees Valley Probation Trust is administered prudently and economically and that resources are applied efficiently and effectively. The Accountable Officer is answerable for keeping proper records and for safeguarding the trusts' assets, are set out in the Accountable Officers' Memorandum issued by the Secretary of State and published in Managing Public Money produced by HM Treasury. Under the terms of the Accountable Officers' Memorandum, the relationship between the Department's and Trusts' Accountable Officers, together with their respective responsibilities, is set out in writing.

### Corporate Governance Code

We have complied with the corporate governance code in all material aspects expected of an entity of our size and complexity.

### Governance framework

The Durham Tees Valley Probation Trust has a governance framework comprising a Board of 7 non Executive members and its Chief Executive.

The Board met on 7 occasions during 2012/13. The Board is supported by a structure of sub-committees comprising:

- Audit & Quality Assurance committee
- Partnerships and Communications Committee
- Human Resources committee
- Finance, Resources & Performance Committee
- Chairman's Review Committee

Of particular note are the two consultation exercises to which the Board provided a formal response:

- Punishment and Reform: Effective Community sentences
- Punishment and Reform: Effective Probation Services

The Board is advised and guided at each of its meetings by Executive Directors who have responsibility for Finance, Performance, Estates, Human Resources, Business Development and Legal Services.



## Attendance at Board meetings by Directors

	Possible Attendance	Actual Attendance
Russell Bruce – CE	7	7
Sebert Cox OBE – Chairman	7	7
Norman Vaulks	7	7
Judith Mashiter	7	6
Vivienne Trenchard	7	7
Kathryn Larkin-Bramley	7	7
Bill Thethi	7	7
Maureen Rillands	7	2

The audit committee commences each of its meetings with a “risk owner” presentation whereby each of the risks identified in the corporate risk register are considered in turn by members.

The audit committee Chair produces an annual report to enable it to assess its effectiveness. The Board Chairman performs a formal appraisal annually of each Board member.

### Capacity to handle risk

The organisation has ensured that its capacity to handle risk is sufficient by adopting a framework that ensures that the process of managing risk is embedded within the organisation. The Audit, Quality Assurance and Risk Committee and the Trust Board have proactively engaged with this agenda, in order to ensure that the organisation remained focused on the key areas of concern.

Central to the approach is bringing together Service Directors to review any identified principal risks to ensure a corporate response to the challenges faced. The meeting agenda identifies those risks and a system of cyclical review is in place.

The organisation is alert to issues of risk associated with Performance, Resource Management, Finance and Human Resources and so reports and risk reviews are considered at these events. Collective discussions and actions arising thereon provide for a continuous process of risk management.

### The risk and control framework

The risk and control framework is supported by positive engagement with the need to manage risk assertively. This is made effective by ensuring that we have regard to:

- **Leadership** – Senior Management and the Board support and promote risk management. There is a clear recognition of the need to manage Business Risk in its broadest context.
- **People** – Our staff are made to operate within a framework of expectations that links their contribution to the organisation’s goals to the associated need to manage risk.
- **Partnerships** – Effective arrangements for managing risks with partners have been established.
- **Processes** – The organisation’s processes are designed to incorporate effective risk management.
- **Risk Handling** – This is a sophisticated organisation that is alert to the presenting consequences of unmanaged risk.
- **Outcomes** – Risk Management contributes to achieving outcomes which is demonstrated by the successful year under report and the major business changes that have been navigated with success.

Such risks, where identified, are considered with regard to their relative economic, capacity and capability, technological, legislative, environmental, customers, citizens, stakeholders and performance impact.

The risk and control framework is also built upon a belief that the assessment, management and control of risk is in part achieved by the continuous application of those mechanisms that make for effective corporate governance.

Unacceptable risk can arise from the potential for these processes to fail.

The management of risk is an intrinsic element of all the processes that have developed over time to deliver the business of the organisation in such a way that meets the legitimate expectations of its many stakeholders, and therefore the organisation's response to the management and control of risk is to be found at the core of these processes.

The structured review of these processes is built into the annual cycle of review that is embraced within the business planning cycle. This review takes place appropriately throughout the service via the Board, Senior and Middle Managers all taking responsibility for reviewing performance against corporate objectives.

The Board recognises that risk is inherent in the normal activity of the organisation and seeks to ensure that all staff are adequately trained and able to recognise circumstances in which well-managed risk taking is appropriate and beneficial to the achievement of organisation objectives.

As Accountable Officer, I am particularly mindful of the need to manage and control information risk. We have a range of policies and strategies that we have adopted to create a strong and effective culture of secure information management.

Our risk register is published annually in the business plan and updated throughout the year being reviewed both by the senior management team and the audit committee.

The principle risk identified this year is the need to maintain and sustain the organisation under a period of unprecedented uncertainty about its future. The management team have adopted a "business as usual" approach in ensuring continuity of the standards we have set.

### **Review of economy, efficiency and effectiveness in the use of resources**

In ensuring a responsible approach to reductions in funding I have supported the on-going use of an internal specialism to introduce lean principles into the organisation. By this process, all aspects of service delivery are subject to a fundamental reappraisal of operational delivery models. Subsequent restructuring to ensure that more efficient and effective evidence based approaches are adopted and management information systems support the organisations on-going compliance with new delivery methods.

Post implementation reviews ensure that the anticipated improvements are delivered.

I also make every effort to ensure that integrated planning between Finance, Human Resources and Business Development functions delivers a co-ordinated business planning process which works on appropriate time horizons.

In seeking to determine the effectiveness of the organisation's core objectives I integrate research activity into the business design process and seek independently validated academic oversight of the positive outcomes being sought.

### **Employee support**

The Trust has a comprehensive portfolio of employee related policies and procedures available to all staff via an electronic staff reference manual. Currently numbering 46 these offer guidance and support to all staff groups in a way that fully reflects the diversity and needs profile of our employees.

## Information Security

Over the course of the year we had no reportable incidents with regard to information security. We nevertheless keep processes under review and are active in an on going process of improvement.

## Independent Inspection Report

The Trust was able to begin the business year in the wake of a major inspection by HMI Probation carried out during 2011/12 which had found the service to be a high performing deliverer of offender management services. Their publicly available report provides an accessible record of the quality of the work undertaken with offenders and scores the Trust with “an extremely creditable set of findings”.

	Scores from the English regions that have been inspected to date			Scores for Durham Tees Valley Trust
	Lowest	Highest	Average	
‘Control’ – ‘Risk of Harm to others’ work (action to protect the public)	64%	81%	73%	83%
‘Help’ and ‘Change’ – Likelihood of Reoffending work (individual less likely to reoffend)	62%	78%	72%	82%
‘Punish’ – Compliance and Enforcement work (individual serves his/her sentence)	69%	85%	78%	84%

The outcome of this inspection was core to the scoring used during 2012/13 in the performance framework by which we are measured.

## Review of effectiveness

The Accountable Officer also has responsibility for reviewing the effectiveness of the governance framework, including the system of internal control. The review is informed by the work of internal auditors and the executive managers within the Durham Tees Valley Probation Trust who have responsibility for the development and maintenance of the governance framework, including the system of internal control and comments made by external auditors in their Management Letter and other reports. Having been advised on the implications of the result of my review of the effectiveness of the governance framework by the Board and the Audit, Quality Assurance and Risk Committee, a plan to address weaknesses and ensure continuous improvement of the system is in place. Additionally, my effectiveness review is supported by a comprehensive range of other sources of assurance. Examples of these are:

- procedures for identifying the Board’s objectives and key risks;
- the development of a control strategy and risk management policy;
- the allocation of risk ownership;
- the role of the Audit, Quality Assurance and Risk Committee;
- involvement and role of internal audit;
- procedures for ensuring that aspects of risk management and internal controls are regularly reviewed and reported on;
- systems used to ensure compliance with specific regulations or procedures laid down by central departments; and
- monitoring of progress with current initiatives and compliance with extant external requirements.

A plan to address weaknesses and ensure continuous improvement of the system is in place.

### Future risks

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.

### Conclusion

As Chief Executive, I regard my responsibility in respect of good governance to be one of a continued pursuit of improved methodologies and ideas and a willingness to be always responsive to emerging risks. This continuous focus on risk management and/or good governance is shared across the Trust and we emerge from our third year as a merged Trust with a positive performance record. We regard our system of governance as being demonstrably effective, but we remain ever vigilant as to the challenge of the ever changing environment.

**Russell Bruce**  
**Chief Executive**  
**Durham Tees Valley Probation Trust**  
18<sup>th</sup> June 2013

## Management Commentary

### Statutory background

The Probation Trusts were established under the Offender Management Act 2007 (OM Act). Each Trust is a corporate body under the OM Act and a Non-Departmental Public Body (NDPB) which reports to the National Offender Management Service (NOMS). This Trust came into existence on 1 April 2010 (following the merger and transition from the Teesside and County Durham Probation Boards which were 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 56, by the Secretary of State under the OM Act.

### Principal activities

The Trust manages offenders subject to community orders and those on licence following their release from prison. We provide advice to sentencers in the magistrates and crown courts in the form of pre-sentence reports. The Trust also runs specific programmes designed to address specific offender related issues. In addition we manage and provide for offenders subject to unpaid work orders.

### Operational Performance during 2012–13

An analysis of performance outcomes is summarised in the Annual Report on pages 4 to 17.

### Results for the year

The Statement of Comprehensive Net Expenditure (SoCNE) for the year is shown on page 28. The Statement of Changes in Taxpayers' Equity is shown on page 31.

### Operating costs

The net operating cost before tax for 2012–13 stands at £2,048k compared to £62k for 2011–12. The reason for the increase is due to pensions movements.

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

The Statement of Financial Position and Statement of Cash Flows are on pages 29 and 30.

The net liability position has reduced from £34,163k at March 2012 to £33,971k at March 2013. The largest single movement in net assets is £675k due to a planned reduction in cash held at the bank.

### Communications and Employee Involvement

DTV Probation Trust continues to place great emphasis on achieving effective communication across the organisation, and encouraging employee involvement. This is achieved via frequent one-to-one supervision between managers and individual staff members; team meetings; management meetings; the use of working parties and focus groups for specific pieces of work; and the regular publication of a staff newsletter, Trustwide. In addition, Trust managers have continued to work closely with the trade unions, particularly in managing changes within the Trust.

The first DTV staff survey (since the merger of the former County Durham and Teesside Probation Areas in April 2010) produced extremely positive results across the range of questions. The vast majority of staff said they felt able to voice their opinions and put forward new ideas or suggestions for improvement, and that they were confident their ideas or suggestions would be listened to. Perhaps most importantly, the majority of our staff also said they were happy to be working for DTV Probation Trust, and that communication within the Trust is effective.

### Staff Diversity

The Trust places great emphasis on equality and diversity issues in respect of its workforce. Around 70% of our staff are female; 8% describe themselves as having a disability; 4% are from minority ethnic backgrounds (which is reflective of the local population); and around 10% are aged 60 or over. We publish annual Equality Objectives on our website, as well as regular progress reports.

The Trust has a very active Equality & Diversity group, which involves staff from across the organisation, including representation from both senior management and the Board. There are also two Staff Support Groups: for staff with disabilities, and for lesbian/gay staff. As an employer, we operate a well-used Flexible Working approach which enables staff to manage a positive work-life balance. In our 2012 staff survey, nearly 90% of staff agreed that “the Trust is committed to equality of opportunity for all of its staff”.

### Payment of creditors

In the year to 31 March 2013, the Trust paid 3,571 trade invoices with a value of £2,506,718. The percentage of undisputed invoices paid within 30 days by the Trust was 99.33% (target: 100%) compared to 96.47% in 2011–12.

### Treatment of Pension Liabilities

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

### Sickness absence data

The average levels of absence due to staff sickness were 10.2 days across the Trust (2011–12 11.0 days).

### Personal data related incidents

In the year the Trust had no data related incidents requiring any formal reporting to the Information Commissioner’s Office (ICO).

### Events after the reporting period

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

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

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

## Sustainable development

The Trust falls within the scope of reporting under the Greening Government commitment. As such we have produced a separate sustainability report showing performance against sustainability targets for greenhouse gas emissions, waste minimisation and management and the use of finite resources and their related expenditure. The Sustainability Report is shown on pages 57 to 61.

## Future developments

The Trust is currently subject to a Government led review of the provision of community sentences. Yet to be announced structural and business changes are yet to be defined. It is anticipated that work on these changes will commenced during the 2013/14 business year.

## Audit

In accordance with the direction given by the Secretary of State, these accounts have been prepared in accordance with the FReM. With effect from 1 April 2012, the external Auditor changed from the Audit Commission to the National Audit Office. This change of the external Auditors was driven by a Department for Communities and Local Government (DCLG) decision to disband the Audit Commission and was made by HMT via a 2012 order to the Government Resource Accounts Act 2000. The Comptroller and Auditor General is appointed by statute to audit the Trust and reports on the truth and fairness of the annual financial statements and the regularity of income and expenditure. The Audit Certificate of the Comptroller and Auditor General is attached to the Accounts on page 26.

Total audit fees reported in the Accounts are £35,640. 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.

## The Durham Tees Valley Probation Trust Management Board

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

- Durham Tees Valley Probation Board
- Audit Quality Assurance & Risk Committee
- Finance, Resources & Performance Committee
- Human Resources Committee
- Partnerships & Communications Committee
- Chairman's Review Committee

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

Details of the remuneration of the Management Board are set out in the Remuneration Report on pages 22 to 24.



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

<b>Position</b>	<b>Name</b>	<b>Date appointment commenced / ended (during 2012–13) where appropriate</b>
Chief Executive	Russell Bruce	1 <sup>st</sup> April 2010
Chairman	Sebert Cox OBE	1 <sup>st</sup> April 2010
Board Member	Balbir Thethi	1 <sup>st</sup> April 2010
Board Member	Kathryn Larkin-Bramley	1 <sup>st</sup> April 2010
Board Member	Maureen I Rillands	1 <sup>st</sup> April 2010
Board Member	Vivienne Trenchard	1 <sup>st</sup> April 2010
Board Member	Judith Mashiter	1 <sup>st</sup> April 2010
Board Member	Norman Vaulks	1 <sup>st</sup> April 2010

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.

Russell Bruce  
Accountable Officer  
18th June 2013



## Remuneration Report

### Appointments

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

The salary and pension entitlements of the senior managers and non-executive directors of the Durham Tees Valley Probation Trust were as follows:

### A) REMUNERATION – AUDITED

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

	2012/13			2011/12		
	Salary (as defined below) £000s	Bonus £000s	Benefits in kind (rounded to the nearest £100) £	Salary (as defined below) £000s	Bonus £000s	Benefits in kind (rounded to the nearest £100) £
* Russell Bruce – CE	95	2	1300	81	2	1800
Sebert Cox OBE – Chairman	18	0	1900	18	0	2200
Balbir Thethi – Member	2	0	500	2	0	500
Kathryn Larkin-Bramley – Member	2	0	700	2	0	800
Maureen I Rillands – Member	0	0	100	2	0	1000
Vivienne Trenchard – Member	2	0	800	2	0	700
Judith Mashiter – Member	2	0	1500	2	0	1600
Norman Vaulks – Member	3	0	1700	3	0	1600

The Chief Executive (CE) salary, codes & conditions and determined by the National Negotiating Council for the probation service: standing committee for Chief Officer Grades.

\* The CE is currently acting CE of Cumbria Probation Trust who reimburse 40% of the remuneration costs.

All MoJ appointed Trust Board members receive non-pensionable remuneration of £15.40 per hour from 1 April 2012, with the exception of the Chief Executive and the Chair. Trusts at their discretion may pay a travelling allowance and any other relevant expenses incurred.

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

	Total Full-time Equivalent Remuneration	
	2012–13	2011–12
Highest paid Director (pay band)	£95k–£100k	£80k–£85k
Median for other staff	£27,102	£27,102
Pay multiple ratio	3.5:1	3:1

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 and overtime.

### 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 £000s	Real increase in pension and related lump sum at pension age £000s	CETV at 31 March 2013 £000s	CETV at 31 March 2012 £000s	Real decrease in CETV after adjustment for inflation and changes in market investment factors £000s
Russell Bruce CE	43 pension plus 70 lump sum	0	627	644	17

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

### Cash Equivalent Transfer Value (CETV)

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

### **Real increase in CETV**

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

Russell Bruce  
Accountable Officer

18th 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 Durham Tees Valley Probation Trust to prepare for each financial year, a statement of accounts detailing the resources acquired, held or disposed of during the year and the use of resources by the Trust during the year. The accounts are prepared on an accrual basis and must give a true and fair view of the state of affairs of the Trust and of its income and expenditure, changes in taxpayers' equity and cash flows for the financial year.

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

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

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.

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

#### **Respective responsibilities of the Chief Executive and auditor**

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

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

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

#### **Opinion on regularity**

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

#### **Opinion on financial statements**

In my opinion:

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

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

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

### **Opinion on other matters**

In my opinion:

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

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

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

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

### **Report**

I have no observations to make on these financial statements.

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

**01 July 2013**

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

## 3. Accounts

### Statement of Comprehensive Net Expenditure

For the year ended 31 March 2013

		2012–13	2011–12
	Notes	£000	£000
<b>Administration costs</b>			
Staff costs	3(a)	17,631	16,495
Other administration costs	6(a)	5,338	5,586
Income	7(a)	(21,968)	(22,181)
<b>Net operating costs</b>		<b>1,001</b>	<b>(100)</b>
Expected return on pension assets	4(d)	(3,522)	(4,182)
Interest on pension scheme liabilities	4(d)	4,569	4,344
<b>Net operating costs before taxation</b>		<b>2,048</b>	<b>62</b>
Taxation	5	35	12
<b>Net operating costs after taxation</b>		<b>2,083</b>	<b>74</b>

### Other Comprehensive Expenditure

		2012–13	2011–12
	Notes	£000	£000
Net (gain)/loss on revaluation of property, plant and equipment	8	(11)	(6)
Pension actuarial (gain)/loss	23	(2,264)	19,153
<b>Total comprehensive expenditure for the year ended 31 March 2013</b>		<b>(192)</b>	<b>19,221</b>

The notes on pages 32 to 54 form part of these accounts.

## Statement of Financial Position

As at 31 March 2013

	Notes	2012–13 £000	2011–12 £000
<b>Non-current assets</b>			
Property plant and equipment	8	197	165
<b>Total non-current assets</b>		<b>197</b>	<b>165</b>
<b>Current assets</b>			
Trade and other receivables	12(a)	2,457	2,462
Cash and cash equivalents	13	1,647	2,322
<b>Total current assets</b>		<b>4,104</b>	<b>4,784</b>
<b>Total assets</b>		<b>4,301</b>	<b>4,949</b>
<b>Current liabilities</b>			
Trade and other payables	14(a)	(1,032)	(1,463)
Taxation payables	14(a)	(1,154)	(1,322)
<b>Total current liabilities</b>		<b>(2,186)</b>	<b>(2,785)</b>
<b>Non-current assets plus/less net current assets/(liabilities)</b>		<b>2,115</b>	<b>2,164</b>
<b>Non-current liabilities</b>			
Trade and other payables	14(a)	0	(26)
Pension liability	4(c)	(36,086)	(36,301)
<b>Total non-current liabilities</b>		<b>(36,086)</b>	<b>(36,327)</b>
<b>Assets less liabilities</b>		<b>(33,971)</b>	<b>(34,163)</b>
<b>Taxpayers' equity</b>			
General fund	23	(34,100)	(34,281)
Revaluation reserve – property, plant and equipment	24(a)	129	118
		<b>(33,971)</b>	<b>(34,163)</b>

The financial statements on pages 28 to 31 were approved by the Board on 18<sup>th</sup> June 2013 and were signed on its behalf by

..... Accountable Officer

18th June 2013

The notes on pages 32 to 54 form part of these accounts.



## Statement of Cash Flows

For the year ended 31 March 2013

		2012–13	2011–12
	Notes	£000	£000
<b>Cash flows from operating activities</b>			
Net operating costs	23	(2,083)	(74)
Adjustments for non-cash transactions	6(a)	37	63
Adjustments for pension cost		2,049	229
(Increase)/decrease in receivables	12(a)	5	(231)
Increase/(decrease) in payables	14(a)	(625)	538
<b>Net cash outflow from operating activities</b>		<b>(617)</b>	<b>525</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	8	(59)	0
Proceeds on disposal of property, plant and equipment	8	1	7
<b>Net cash outflow from investing activities</b>		<b>(58)</b>	<b>7</b>
<b>Net increase/(decrease) in cash and cash equivalents in the period</b>			
		<b>(675)</b>	<b>532</b>
Cash and cash equivalents at the beginning of the period	13	2,322	1,790
Cash and cash equivalents at the end of the period	13	1,647	2,322
<b>Increase/(decrease) in cash</b>		<b>(675)</b>	<b>532</b>

The notes on pages 32 to 54 form part of these accounts.

## Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2013

	Notes	General Fund £000	Revaluation Reserve £000	Total £000
<b>Balance as at 1 April 2011</b>		<b>(15,054)</b>	<b>112</b>	<b>(14,942)</b>
<b>Changes in taxpayers' equity for 2011–12</b>				
Net operating cost after taxation	SocNE	(74)	0	<b>(74)</b>
Net gain/(loss) on revaluation of property, plant and equipment	24(a)	0	6	<b>6</b>
Pension actuarial (loss)/gain	23	(19,153)	0	<b>(19,153)</b>
<b>Balance as at 31 March 2012</b>		<b>(34,281)</b>	<b>118</b>	<b>(34,163)</b>
<b>Changes in taxpayers' equity for 2012–13</b>				
Net operating cost after taxation	SocNE	(2,083)	0	<b>(2,083)</b>
Net gain/(loss) on revaluation of property, plant and equipment	24(a)	0	11	<b>11</b>
Pension actuarial (loss)/gain	23	2,264	0	<b>2,264</b>
<b>Balance as at 31 March 2013</b>		<b>(34,100)</b>	<b>129</b>	<b>(33,971)</b>

The notes on pages 32 to 54 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 only impact on the financial statements would have been a movement of £547k between net expenditure and other comprehensive expenditure. The net position on fund assets and obligations would remain unchanged.

#### 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. Tangible assets are shown at fair value and depreciated historic cost is a proxy for fair value.

#### 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.

Tangible assets are carried at fair value. Depreciated historic cost is used as a proxy to fair value.

Asset lives are currently in the following ranges:

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

#### 1.6 Impairment

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

is recognised in the Revaluation Reserve. Under IAS 36, Intangible Assets under construction should be tested for impairment annually.

### **1.7 Intangible non-current assets**

The Trust does not hold any intangible assets.

### **1.8 Non-current assets held for sale**

The Trust does not hold any non-current assets for sale.

### **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). It provides benefits on a final salary basis at a normal retirement age of 60. The scheme covers present and past employees, which is statutory and fully funded. The scheme is administered by the Teesside Pension Fund. This is a funded defined benefit scheme meaning that retirement benefits are determined independently of the investments of the scheme and employers are obliged to make additional contributions where assets are insufficient to meet retirement benefits. Under the LGPS Regulations the pension fund is subject to an independent triennial actuarial valuation to determine each employer's contribution rate (Disclosure of Stakeholder Pensions Schemes is not included in these accounts). Where a central government entity has a share of a local government (or other) pension scheme liability on its statement of financial position, then that entity will use a discount rate determined by the appropriate authority (for example CIPFA or a qualified independent actuary) in valuing its share and not the rate advised annually by HM Treasury. The pension fund actuary has used roll forward estimated asset value figures in producing the IAS 19 pension liability and other disclosures.

### **1.13 Leases**

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

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

**Finance leases**

The Trust has no finance leases

**Operating leases**

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

**Operating leases – incentives**

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

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

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

**1.14 Provisions**

The Trust does not include any provisions.

**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 Deferred Tax**

The Trust makes no provision for deferred tax within the accounts as there are no timing delay issues.

**1.17 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.

**1.18 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.

**1.19 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.

**1.20 Segmental analysis of spend as reported to the Management Board**

There are no operating segments within the Trust and therefore there is no Segmental reporting to the Trust's Management Board.

**1.21 Third party assets**

The Trust does not hold any third party assets.

**Note 26.**



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

There are no operating segments within the Trust and, therefore, there is no segmental reporting to the Trust's Management Board.

### 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	15,449	15,449	0	15,225
Social security costs	1,220	1,220	0	1,195
Other pension costs	3,459	3,459	0	2,673
<b>Sub-total</b>	<b>20,128</b>	<b>20,128</b>	<b>0</b>	<b>19,093</b>
Less recoveries in respect of outward secondments	(2,497)	(2,497)	0	(2,598)
<b>Total staff costs</b>	<b>17,631</b>	<b>17,631</b>	<b>0</b>	<b>16,495</b>
Administration-related staff costs	17,631	17,631	0	16,495
Programme-related staff costs	0	0	0	0
	<b>17,631</b>	<b>17,631</b>	<b>0</b>	<b>16,495</b>

The Local Government Pension Scheme is a funded multi-employer defined benefit scheme. The Probation Trust's share of the underlying assets and liabilities are shown below in **Note 4**. The change in other pension costs relates primarily to increased finance charges.

0 persons (2011-12: 0 persons) retired early on ill-health grounds. There are no additional accrued pension liabilities in the year.

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

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

	2012-13		2011-12
	Total	Permanently- employed staff	Total
	456	456	456
	<b>456</b>	<b>456</b>	<b>456</b>



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

Exit packages cost band	2012–13			2011–12		
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	0	4	4	0	2	2
£10,000–£25,000	0	4	4	0	0	0
£25,000–£50,000	0	2	2	0	0	0
<b>Total number of exit packages by type</b>	<b>0</b>	<b>10</b>	<b>10</b>	<b>0</b>	<b>2</b>	<b>2</b>
<b>Total resource cost £000</b>	<b>0</b>	<b>174</b>	<b>174</b>	<b>0</b>	<b>6</b>	<b>6</b>

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

Savings from the voluntary early departures will be primarily within the Approved Premises where staffing changes have been made as a result of a service review.

## 4. Pensions costs

The pension scheme is a Local Government Pension Scheme and it provides benefits on a final salary basis at a normal retirement age of 60. The scheme covers present and past employees, which is statutory and fully funded. The scheme is administered by the Teesside Pension Fund. The return on the Fund (on a bid value basis) for the year to 31 March 2013 is estimated to be 15.1%. This is based on the estimated Fund value used at the previous accounting date and the estimated Fund value used at this accounting date. The actual return on Fund assets over the year may be different. Actuaries have estimated the bid values where necessary. The final asset allocation of the Fund assets at 31 March 2013 is likely to be different from that shown due to estimation techniques.

### 4a Pension costs

A full actuarial valuation was carried out at 31 March 2012 by Aon Hewitt. For 2012–13, employers' contributions of £2,456,662 were payable to the LGPS (2011–12 £2,606k, 2013/14 estimate £2.5m) at a contribution rate of 19.2% (2011–12 -18.1%). 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.

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

	2012-13	2011-12
	%	%
Inflation assumption	2.5%	2.5%
Rate of increase in salaries	4.4%	4.7%
Rate of increase for pensions in payment and deferred pensions	2.5%	2.5%
Discount rate	4.4%	4.6%

#### Mortality Assumptions:

Retiring today: Males 19.2, Females 23.2

Retiring in 20 years time: Males 21.1, Females 25.1

#### 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	7.8%	78%	56,304	6.1%	83%	51,230
Government bonds	2.8%	7%	5,237	3.3%	6%	3,703
Other bonds	3.8%	2%	1,455	4.6%	2%	1,234
Property	7.3%	5%	3,855	4.3%	4%	2,469
Other	5.1%	8%	5,892	3.0%	5%	3,086
<b>Total</b>	<b>7.0%</b>	<b>100%</b>	<b>72,743</b>	<b>5.7%</b>	<b>100%</b>	<b>61,722</b>
<b>(Present value of scheme liabilities)</b>			<b>(108,829)</b>			<b>(98,023)</b>
<b>Surplus/(deficit) of the scheme</b>			<b>(36,086)</b>			<b>(36,301)</b>
<b>Net pension asset/(liability)</b>			<b>(36,086)</b>			<b>(36,301)</b>

## 4d. Analysis of amounts recognised in SoCNE

	2012–13	2011–12
	£000	£000
<b>Pension cost</b>		
Current service cost	3,459	2,673
Past service cost	0	0
Effect of curtailment	0	0
Effect of settlement	0	0
<b>Total operating charge</b>	<b>3,459</b>	<b>2,673</b>

	2012–13	2011–12
	£000	£000
<b>Analysis of interest cost on pension scheme – assets/(liabilities)</b>		
Expected return on pension scheme assets	(3,522)	(4,182)
Interest on pension scheme liabilities	4,569	4,344
<b>Net interest costs</b>	<b>1,047</b>	<b>162</b>

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

	2012–13	2011–12
	£000	£000
Pension actuarial gain/(loss)	2,293	(19,153)
Irrecoverable surplus (if applicable)	0	0
<b>Total shown in other comprehensive expenditure</b>	<b>2,293</b>	<b>(19,153)</b>

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

	2012–13	2011–12
	£000	£000
<b>Opening present value of liabilities</b>	<b>98,023</b>	<b>78,063</b>
Current service cost	3,459	2,673
Interest cost	4,569	4,344
Contributions by members	893	891
Actuarial (gains)/losses on liabilities*	3,595	13,759
Benefits paid	(1,710)	(1,661)
Past service cost	0	0
Unfunded benefits paid	0	(46)
Curtailments	0	0
Settlements	0	0
<b>Closing present value of liabilities</b>	<b>108,829</b>	<b>98,023</b>

\* Includes changes to actuarial assumptions

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

	2012–13	2011–12
	£000	£000
<b>Opening fair value of assets</b>	<b>61,722</b>	<b>61,144</b>
Expected return on assets	3,522	4,182
Actuarial gains/(losses) on assets	5,859	(5,394)
Contributions by the employer	2,457	2,606
Contributions by members	893	891
Benefits paid	(1,710)	(1,707)
Net increase from disposals and acquisitions	0	0
Unfunded benefits paid	0	0
Curtailments	0	0
Settlements	0	0
<b>Closing fair value of assets</b>	<b>72,743</b>	<b>61,722</b>

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

	2012–13	2011–12	2010–11	2009–10	2008–09
	£000	£000	£000	£000	£000
Fair value of assets	72,743	61,722	61,144	52,609	37,696
Present value of liabilities	108,829	98,023	78,063	78,420	51,724
<b>Surplus/(deficit)</b>	<b>(36,086)</b>	<b>(36,301)</b>	<b>(16,919)</b>	<b>(25,811)</b>	<b>(14,028)</b>
Experience gains/(losses) on scheme assets	5,888	(5,091)	23,861	11,508	(9,588)
Experience gains/(losses) on scheme liabilities	32	0	(43,494)	120	(40)
Percentage experience gains/(losses) on scheme assets	<b>8%</b>	<b>(8)%</b>	<b>39%</b>	<b>22%</b>	<b>(25)%</b>
Percentage experience gains/(losses) on scheme liabilities	<b>0%</b>	<b>0%</b>	<b>(56)%</b>	<b>0%</b>	<b>0%</b>

#### 4i. Sensitivity analysis

	+0.1%	0%	(0.1)%
	£000	£000	£000
<b>Adjustment to discount rate</b>			
Present value of total obligation	107	0	111
Projected service cost	4,078	0	4,304
<b>Adjustment to mortality age rate assumption</b>			
Present value of total obligation	107	0	111
Projected service cost	4,080	0	4,299
<b>Adjustment to salaries assumption</b>			
Present value of total obligation	109	0	108
Projected service cost	4,240	0	4,141

## 5. Taxation

	2012–13	2011–12
	£000	£000
UK corporation tax	35	12
<b>Total</b>	<b>35</b>	<b>12</b>

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

Corporation Tax is charged at 20% (2011–12: 20%).

## 6. Other administrative costs and programme costs

### 6a. Administration costs

	2012-13		2011-12	
	£000	£000	£000	£000
Rentals under operating leases	22		28	
Interest charges	3		3	
Accommodation, maintenance and utilities	2,227		2,001	
Travel, subsistence and hospitality	582		614	
Professional services	251		221	
IT services	700		752	
Communications, office supplies and services	505		464	
Other staff related	354		85	
Offender costs	418		430	
Other expenditure	179		855	
External Auditors' remuneration – statutory accounts	36		43	
External Auditors' remuneration – other	0		0	
Internal Auditors' remuneration and expenses	24		27	
		<b>5,301</b>		<b>5,523</b>
<b>Non-cash items</b>				
Depreciation of tangible non-cash assets	36		63	
Profit/(loss) on disposal of tangible non-cash assets	1		0	
		37		63
<b>Total other administration costs</b>		<b>5,338</b>		<b>5,586</b>

## 7. Income

### 7a. Administration income

#### Income receivable from the sponsoring department – NOMS

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

#### **Total income**

2012-13		2011-12	
£000	£000	£000	£000
	21,528		21,803
	13		2
	121		115
	2		2
	185		179
	119		80
	<b>21,968</b>		<b>22,181</b>

## 8. Property, plant and equipment

	2012-13					Total £000
	Information technology	Plant and machinery	Transport equipment	Furniture, fixtures and fittings	Payments on account and assets under construction	
	£000	£000	£000	£000	£000	
<b>Cost or valuation</b>						
<b>As at 1 April 2012</b>	<b>0</b>	<b>95</b>	<b>431</b>	<b>159</b>	<b>0</b>	<b>685</b>
Additions	0	0	59	0	0	59
Disposals	0	(60)	(87)	0	0	(147)
Indexation/revaluation	0	1	24	3	0	28
<b>As at 31 March 2013</b>	<b>0</b>	<b>36</b>	<b>427</b>	<b>162</b>	<b>0</b>	<b>625</b>
<b>Depreciation</b>						
<b>As at 1 April 2012</b>	<b>0</b>	<b>92</b>	<b>271</b>	<b>157</b>	<b>0</b>	<b>520</b>
Charge in year	0	0	35	1	0	36
Disposals	0	(60)	(85)	0	0	(145)
Indexation/revaluation	0	1	13	3	0	17
<b>As at 31 March 2013</b>	<b>0</b>	<b>33</b>	<b>234</b>	<b>161</b>	<b>0</b>	<b>428</b>
<b>Carrying value as at 31 March 2013</b>	<b>0</b>	<b>3</b>	<b>193</b>	<b>1</b>	<b>0</b>	<b>197</b>
<b>Carrying value as at 31 March 2012</b>	<b>0</b>	<b>3</b>	<b>160</b>	<b>2</b>	<b>0</b>	<b>165</b>
<b>Asset financing</b>						
Owned	0	3	193	1	0	197
Finance leased	0	0	0	0	0	0
<b>Carrying value as at 31 March 2013</b>	<b>0</b>	<b>3</b>	<b>193</b>	<b>1</b>	<b>0</b>	<b>197</b>



## 8. (Continued)

	2011-12					Total £000
	Information technology	Plant and machinery	Transport equipment	Furniture, fixtures and fittings	Payments on account and assets under construction	
	£000	£000	£000	£000	£000	
<b>Cost or valuation</b>						
<b>As at 1 April 2011</b>	0	95	619	156	0	870
Disposals	0	0	(191)	0	0	(191)
Indexation/revaluation	0	0	3	3	0	6
<b>As at 31 March 2012</b>	0	95	431	159	0	685
<b>Depreciation</b>						
<b>As at 1 April 2011</b>	0	85	404	152	0	641
Charge in year	0	7	51	5	0	63
Disposals	0	0	(184)	0	0	(184)
<b>As at 31 March 2012</b>	0	92	271	157	0	520
<b>Carrying value as at 31 March 2012</b>	0	3	160	2	0	165
<b>Carrying value as at 31 March 2011</b>	0	10	215	4	0	229
<b>Asset financing</b>						
Owned	0	3	160	2	0	165
<b>Carrying value as at 31 March 2012</b>	0	3	160	2	0	165

## 9. Intangible assets

The Trust did not hold any intangible assets at the reporting date (2011–12: nil).

## 10. Impairments

There was no impairment of assets during the year (2011–12: nil).

## 11. Assets held for sale

There are no assets held for sale during the year (2011–12: nil).

## 12. Trade receivables and other current assets

### 12a. Analysis by type

	2012–13	2011–12
	£000	£000
<b>Amounts falling due within one year</b>		
Trade receivables	1	0
Deposits and advances	3	2
Receivables due from NOMS agency	2,315	2,383
Receivables due from Ministry of Justice – core	27	0
Receivables due from all other Government departments	85	53
Other receivables	0	7
Prepayments	12	17
Accrued income	14	0
	<b>2,457</b>	<b>2,462</b>
<b>Amounts falling due after more than one year</b>		
Trade receivables	0	0
	<b>0</b>	<b>0</b>
<b>Total</b>	<b>2,457</b>	<b>2,462</b>

### 12b. Intra-Government receivables

	Amounts falling due within one year		Amounts falling due after more than one year	
	2012–13	2011–12	2012–13	2011–12
	£000	£000	£000	£000
Balances with other central Government bodies (inc. parent department)	2,342	2,385	0	0
Balances with local authorities	85	53	0	0
	<b>2,427</b>	<b>2,438</b>	<b>0</b>	<b>0</b>
Balances with bodies external to Government	30	24	0	0
<b>Total</b>	<b>2,457</b>	<b>2,462</b>	<b>0</b>	<b>0</b>

## 13. Cash and cash equivalents

	2012–13	2011–12
	£000	£000
Balance at 1 April	2,322	1,790
Net change in cash and cash equivalents	(675)	532
<b>Balance at 31 March</b>	<b>1,647</b>	<b>2,322</b>
The following balances at 31 March are held at:		
Commercial banks and cash in hand	1,647	2,322
<b>Balance at 31 March</b>	<b>1,647</b>	<b>2,322</b>

## 14. Trade payables and other current liabilities

### 14a. Analysis by type

	2012–13	2011–12
	£000	£000
<b>Amounts falling due within one year (excluding taxation)</b>		
Trade payables	112	129
Other payables	5	6
Accruals	500	811
Deferred income	34	25
Staff payables	9	217
Payables due to NOMS Agency	0	0
Payables due to all other Government departments	0	9
Unpaid pensions contributions due to the pensions scheme	372	266
	<b>1,032</b>	<b>1,463</b>
<b>Tax falling due within one year</b>		
VAT	721	933
Corporation tax	5	12
Other taxation and social security	428	377
	<b>1,154</b>	<b>1,322</b>
<b>Total amounts falling due within one year</b>	<b>2,186</b>	<b>2,785</b>
<b>Amounts falling due after more than one year</b>		
Other payables	0	26
	<b>0</b>	<b>0</b>
<b>Total</b>	<b>2,186</b>	<b>2,811</b>

### 14b. Intra-Government payables

	Amounts falling due within one year		Amounts falling due after more than one year	
	2012–13	2011–12	2012–13	2011–12
	£000	£000	£000	£000
Balances with other central Government bodies (inc. parent department)	1,351	1,327	0	0
Balances with local authorities	45	4	0	0
	<b>1,396</b>	<b>1,331</b>	<b>0</b>	<b>0</b>
Balances with bodies external to Government	790	1,454	0	26
<b>Total</b>	<b>2,186</b>	<b>2,785</b>	<b>0</b>	<b>26</b>

## 15. Provisions for liabilities and charges

There are no provisions for liabilities and charges as at the reporting date (2011–12: nil).

## 16. Capital commitments

No commitments for capital expenditure and major maintenance works have been provided for in these accounts. (2011–12: nil).

## 17. Commitments under lease

### 17a. Operating leases

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

Obligations under operating leases for the following periods comprise:

	2012–13	2011–12
	£000	£000
<b>Other</b>		
Not later than one year	53	28
Later than one year and not later than five years	91	7
Later than five years	0	0
<b>Total</b>	<b>144</b>	<b>35</b>

## 18. Other financial commitments

The Trust has not entered into non-cancellable contracts at the reporting date (2011–12: nil).

## 19. Deferred tax asset

The Trust does not hold any deferred tax assets (2011–12: nil).

## 20. Financial instruments

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

## 21. Contingent liabilities

The Trust has no contingent liabilities as at the reporting date (2011–12: nil).

## 22. Losses and special payments

### 22a. Losses statement

There have been no losses payments in the year (2011–12: nil).

### 22b. Special payments schedule

	2012–13		2011–12	
	Number of cases	Total value £000	Number of cases	Total value £000
Special payments	2	4	3	5
<b>Total</b>	<b>2</b>	<b>4</b>	<b>3</b>	<b>5</b>
<b>Details of cases over £250,000</b>				
Special payments	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

There were no Special Payments over £250,000 made in the year (2011–12: nil).

## 23. General fund

	2012–13	2011–12
	£000	£000
<b>Balance at 1 April</b>	<b>(34,281)</b>	<b>(15,054)</b>
Net transfers from Operating Activities:		
Statement of Comprehensive Net Expenditure	(2,083)	(74)
Actuarial gains and losses	2,264	(19,153)
<b>Balance at 31 March</b>	<b>(34,100)</b>	<b>(34,281)</b>



## 24. Revaluation reserve

### 24a. Property, plant and equipment

	2012–13	2011–12
	£000	£000
<b>Balance restated at 1 April</b>	<b>118</b>	<b>112</b>
Arising on revaluations of PPE during the year (net)	11	6
<b>Balance at 31 March</b>	<b>129</b>	<b>118</b>

### 24b. Intangibles

The Trust does not hold any intangible asset reserves.

## 25. Related party transactions

The parent company, NOMS and the Ministry of Justice, who have ultimate control 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', and other government bodies.

Following the departure of Cumbria Probation Trusts Chief Executive, the DTV Chief Executive has been providing some time limited support during the period the position has been held vacant. During the year, none of the other members of the Management Board, members of key management staff or other related parties, or their related parties has undertaken any material transactions with the Trust.

## 26. Third-party assets

The Trust does not hold any Third-party assets.

## 27. Events occurring after the reporting period

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

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

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

The accounts were authorised for issue on 18<sup>th</sup> June 2013.


## 28. Prior period adjustments

There are no prior period adjustments (2011–12: nil).

## 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

## 4. Sustainability report (Not subject to Audit)

### Introduction

It is now mandatory for all central government bodies producing Annual Reports and Accounts in accordance with the Government Financial Reporting Manual (FReM) to include a discrete section of sustainability information and related costs. This is the second sustainability report for Durham Tees Valley Probation Trust, prepared in accordance with 2011–12 guidelines laid down by HM Treasury in “Public Sector Annual Reports: Sustainability Reporting” published at: [www.hm.treasury.gov.uk/frem.sustainability.htm](http://www.hm.treasury.gov.uk/frem.sustainability.htm).

Durham Tees Valley Probation Trust's sustainability focus is on supporting the MoJ in achieving government targets, reducing environmental impact and reducing costs. Priorities include reducing carbon emissions, water consumption and waste to landfill.

### 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 the MoJ, who manage day to day estate operations including voluntary and mandated sustainability reporting. There are still 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 2014/15 (compared to a 2009/10 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.

## Not Subject To Audit

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

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

## Social and Environmental Awareness

Durham Tees Valley Probation Trust recognises that in the process of conducting our activities we have an impact upon the environment. The Trust is committed to assisting the MoJ in achieving the CGC made by government of reducing greenhouse gas emissions, waste and water usage and buying more sustainable and efficient products.

Durham Tees Valley Probation Trusts Sustainability Policy Statement outlines our commitment to this process in a number of ways:

- Present options to the MoJ with regard to consolidating buildings into single site operations and examining options for co-locating with partner agencies.
- Examining options for digital efficiency solutions to reduce waste and paper usage and reducing travel commitments by the increased use of video conferencing.
- Engaging with centrally defined suppliers which have been selected for their compliance with the GCG agenda.

## PERFORMANCE

This report covers 16 probation offices across the Durham and Teesside regions. Comparison figures up to 2010/11 include a further building which was vacated during March 2011.

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 and 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 sustainability data. The Trust does not consider that the exclusion of these areas has a material impact on sustainability reporting for the Trust as a whole.

Waste cost data is not available at this stage.

Energy consumption and emissions are considered as direct or indirect:

Scope 1 – Direct Emissions      Emissions made by assets owned or controlled by the Trust – in this case, transport.

Scope 2 – Indirect Emissions      Purchased energy e.g. gas, electricity.

## Not Subject To Audit

Scope 3 – Business Travel Emissions made by transport not owned by the Trust e.g. .rail, taxi, bus, air, private vehicles.

### About our data

There are limitations to the accuracy of the financial and non-financial sustainability data and we will continue to work hard to improve the quality.

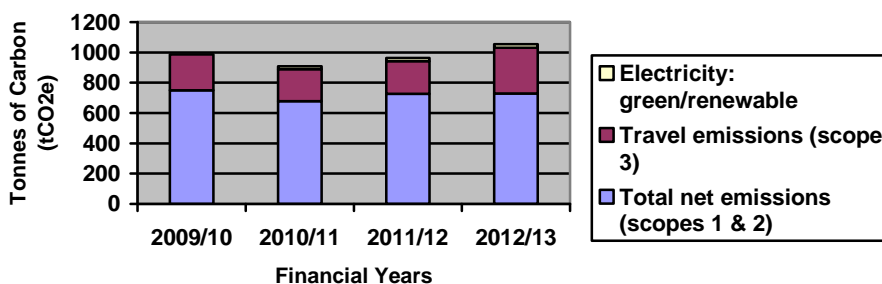
This report covers energy use only in locations occupied by Durham Tees Valley Trust where the costs are met through the NOMS's outsourced Estate and Facilities contract. Travel data includes travel by all staff regardless of their location.

## Performance summary

### Greenhouse gas (GHG) emissions

		2009–10	2010–11	2011–12	2012–13
Non-financial indicators (tCO <sub>2</sub> e)	Total gross emissions for scopes 1 & 2	749.2	695.0	748.5	751.5
	Electricity: green/renewable	0.0	17.8	21.2	23.2
	<b>Total net emissions for scopes 1 &amp; 2</b>	<b>749.2</b>	<b>677.3</b>	<b>727.3</b>	<b>728.3</b>
	Travel emissions scope 3	237.6	212.8	215.5	302.3
	<b>Total gross GHG emissions (all scopes)</b>	<b>986.8</b>	<b>907.8</b>	<b>964.1</b>	<b>1,053.8</b>
Non-financial indicators (kWh)	Electricity: Grid, CHP & non-renewable	662,385	559,403	753,993	742,079
	Electricity: renewable	0	34,128	40,814	44,542.5
	Gas	1,629,870	1,593,237	1,287,177	1,387,222
	Other energy sources	0	0	0	0
	<b>Total energy</b>	<b>2,292,255</b>	<b>2,186,768</b>	<b>2,081,984</b>	<b>2,173,843</b>
Financial indicators	Expenditure on energy	£1,699,936	£1,524,522	£1,591,385	£2,034,876
	Expenditure on official business travel	£833,233	£536,135	£530,736	£539,555

GHG Emissions by Scope



### Performance commentary (including targets)

Total net emissions for Scope 1 & 2 have decreased from the 2009/10 baseline, however the gaps in information provided by the facilities management contractor make detailed analysis difficult at this point. We understand that the MoJ are working in conjunction with our facilities management provider to improve the quality of this data.

Emissions from Scope 3 business travel were decreasing but increased in 2012/13. This is due to a number of factors including significant travel by staff seconded to the MoJ (all fully reimbursed), an increase in out of area visits and the formal establishment of a volunteer mentoring programme.



**Not Subject To Audit**

**Controllable impacts commentary**

The Trust remains committed to reducing its greenhouse gas emissions where possible and to increasing video conferencing usage to reduce business travel.

**Overview of influenced impacts**

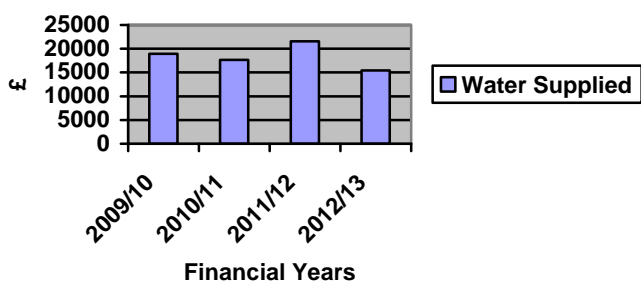
The Trust is looking to consolidate the number of its operational buildings. It is also looking to promote awareness of the importance of energy saving to all staff and to advocate the increased usage of telephone conferencing.

**Water**

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

2009–10	2010–11	2011–12	2012–13
6,194	5,285	3,180	2,197
£18,957	£17,659	£21,564	£15,427

**Water Costs**



**Performance commentary (including targets)**

The above figures seem to evidence a water reduction in water usage of 64%; however, this appears too high to be explained by vacating a building and better environmental practices.

In general – the cost of water has not decreased proportionately to the usage figures.

In addition, a significant leak occurred at one premise prior to year end. The billing information will not have taken that into account.

**Controllable impacts commentary**

Water use is almost exclusively from washrooms, kitchen areas and drinking.

**Overview of influenced impacts**

The Trust will work with MoJ to obtain more reliable water usage data during the coming year.

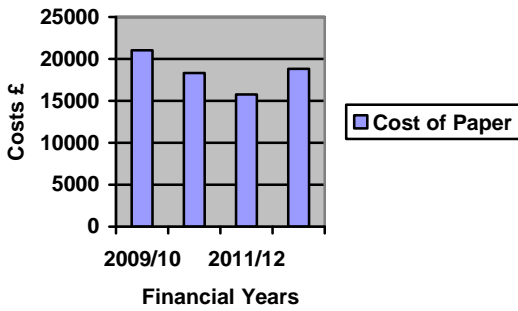
**Not Subject To Audit**

**Paper**

**Cost (excluding VAT)**

2009-10	2010-11	2011-12	2012-13
£21,030	£18,321	£15,778	£18,803

**Paper Consumption**



**Performance commentary**

The figures show the cost of paper to the Trust only and do not indicate the quantity used or the quality of paper used, e.g. colour printers require a higher specification of paper.

**Controllable impacts commentary**

The Trust remains committed to reducing the quantity of paper used by embracing digital efficiency solutions. This will reduce the amount of paper used in general, fax paper and photocopying.

**Overview of influenced impacts**

The Trust will work towards increasing digital efficiency in the forthcoming year.

# Glossary

<b>ATR</b>	Alcohol Treatment Requirement
<b>Citizenship</b>	An offender management system designed and delivered by Durham Tees Valley Probation Trust to target crime related need identified by OASys.
<b>CJA</b>	Criminal Justice Act
<b>CJS</b>	Criminal Justice System. A generic term that encapsulates probation, police, prisons, the Crown Prosecution Service, Youth Justice Boards, Victim and Witness Support and others.
<b>Community Orders</b>	Community Orders are imposed un the Criminal Justice Act 2003. They involve offenders doing things as a punishment, reparation, to protect the public and to help avoid re-offending. There is tough enforcement of these Orders and those which are breached can receive more punitive measure or custody. The community Order includes 12 different requirements.
<b>Crime related need</b>	The needs and priorities identified using OASys. These are defined as Accommodation, Education, Training & Employment, Financial Management & Income, Relationships, Lifestyle & Associates, Drug Misuse, Alcohol Misuse, Emotional Well-being, Thinking & Behaviour and Attitudes.
<b>CSS</b>	Community Supervision Service. A transitional phase of supervision and also the team of staff that manages the GALLANT projects.
<b>DAAT/DAT</b>	Drug and Alcohol Action Team/Drug Action Teams work locally to deliver the UK drug strategy.
<b>DTV</b>	Durham Tees Valley. The geographical area covered by the DTV Probation Trust which includes County Durham, Darlington, Stockton, Middlesbrough, Hartlepool and Redcar & Cleveland.
<b>DRR</b>	Drug Rehabilitation Requirement.
<b>ETE</b>	Education, Training & Employment.
<b>GALLANT</b>	Gaining Access to Local Opportunities and Learning to Achieve a New Tomorrow. GALLANT projects are operated by the Trust's CSS Officers as a one-stop-shop model based in focal community points.
<b>LAA</b>	Local Area Agreements.
<b>LCJB</b>	Local Criminal Justice Board.
<b>LDU</b>	Local Delivery Unit. A term used to describe a geographical area within which probation services are delivered, designed to align with the areas covered by partnership agencies.
<b>LSCB</b>	Local Safeguarding Children Board.
<b>MAPPA</b>	Multi-agency Public Protection Arrangements. MAPPA provide the statutory framework for inter-agency co-operation in assessing and managing violent and sex offenders in England and Wales. Under these arrangements, probation, police and prisons, supported by additional agencies including housing, health and social services, combine forces to assess and manage the risk to the public posed by dangerous offenders.
<b>MARAC</b>	Multi-agency Risk Assessment Conferencing.
<b>NOMS</b>	National Offender Management Service

**OASys**

Offender Assessment System. A structured assessment designed to judge the issues causing offending, the risk of re-offending and the risk of harm posed by an offender.

**PTRS**

Probation Trust Rating System



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ISBN 978-0-10-298531-3

