



The Youth Justice Board for England and Wales

ANNUAL REPORT AND ACCOUNTS 2011/12

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FOREWORD

This year clearly demonstrated the strength of the wider youth justice system partnership. Budgets were cut, new legislation was introduced, new ways of working were introduced, and some cities in England experienced disturbances. When the youth justice system was stress-tested, we not only coped, but our collaborative working continued to deliver positive results.

Between 2009/10 and 2010/11, 17% fewer young people entered custody and there were 27% fewer first-time entrants. The large falls we have seen in recent years are beginning to slow down, and the smaller, more troubled, group of young people we are working with will require renewed efforts and innovative approaches. There is more to do and the strength of our collaboration with all the key agencies across the youth justice system will help divert more young people from crime and reduce the number of victims in our communities.

This annual report outlines the wide range of the projects and initiatives that the Youth Justice Board for England and Wales (YJB) delivered this year, and some stand out for their contribution to fundamental system change. We launched our plans for the secure estate to 2015,¹ which include the provision of more enhanced units so that the complex needs of the more troubled young people in custody can be properly met. Our resettlement consortia programme has continued to develop, and three new consortia were launched, bringing the total to

seven. These local area frameworks are co-ordinating services for young people across the secure estate and the community – which is so critical to effective rehabilitation.

Some 700 young people were consulted in the development of our plans for the secure estate, and a similar number were involved in the process that led to 25 young people working with us at the Annual Youth Justice Convention in Brighton. These are just two examples of the engagement with young people that is part of our general approach to designing and improving our work.

A significant theme of the YJB's work was a substantial shift towards the sector-led developments. Youth offending teams have embraced the peer-review process, learning from each other and working together to further improve performance. The YJB's work this year to plan the devolution of secure remand budgets has laid the foundations for a new way of working that will, in time, help us implement the next phase of our work to reduce the number of young people in the youth justice system.

The YJB has also evolved this year, reducing in size by over a third and re-organising to respond to the current and future priorities. In November 2012, the government confirmed that the YJB would remain an executive arm's length body of the Ministry of Justice, and we continue to work closely with ministers of the UK and Welsh Governments to develop our plans for the years ahead.

All that we do at the YJB is focused on activity intended to turn young people's lives around and to protect our local communities, and victims, from the damage caused by youth crime. The achievements in this very challenging year are a tribute to the expertise and the commitment of all those who work and volunteer in the youth justice system. Our thanks go to them all.



Frances Done
Chair



John Drew
Chief Executive

¹ Ministry of Justice and Youth Justice Board (2012) *Developing the Secure Estate for Children and Young People in England and Wales – Plans until 2015*. London: Ministry of Justice.

WHO WE ARE AND WHAT WE DO

The YJB is a non-departmental public body created by the Crime and Disorder Act 1998 to oversee the youth justice system for England and Wales. We are sponsored by the Ministry of Justice and our Board members are appointed by the Secretary of State for Justice. We also receive funding from the Home Office for youth offending team (YOT) grants.

The YJB influences, shapes and advises across the youth justice system for the benefit of children and young people, and their communities.

Our vision is of an effective youth justice system where young people receive the support they need to live successful, crime-free lives, and where more offenders are caught and held to account for their actions. We also seek to protect the public and provide better support for victims.

The youth justice system in England and Wales is made up of a network of organisations that work together to administer justice and support children and young people. This network consists of:

- 158 YOTs – local partnerships made up of partners from the police, probation, local authority children’s services and health services
- the police and the Crown Prosecution Service
- the courts and the judiciary
- secure accommodation providers – young offender institutions (YOIs), secure training centres (STCs) and secure children’s homes.

Specifically, we:

- advise the Secretary of State on the operation of, and standards for, the youth justice system
- identify and disseminate effective practice across youth justice services
- oversee youth justice services
- commission a distinct secure estate for children and young people, and place children and young people remanded or sentenced to custody
- make grants to local authorities or other bodies to support the development of effective practice
- commission research and publish information.

SECTION

1

REVIEW OF THE YEAR 2011/12

We work across the youth justice system to make improvements. Our achievements in 2011/12 are set out in this section.

SUMMARY OF PERFORMANCE

Preventing offending, reducing reoffending and reducing demand for custody

We measure the performance of the youth justice system in three main areas: first-time entrants to the criminal justice system, reoffending, and the use of custody.

There has been a continuing fall in the number of first-time entrants to the criminal justice system. In 2001, 90,720 people under the age of 18 entered the youth justice system for the first time; in 2011, that number was 38,613 – a reduction of 57%.²

Reoffending by young people (defined as the average number of reoffences per offender) reduced by 14% between 2000 and 2010 (measured to June of each year).³

Over the same period, there has been a slight increase (0.4%) in the headline reoffending rate, from 33.7% to 34.1%. However, compared with 2000, the characteristics of young offenders in the year ending June 2010 meant that they were more likely to reoffend. After controlling for offender characteristics, the reoffending rate actually decreased by 2%.⁴

The number of young people under the age of 18 held in custody has reduced by approximately 30% since 2000. In April 2000, there were 2,610 young people in custody; in April 2012 that figure was 1,811. Most of this reduction has taken place over the last three years. In October 2002, custody numbers peaked at 3,200.⁵

² Ministry of Justice and Youth Justice Board (2012) *Youth Justice Statistics 2010/11*. London: Ministry of Justice. See <http://www.justice.gov.uk/statistics/youth-justice/statistics>

³ Ministry of Justice (2012) *Proven Re-offending Statistics Quarterly Bulletin – July 2009 to June 2010, England and Wales*. London: Ministry of Justice. See: <http://www.justice.gov.uk/statistics/reoffending/proven-re-offending>

⁴ Ministry of Justice (2012) *Proven Re-offending Statistics Quarterly Bulletin – July 2009 to June 2010, England and Wales*. London: Ministry of Justice. See: <http://www.justice.gov.uk/statistics/reoffending/proven-re-offending>

⁵ Ministry of Justice (2012) *Youth Custody Data*. London: Ministry of Justice. See: <http://www.justice.gov.uk/statistics/youth-justice/custody-data>

Business plan for 2011/12

Our business plan for 2011/12 focused on delivery of the YJB's four strategic objectives:

We will work in partnership across the community and commission the secure estate to:

- prevent offending
- reduce reoffending
- protect the public and support victims
- promote the safety and welfare of children and young people in the criminal justice system.

Following publication of the Public Bodies Bill, we also worked towards an organisational objective of delivering a streamlined and distinctive youth justice function, and preparing for transition to the Ministry of Justice, while retaining the skills and expertise of the YJB.

In 2011/12 we:

- developed a new plan to reconfigure the secure estate following the reduction in custody numbers to improve outcomes for children and young people and to meet spending review commitments
- further decommissioned beds within the secure estate in response to a continuing reduction in custody numbers
- launched a series of toolkits for youth justice practitioners, including toolkits on breach, parenting, remand, and victims
- launched the Youth Justice Reinvestment Pathfinder with local councils and their partners in West London, North East London, West Yorkshire and Birmingham to minimise reoffending and reduce the number of young people remanded or sentenced to custody

- further developed our resettlement work, establishing three new resettlement consortia in the South East of England, Birmingham and South Wales, making a total of seven consortia across England and Wales
- supported the National Offender Management Service (NOMS) in their development of a new system of restraint for use in under-18 YOIs and STCs called Minimising and Managing Physical Restraint (MMPR). This was approved by the Restraint Advisory Board (RAB) and accredited by ministers. The YJB played a key role in developing the safeguarding arrangements, governance processes, roles and responsibilities of all parties that underpin and monitor the MMPR system.

In early August 2011, the YJB focused on responding to the serious civil disorder across England. Based on data from 8 June 2012, 27% of all those involved in the disturbances were under 18.⁶ The YJB played a significant role in ensuring the stability and capacity of the youth justice system, in safeguarding young people in the secure estate, and in providing support to YOTs.

On 23 November 2011, the government decided not to pursue the abolition of the Youth Justice Board as part of the Public Bodies Bill. Consequently, the YJB will remain an executive arm's length body of the Ministry of Justice.

Tragically, there were three deaths of young people in secure accommodation during 2011/12. Ryan Clark died at Wetherby YOI in April 2011. He was 17 years old. During January 2012, Jake Hardy, aged 17, died at Hindley YOI, and Alex Kelly, aged 15, died at Cookham Wood YOI. The YJB and its partners make every effort to provide a secure estate that is safe for children and young people, but these three deaths are a very clear reminder of the challenges involved in keeping young people in custody safe.

Our business plan set out 44 key actions for the year. Our achievements in relation to these are set out below.

⁶ Ministry of Justice (2012) *Statistical Bulletin on the Public Disorder of 6th–9th August 2011 – June 2012 Update*. London: Ministry of Justice. See: <http://www.justice.gov.uk/statistics/criminal-justice/public-disorder-august-11>

Strategic objective 1

We will work in partnership across the community and commission the secure estate to prevent offending.

Key action 1

We will work with the Association of Chief Police Officers (ACPO) and the Metropolitan Police Service to support new Multi-Agency Safeguarding Hubs (MASH) partnerships, which will deal with referrals to social care. Where a referral does not meet the threshold for statutory services, opportunities will be sought to provide appropriate early intervention and support, which could divert young people from crime.

Outcome

The YJB has assisted YOTs in analysing their data to support their involvement in 14 MASH partnerships in London.

We have worked with both the Metropolitan Police Service and London YOTs on this project. Specifically, we have been involved in two meetings with London YOT managers and the Metropolitan Police Service lead on MASH. In one of these meetings, the YJB facilitated a small working group of London YOT managers to discuss the detail of YOT/MASH engagement. In addition, we visited a YOT to speak to an operational manager and a police officer about operational implementation issues and communication channels associated with MASH.

We have also engaged strategically with the London Safeguarding Board on the implementation of MASH across London. This work has concluded and London YOTs are now working with their local authority partners on the precise detail of YOTs' involvement in MASH and the extent of their contribution.

The way youth offending services engage with MASH will differ across London. The YJB's role has been to inform London YOTs about the operational and strategic aims of MASH and enable them to negotiate the extent of their involvement with it.

Key action 2

We will continue to support and promote targeted youth crime prevention, including working with the Big Lottery Fund and other partners to develop their portfolio of programmes aimed at reducing first-time offending. In addition, the YJB will continue to work with government departments to shape and influence emerging prevention strategies and promote targeted youth crime prevention.

Outcome

The YJB advised the Big Lottery Fund and other partners on the design of the Big Lottery Fund's 'Realising Ambition' programme, aimed at preventing first-time offending. We advised on the importance of the programme being able to reach the hardest to engage young people, who are the most likely to enter the youth justice system. This programme is being implemented by a Catch 22-led consortium and will be among the most rigorously evaluated approaches to youth crime prevention yet delivered. The portfolio of programmes includes models such as 'Functional Family Therapy', and 'Safer Schools Partnership'. YOTs are key partners in several of the projects.

We also mapped existing prevention programmes. Results showed that two-thirds of YOTs in England had gained funding from the £2bn Early Intervention Grant through their local

authority, with one third of YOTs reporting they had gained no access. Although the Early Intervention Grant may promote the provision of youth crime prevention via routes other than YOTs, the YJB will continue to promote the importance of access for youth offending services to this key fund.

The YJB worked with government departments, including the Home Office, to shape and influence emerging prevention strategies, safeguard resources, and promote targeted youth crime prevention. In 2011/12, we secured £14.5m Home Office funding for YOTs, which will be distributed in 2012/13 through the London Mayor's Office and local police authorities.

We continued to support initiatives to prevent first-time offending and inappropriate entry to the youth justice system. Models such as 'Triage' and 'Youth Justice Liaison and Diversion' services in police custody suites help to divert vulnerable young people into key services that help prevent further offending. The YJB worked with the Department of Health in the national roll-out across England of the Youth Justice Liaison and Diversion. This major investment is a vital part of the drive to use the youth justice system more effectively.

In future, a significant amount of commissioning of prevention services will become the responsibility of the new police and crime commissioners, who will take over a range of existing funding streams that are critical to youth crime prevention. To help YOTs prepare for this, in 2011/12 we began helping local YOT areas develop the evidence base for prevention so they are better able to make the case for future funding of prevention services.

Key action 3

We will support the implementation of changes proposed by the Ministry of Justice and the Home Office to out-of-court disposals and approaches to dealing with anti-social behaviour. This includes producing guidance for practitioners.

Outcome

As result of the Legal Aid, Sentencing and Punishment of Offenders (LASPO) Act, the YJB is working to simplify the approach to out-of-court disposals and anti-social behaviour, which has been criticised by practitioners as being complicated and used incorrectly.

We have produced draft guidance for YOTs to help them to understand the new approach and their role in it, which will include YOTs being consulted by the police to help them make better informed decisions about young people who offend. We have shared this draft guidance with a critical readership group of practitioners, and have received their feedback; as a result further amendments are being made.

We are currently drafting key communications to inform relevant stakeholders and practitioners of what the changes are and when they will be implemented. We are also developing plans for training practitioners in consultation with the National Policing Improvement Agency and ACPO, which include a training pack for YOTs and the police to enable each of them to understand their own and each other's role in the new approach.

The legislative provisions will be implemented in 2012/13 in line with the government's timetable for enacting the legislation.

Key action 4

We will develop a self-assessment framework and cost-effectiveness toolkits to support local youth justice services in demonstrating value for money of investment in youth justice services.

Outcome

The *Breaking the Cycle* Green Paper⁷ committed to reducing the level of central performance monitoring and developing a programme to enable the youth justice sector to lead its own improvement to reduce the number of first-time entrants, proven reoffending, and use of custody.

The YJB developed self-assessment and peer-review frameworks to help YOTs and their partners analyse and assess aspects of their performance. These frameworks provide an opportunity to challenge current practice and pave the way for a sector-led performance improvement environment. Analysis from these tools will enable YOT partnerships to locally determine and target areas for improvement.

Following consultation with YOTs, the YJB produced a unit cost toolkit, which it made available to them in May 2012. The toolkit enables YOT partnerships to undertake detailed analysis of the costs of different disposals and the outcomes of each. Using this toolkit, YOTs can also compare their analysis with the national average cost of each disposal and the outcomes achieved. Work in this area will continue in 2012/13, specifically to ensure that YOTs have access to information that will

allow them to analyse the amount of money being invested in youth justice locally through partnerships, and the outcomes achieved compared with other areas.

⁷ Ministry of Justice (2010) *Breaking the Cycle: Effective Punishment, Rehabilitation and Sentencing of Offenders*. London: The Stationery Office.

Strategic objective 2

We will work in partnership across the community and commission the secure estate to reduce reoffending.

We will consult on and implement a new approach to youth offending services oversight. This includes delivery of a self-assessment framework for youth offending services, piloting of peer-support arrangements and design of the process to undertake lighter touch monitoring, providing intelligence to inform risk-led inspections.

Outcome

The YJB worked with experienced YOT practitioners from across England and Wales to develop a self-assessment tool. Available to YOT partnerships that wish to use it, it is designed for flexible use to suit local needs and resources, and is aligned with other assessment processes, including risk-led inspections by probation services.

We also worked with YOTs, the Local Government Association, and the Welsh Local Government Association to develop a peer-review process. We will facilitate this process while it is managed by youth justice sector trained peers. In 2012/13, we will revise the process based on feedback from the pilot initiatives which took place in April 2012, and call for expressions of interest in the peer-review process at the end of June 2012.

Both the self-assessment tool and the peer-review arrangements have undergone substantial consultation and rigorous user-testing, and we recommend them as valuable resources for YOTs and their partners.

The YJB revised an existing oversight model to reduce monitoring and the burden on YOTs. This received ministerial approval in September 2011, and, in early 2012, we developed a draft YOT prioritisation methodology to determine the priority YOTs. We revised the quarterly review process and fulfilled the YJB's responsibility for monitoring performance against the three youth justice outcomes in England and the six youth justice outcomes in Wales.

The revised approach has enhanced our ability to produce reliable, accurate reports of youth justice service delivery across England and Wales, and to identify priority YOT partnerships for consideration for additional support.

We have hosted events across England and Wales to engage youth justice practitioners, heads of YOTs in particular, to inform them of the YJB's oversight and improvement approach.

Key action 6

We will continue to deliver improvement support to the poorest performing YOTs.

Outcome

The YJB's approach to overseeing performance and driving outcomes is based on light-touch monitoring and reduced central prescription. We want the oversight of YOTs to be a collaborative process, where individual services or regional groupings feel they are able to share risks or concerns with us in order to seek improvement. The process described here aims to identify and respond to risks in a measured way.

Each YOT is allocated a named member of the YJB English area-based or Welsh team, who acts as the service's primary contact and also attends YOT managers' meetings and relevant fora.

Progress is monitored on a quarterly basis using performance against the three justice indicators (first-time entrants, proven reoffending, and use of custody) and YJB knowledge of YOT issues. This is supported by an annual review of the youth justice plan for each service. This information is used to help us identify where support is needed and how best to provide it. Improved outcomes are then sought through various methods, including peer support and performance improvement support, such as workshops to address key themes and concerns for groups of YOTs, and individually tailored projects where a range of issues are tackled at a senior level. Other performance improvement methods include monitoring the progress of the YOT against post-inspection improvement plans set out by HMI Probation,

and escalating risk, potentially all the way to ministerial level. This last method was used up to the level of Chief Executive in 2011/12 and, following this intervention, significant improvement was achieved through a partnership approach with the relevant local authority.

The results of this activity will now feed into the risk-based inspection of YOTs by HMI Probation.

Key action 7

We will develop and implement a new formula for a single payment for youth offending services grants. We will also explore options for consulting on the development of a model for payment by results for youth offending services, linked to outcomes of fewer first-time entrants to the youth justice system, reduced reoffending and reduced numbers of young people in custody. In designing this, we will aim to reduce data burdens, while guarding against the risk of any perverse performance incentives.

Outcome

The YJB, working with a reference group made up of YOT managers across England and Wales, established a set of principles for revision of the YOT grant formula. The aim is to develop a formula to support performance against reoffending, first-time entrants, and use of custody, using nationally available data that does not place a burden on YOTs to collect, or provide perverse incentives. The reference group has continued to work with the YJB throughout the year to develop a new formula for the youth justice grant.

We held a series of events across England and in Wales to inform stakeholders of these developments and the potential impact on YOTs in terms of grant payable, and to gain their views on potential models for both initiatives. We also invited all YOT managers and chairs of YOT management boards to take part in an online survey to express their views on four potential models for revision of the formula in England and Wales. We then used the feedback from the survey and the stakeholder group to draft further models for testing.

We created an assessment framework and used this to determine how each potential formula performed in distributing funds in alignment with youth justice need in each area. After carrying out impact assessments on each potential formula in terms of change in level of grant for different groups of YOT areas (e.g. rural, core city), we then established the key variables to be used in the new formula. We carried out further analysis to refine the way in which the data sources are to be used to ensure the closest alignment of distribution of funds with youth justice need.

The YJB will consult on the grant formula and its implementation in 2012/13.

Our work to apply a payment by results model to YOT grants was put on hold.

Key action 8

We will develop and implement a new model and processes to identify and disseminate effective practice across the youth justice system. This will be supported by an updated set of research projects, development of youth justice programmes and toolkits, a workforce development strategy building on use of the Youth Justice Interactive Learning Space (YJILS), and a review of national standards allowing for greater professional discretion.

Outcome

In 2011/12, the YJB designed, tested and approved a new approach to identifying and disseminating effective practice, which will be implemented in full in 2012/13. This new framework will ensure that the views of the sector are built into the YJB's annual consideration of its corporate priorities, and is key to our commitment to improve the advice, guidance and information the YJB provides to the sector in relation to effective practice in youth justice.

As part of this project, we consulted with practitioners across the youth justice system to identify their priorities for developing effective practice, and these are being addressed as part of our plans for 2012/13. We ensured that the YJB's new organisational structure is capable of delivering this new approach to effective practice. A member of the YJB's Executive Management Group has lead responsibility for effective practice, while identifying and disseminating effective practice is now a shared responsibility for all our staff, and

features specifically in job descriptions across the YJB, in particular for those staff who engage directly with youth justice practitioners.

We have undertaken a comprehensive review of our responsibilities and remit in relation to supporting the development of the youth justice workforce, and created a new strategic vision for 2012–15. Central to this is the transfer of governance over the YJB's workforce development activities from the YJB to a board drawn from representatives of the sector. In view of the planned termination of the hosting arrangements for YJILS with the Open University, we have successfully migrated the system to the Ministry of Justice, which provides us with value for money and a secure base from which to develop the system in the future.

We have also received ministerial approval for our plans to review the national standards to allow for a much greater use of professional discretion by practitioners, while retaining minimum standards that will ensure a coherent approach across the youth justice system. These plans will be implemented throughout 2012/13.

Key action 9

We will complete development of the revised framework for assessing the risks and needs of young people and planning interventions in the youth justice system. Subject to decisions based on completion of the full business case for this work, we will deliver the business change, technical change, and workforce development activities needed to implement the new framework in youth offending services and the secure estate.

Outcome

The approach to assessing the risks and needs of young people in the youth justice system is now more than 10 years old. The development of a new assessment framework aims to bring this approach up to date by using the latest research, reducing duplication, and placing a much stronger focus on practitioner discretion. We have completed the development of the proposed new framework and are currently in the final stages of testing it with youth justice practitioners.

In 2011/12, we finalised the outline business case for implementing the new framework. It was approved by the Ministry of Justice, achieved an amber/green rating at independent review, and is now being submitted to the Cabinet Office for approval.

We have consulted stakeholders fully throughout the project, including comprehensive consultation with practitioners during the development and testing of the new framework. They have given us positive feedback about its potential to better support them in carrying out a more holistic, young person-focused assessment of needs and risks.

Key action 10

We will reduce the unnecessary demand for custody. With youth offending services, we will develop and disseminate toolkits for reducing the use of remand and for reducing levels of breaches of community sentences. This will include development of models for holding panels with young people and their families to support compliance with sentence conditions. We will also run pilot schemes in 2011 to test approaches to payment by results for reducing the use of custody, and prepare for a phased introduction (from April 2012) for charging local authorities the full costs of court-ordered secure remands and for the introduction of the new remand framework.

Outcome

In May 2011, the YJB disseminated a breach and remand toolkit framework to youth justice partnerships. Targeted work using the remands toolkit with nine YOTs saw an average reduction in remand of 24%, compared with a national average reduction of 10%. We have also worked with a further 14 YOTs, who have welcomed the opportunity to review their practice.

Following engagement with more than 30 YOTs, we produced a framework for compliance with sentence conditions. Feedback from YOTs was very positive, with many introducing panels or adapting existing ones as a result. We will launch the completed framework in summer 2012.

A further initiative with the Ministry of Justice, which links breach and Behavioural Insight Theory, is currently being scoped.

We are piloting an invest-to-save project for reducing custody, and have contracted four area partnerships to participate. Each has agreed a budget and bed-nights reduction target, and has selected a range of delivery methodologies. During 2011/12, we facilitated national workshops, bringing together all four areas partnerships to discuss risks and issues and plans to mitigate against them, and to share best practice. The project will run until September 2013 and the majority of YOTs are already showing a reduction in custody numbers. The learning from the project is being captured through an independent evaluation by Sheffield Hallam University.

In 2010/11 the YJB began working with Ministry of Justice colleagues to successfully take forward work connected to the Legal Aid, Sentencing and Punishment of Offenders (LASPO) Act. This includes the introduction of a new remand framework, which will provide a more flexible and greatly simplified process for remanding under 18-year-olds. It will involve the transfer of financial responsibility to local authorities in order to provide a powerful incentive to invest in alternative strategies for this group of young people. This will be supported by an associated transfer of funding.

To date, we have:

- developed a new remand order, including a new 'real prospect' of custody test, which modelling suggests could achieve a 20% reduction in remand
- liaised with a range of agencies on the implications of all securely remanded young people becoming looked-after children, and begun to develop delivery guidance

- developed a range of implementation options and planned modelling for summer 2012
- worked with the Welsh government to consider implementation in Wales
- carried out a range of activity to help local authorities prepare for the changes, including consultation and awareness-raising events across England and Wales.
- circulated a Remands Tracker to enable local authorities to identify and track the number and cost of remands
- developed and launched remand and breach toolkits.

Key action 11

We will develop and deliver a parenting toolkit and other supporting materials to support practitioners to deliver effective parenting and family services, in line with Ministry of Justice priorities as set out in the *Breaking the Cycle Green Paper*.

Outcome

Effective parenting and family services are proven to reduce the likelihood of reoffending and can help ensure that young people have the support in place to help address their offending behaviour. We developed and piloted a parenting toolkit, which was provided to practitioners in June 2011. We also developed and provided other comprehensive resources to supply youth justice practitioners with information on evidence-based programmes relating to parenting and family support, and parenting orders. In addition, we undertook a light-touch audit of parenting services in England and Wales.

We worked closely with practitioners to share information and good practice between YOTs, resulting in a significant increase in the parenting and family information available on the YJB's Directory of Emerging Practice. We continued to support regional parenting fora, where information on national and local good practice is shared. This included reopening the South West forum, previously closed due to staff reductions, and merging the London and South East fora to provide a more effective process for sharing information.

Effective practice seminars were held in London, the West Midlands and the North West, with 180 delegates from all YJB regions of England and most areas of Wales attending. These events showcased the YJB's effective practice framework, work with magistrates, evidence-based practice, and locally-developed YOT strategies at a key time of government focus on families, and received an overall 94% approval rating for relevance and quality from those attending.

In December 2011, the Prime Minister announced the government's intention to turn around the lives of the 120,000 most troubled families by 2015. The programme went live in all local authorities on 1 April 2012. The YJB has worked with the Ministry of Justice team to feed into cross-government discussions with the Department for Communities and Local Government, which is leading this programme. As part of this work, through a range of channels, we have advised YOTs to contact local authorities and ensure their full involvement in the programme so that families and young people are supported to turn their lives around. Youth crime and whole family anti-

social behaviour are one of the criteria for identifying a troubled family under the programme. Families can play a key role in offending and desistance, and it is important that the Troubled Families programme links up with existing YOT programmes to ensure positive outcomes and minimise duplication.

Key action 12

We will support the implementation of effective practice in relation to youth violence and gangs, including expansion of the knife crime prevention programme in youth offending services and the secure estate, and introducing a framework for working with girls, especially those involved in youth violence.

Outcome

The YJB continues to monitor the Knife Crime Prevention Programme, which is now available in 103 YOTs. In 2012/13, a new round of YJB visits will take place, focusing on the 29 gang violence priority areas identified in the Home Office's Ending Gang and Youth Violence plan. These visits will provide support in delivering the Knife Crime Prevention Programme as well as preparing YOTs for future Home Office peer reviews. A process evaluation of the Knife Crime Prevention Programme has been completed and is due to be published in 2012.

We contribute to the Home Office's Ending Gang and Youth Violence strategy through participation in a number of steering and work groups, and through assistance with the

design and roll-out of under-18 gang injunctions, which were launched in January 2012. The YJB held four workshops in England and continues to work to finalise the gang injunction supporting documentation, which will clearly lay out YOT responsibilities.

The YJB has now established gang fora in East Midlands, West Midlands, London, North West, Yorkshire and Humber, and the South East. Work continues to ensure the whole of England and Wales has access to a forum to share effective and innovative practice. These fora also improve communication between custody and community, and identify trends and patterns of behaviour that lead to a greater understanding of the drivers behind the behaviour of risk-taking males and females. The YJB has designed a framework and toolkit for girls, and will continue this area of work in 2012/13. By participating in a steering group, we contributed to the Children's Commissioner's enquiry into the sexual exploitation of girls through groups and gangs.

In the secure estate, the YJB has expanded the Knife Crime Prevention Programme to Feltham, Cookham Wood, and Ashfield YOIs, and Aldine House Secure Children's Home. Furthermore, we have developed a specialist gang intervention programme in Feltham YOI, which is delivered by five YOTs. We have also begun work to scope the interventions available in under-18 YOIs, and are now providing under-18 YOIs with access to specialist gang-related programmes which assist them in engagement, violence reduction and specific behaviour work to address trauma, absent fathers, and other relevant issues.

Key action 13

We will consult on, finalise, and publish a revised secure estate strategy, reconfiguring it to give more flexibility and value for money in a smaller secure estate, while rehabilitating young offenders and reducing the risk of reoffending. Reconfiguration will include decommissioning some under-18 YOI establishments. We will also prepare for the retendering of secure children's homes and secure training centre (STC) contracts, retender secure children's home and STC escort provision, and seek efficiencies from other secure estate contracts.

Outcome

In March 2012, the YJB and Ministry of Justice published the development plans for the secure estate until 2015, following extensive consultation.⁸ The plans set out five key principles for the secure estate and outline how we will respond to a number of challenges. These challenges include the recent significant reduction in demand for secure accommodation and the need to continue to improve outcomes for young people leaving custody, including improving rehabilitation and reducing reoffending. The YJB's corporate and business plans for 2012–15 reflect the various commitments that were made in the development plans.

Following further reductions in the demand for custody, a total of 281 beds were decommissioned in 2011/12, including complete withdrawal from Stoke Heath YOI. Contracts were extended at all 10 secure children's homes and

⁸ Youth Justice Board and Ministry of Justice (2012) *Developing the Secure Estate for Children and Young People in England and Wales – Plans until 2015*. London: Ministry of Justice. Available online at: <http://yjbpublications.justice.gov.uk/Scripts/prodView.asp?idproduct=502&eP=>

preparation for the STC competition programme continued. Inflationary uplift savings, specification changes, and performance awards were used to negotiate savings during the year from other secure estate contracts, saving approximately £4.2m on secure estate budgets in 2011/12.

We completed the secure escort retendering exercise for the escort of young people in STCs and secure children's homes in early 2012. Serco was announced the winning bidder on 3 April 2012. Following a four-month mobilisation period, Serco will formally begin the contract on 29 August 2012.

Key action 14

We will review our approach to managing contracts with providers of secure estate accommodation and services, implement a new performance framework for providers, develop service assurance models and an approach to payment by results with key providers.

Outcome

As part of a wider project to improve the way we manage our agreements with providers of secure estate accommodation and services, the YJB developed a performance management toolkit in consultation with external stakeholders. The toolkit will be implemented in September 2012 in line with the wider roll-out of the performance management framework, and work will continue in 2012/13 to monitor the success of this toolkit.

The YJB also developed service assurance models and piloted these in under-18 YOIs between November 2011 and March 2012. The evaluation report on the pilot testing of the service assurance models was agreed in April 2012, and we are currently revising the model based on recommendations from the project board. The aim is to implement the model in public sector under-18 YOIs from September 2012. The service assurance model will reduce duplication in monitoring, management, and inspection of under-18 YOIs.

We worked with STC providers to identify aspects of the service that could be linked to payment by results. A number of areas were identified, and we started work on the operation of a programme to address offending behaviour. As payment by results is still in development, we have implemented a pilot approach by flexing the current contract requirements. This is important as it prepares both the provider and the YJB for the practical application and evidencing of innovative practices, including the development of possible measuring tools to test improvements in young people's progress. It also trains providers' thinking towards effective practice, particularly how they can demonstrate the benefits of any course of action or activity they undertake. We will continue to develop this work in 2012/13.

Key action 15

We will support four new resettlement consortia based around Wetherby, Werrington and Cookham Wood under-18 YOIs, and on the Devon and Cornwall peninsula. We will also continue to support the three established resettlement consortia (North West, South West and Hampshire).

Outcome

The aim of the consortia is to provide a co-ordinated approach across local authorities for all young people leaving custody, so that they can access the services they need to help prevent them from reoffending.

Seven consortia are now established and all are committed to the consortia way of working in 2012/13. Each area engages with the third sector through national and local organisations. Secure establishments are included in each consortium and are central to an effective custody-to-community model of delivery. Another five areas have approached the YJB with an interest in developing consortia.

An interim report was completed in late 2011, which identified promising practice in each of the consortia areas. The final evaluation report, due in June 2012, will provide information on success in reducing reoffending, with the primary focus on process, differences between the effectiveness of the three areas being evaluated, and young people's experiences.

£3.5m funding for resettlement work is available for London boroughs from the European Social Fund, and the YJB will continue to work in partnership with the London

Mayor's Office for Policing and Crime to carry out the selection process. The Mayor's Office for Policing and Crime will select up to three bids that demonstrate a consortium model of local authorities and third sector organisations working together on resettlement.

Key action 16

In partnership with the London Criminal Justice Board, the London Development Agency and the Greater London Authority, we will continue to support the pilot of the Heron Unit, an enhanced 30-bed resettlement unit within Feltham YOI. Subject to evaluation in 2012, we will encourage future funding and support for the unit.

Outcome

We supported the Mayor of London's 'Daedalus' project to pilot an enhanced 30-bed resettlement unit at Feltham YOI, called the Heron Unit. The project was launched in September 2009 as part of the Greater London Authority's 'Time for Action' strategy. It seeks to provide young people with opportunities to access education, training and employment, and achieve a reduction in reoffending.

Funding was extended by the Greater London Authority until 31 May 2012. The YJB also agreed to extend funding in order to retain the additional staff on the Heron Unit until September 2012. This allows the Heron Unit to continue as an enhanced resettlement unit until September 2012, when it will be reviewed.

Key action 17

We will complete the pilot to share information between youth offending services and Probation Trusts, to support the transition of 17 to 18-year-old young offenders from the youth to the adult criminal justice system. Depending on the results of the pilot, we will proceed to wider roll-out.

Outcome

The YJB recognises that the successes of the youth justice system cannot be measured against outcomes for under-18-year-olds only, and that the effects of interventions with children continue to have an impact into young adulthood and beyond. Improvements are needed in the process by which young people are transferred from youth to adult justice services, as it is a critical time for the young person involved. Justice professionals must ensure that, during the transition, the welfare of the young person is prioritised so that any risks posed to the public are minimised.

In partnership with NOMS, the YJB ran a three-month pilot of a web-based portal which allows assessments and other information to be securely and efficiently shared between YOTs and Probation Trusts. This took place between 10 London YOTs and their corresponding Probation Trusts, and completed in December 2011. The pilot evaluation demonstrated the success of the portal in effectively transferring up-to-date information from YOTs to Probation Trusts in a secure, timely and accountable manner.

The transfer of information from youth to adult justice services is an essential element of the transition process. Information about young people previously in the youth justice system should be used by practitioners in adult justice services to inform adult assessments. Having better informed adult assessments will mean that needs are more accurately addressed, which should have a direct effect on reoffending.

Positive feedback from pilot users revealed that the portal simplified the process and reduced the administrative burden of having to manually transfer information. Thanks to the success of the pilot and requests from pilot users asking to continue to use the portal, the YJB and Ministry of Justice have agreed that the pilot will continue for up to nine months while a permanent national solution is finalised and put in place.

We are now working on the technical options for a national solution and a business case for a national roll-out. There is scope to extend the portal into a number of other areas, such as YOT information-sharing with young adults in under-18 YOIs, community payback, and electronic monitoring.

Strategic objective 3

We will work in partnership across the community and commission the secure estate to protect the public and support victims.

Key action 18

We will support the Ministry of Justice's plans for widening the use of restorative justice, in line with the response to consultation on the *Breaking the Cycle* Green Paper. This could include increasing access to restorative justice training for restorative justice panel members and youth offending services staff, encouraging the appropriate use of restorative justice as part of the Youth Rehabilitation Order, and developing good practice in restorative justice for the secure estate.

Outcome

A key aim of the *Breaking the Cycle* Green Paper is to widen the use of restorative justice practices. The YJB has grant funded YOTs to train staff as restorative justice conference facilitator trainers. This is part of an ongoing project to develop a practitioner network and delivery framework which will promote good practice and improve training resources for practitioners and volunteers.

The upgrade of the Panel Matters training to restorative justice conference facilitation training is ongoing. We are working to ensure that it adheres to Restorative Justice Council standards and best practice guidance. The new training will be a requirement for YOT staff and panel members involved in referral order panels, but it will also be used for staff working on other orders.

We undertook a project to establish improved inter-agency relationships to enable increased victim engagement in the youth justice system and access to wider victim support services. Following consultation with YOTs, a toolkit for victims of crime was published in June 2011.

A project with West Sussex YOT and Surrey YOT was piloted in partnership with their local Victim Support service. We are developing a service level agreement with Victim Support, which will ensure joint working with their national office and further develop joint working between YOTs and local Victim Support care centres.

We delivered 10 events in Wales and the English business areas in partnership with Victim Support and the Restorative Justice Council. The key aims of these events were to increase the use of restorative justice practices, involve more victims in the process, and deliver restorative justice interventions to Restorative Justice Council standards. The events were attended by over 630 delegates from a wide range of services and received positive feedback.

We also worked with the Ministry of Justice to inform and provide a response to the consultation on victims and witnesses.

Key action 19

We will publish data to support youth offending services and youth justice system oversight, and maintain and improve the youth justice management information system (YJMIS). This will allow for greater access, promote local accountability and reduce the data burden. We will also produce new data-recording guidance and information-sharing protocols. We will also review our approach to YJB oversight of safeguarding and public protection serious incidents (see key action 27).

Outcome

The YJMIS enables the collection, sharing and analysis of end-to-end management information, reducing the reporting burden on YOT partnerships by enabling them to send case-level data straight from their case management systems. We publish quarterly YOT data summaries (one for England and one for Wales) to allow local authorities to monitor their own performance. In response to comments from YOTs, we adapted this data summary to reflect local-level needs and subsequent feedback from YOTs has been positive.

Following an in-depth analysis of data quality, a new version of the YJMIS was commissioned and the YOT case management system providers have introduced a corresponding update to their systems. This ensures more accurate data is provided and has resolved previous operating issues. We are continuing to work with the relevant software supplier to get the few remaining YOTs updated.

Strategic objective 4

We will work in partnership across the community and commission the secure estate to promote the safety and welfare of children and young people in the criminal justice system.

Nearly all YOTs have resubmitted their historical data using the new version of their case management system and the YJMIS. We are confident in the quality of this data and are now processing it with the aim to publish local-level data for the annual youth justice statistics document and further datasets that will be of interest to YOTs.

We have produced a new information sharing protocol for the YJMIS, which has been signed by all YOTs. This facilitates data sharing and provides YOTs with an assurance that their data is used appropriately. We have also produced new data-recording guidance to help YOTs submit case-level data accurately and efficiently.

A range of data tools were created for colleagues and stakeholders to support individual projects.

Data from the YJMIS was used to support the YJB and Ministry of Justice's publications on the August 2011 public disturbances.

We have also developed a reoffending toolkit to support local authorities in monitoring their performance against the new reoffending measure.

Key action 20

We will produce an overview of how youth justice partners input into strategic planning for health services, to inform future arrangements for ensuring that young offenders' needs are taken into account in the government's plans for the delivery of local health services. We will also work with the Department of Health Transition Action Group (Children and Young People) to implement new arrangements.

Outcome

The YJB conducted analysis of joint strategic needs assessments and children and young people's plans to assess the sufficiency of content on young people in the youth justice system, and to influence and inform commissioning decisions. Using this information and working with the Department of Health Transition Working Group (formerly known as the Transition Action Group), a Health and Well-being Needs Assessment toolkit has been produced (published May 2012) for the community and secure estate. In summer 2012, we plan to deliver a series of briefings for youth justice practitioners to inform them of changes in health commissioning (under the Health and Social Care Act 2012), to disseminate the toolkit and to provide support.

We have also provided content for the National Treatment Agency's joint strategic needs assessments support pack, and jointly held a secure estate workshop to consult on their 'Guiding Principles for Commissioners', which was published in March 2012.

Key action 21

We will support delivery of the Department of Health's young offender health strategy (Healthy Children, Safer Communities) and, in particular, the roll-out of point-of-arrest diversion schemes. We will also work with the Department of Health and other stakeholders to ensure that substance and alcohol misuse support services continue to be provided appropriately under new arrangements for funding and local health services provision.

Outcome

Following the Department of Health's decision to align the youth and adult programmes, the YJB has played a significant role influencing policy direction to ensure a focus on children and young people is maintained. As well as helping to shape the structure of the Health and Well-being Needs Assessment toolkit, we have influenced the roll-out of the Youth Justice Liaison and Diversion schemes. We used our YOT funding formula to influence how the £2m funding should be allocated to 37 pathfinder sites. Youth Justice Liaison and Diversion schemes should contribute to reductions in first-time entrants to the youth justice system and provide earlier access to interventions for individuals with health issues.

We continue to support the roll-out of the Comprehensive Health Assessment Tool by influencing the decisions made at the steering and implementation groups, as well as funding and helping to develop a training package for dissemination.

In 2011/12, the YJB commissioned an intercollegiate group led by the Royal College of Paediatrics and Child Health to produce quality standards for children and young people's health provision in the secure estate. This project is due for completion in June 2013.

Historically we have received an £8.5m grant from the Home Office to fund substance misuse workers in YOTs. In 2011/12, this money was split between YOTs (£4.5m) and the Home Office-led Choices Programme (£4m). The Choices Programme provided funding for voluntary and community sector organisations to deliver substance misuse prevention projects. The YJB formed part of a panel to assess bids for the Choices Programme funding and determine how the money was spent. We held learning events during spring 2012 to share practice and join up working between YOTs and voluntary and community sector organisations.

Key action 22

We will maintain our statutory functions for placing young people in the secure estate, and complete our Placement Service change programme, including production of placement policy documents and ensuring youth offending services' access to eAsset.

Outcome

The Placement Service change programme was completed in March 2012. As a result, the Placement Service now uses eAsset, the application used across the secure estate to case manage young people and support its service delivery. In this system, a secure email is sent to the appropriate establishment with the placement confirmation form, and instructions for accessing the young person's records in eAsset.

The new custody Placement Information Form (which replaced the Placement Alert Form) and the updated Post-Court Report form have also been rolled out nationally. These have been designed to significantly improve the information available to the Placement Service at point of admission to better inform the initial placement decision and provide establishments with the relevant information to help them safeguard young people on admission and during the first night in custody.

A pilot to give YOTs access to eAsset has begun and 15 YOTs currently have read-only access.

Key action 23

We will develop a strategic approach to collaborative co-commissioning of education and health services in the secure estate, implementing this through our regular commissioning activity.

Outcome

We continued to engage with all our partner commissioners to better align and integrate services delivered to young people in custody. In under-18 YOIs, the commissioning of learning and skills is the responsibility of the Education Funding Agency, and the commissioning of healthcare is the responsibility of the NHS. It is crucial to ensure that the three commissioners work collaboratively to ensure providers deliver an integrated and seamless service to young people. This principle is equally important in STCs and secure children's homes, where healthcare provision is commissioned by the NHS. Where the YJB has had concerns about the delivery of services commissioned by other organisations, we have endeavoured to work collaboratively to resolve these issues, and have made demonstrable progress in this area.

The co-commissioning arrangements for the STC re-contracting programme are being progressed. Engagement with the commissioning healthcare bodies is underway, with formal alignment of working and procurement arrangements proceeding. We have begun to engage with local authorities whose areas include STCs, and we will seek their input into the education commissioning and delivery arrangements over the development phase of the commissioning cycle.

Key action 24

We will continue to monitor and performance manage secure estate services, so that the standards required to ensure the safety and welfare of young people are met, providers continue to improve their services, and good practice is identified and spread throughout the estate.

Outcome

Throughout the year, the YJB deployed secure estate monitors in secure establishments to review key areas of practice or to examine performance issues. These monitors met regularly with contract managers or service level agreement managers.

Together they developed strategies for addressing problems and sharing good practice. The outcomes of these meetings, both in terms of the areas of concern identified and the actions taken, were overseen by an internal governance board that challenged and guided staff in their choice of approach. An overview of the performance issues and actions taken is presented on a quarterly basis to a YJB board committee for scrutiny and support.

YJB influence directly led to performance improvements from providers in a range of areas, such as education, safeguarding and regime delivery.

The systems and tools available to YJB staff to deliver this work formed a quality management system that was subject to external audit, and retained ISO9001-level accreditation during 2011/12.

Key action 25

We will develop business cases and a capital investment plan to secure funding for projects to improve safeguarding in under-18 YOIs, including funding for specialist units offering enhanced support to young people.

Outcome

The YJB successfully secured safeguarding capital funding to develop two new business cases for improvements to safeguarding in under-18 YOIs. The first is to rebuild reception facilities and to add a video conferencing suite at Werrington YOI. The second is to re-develop two shower blocks at Hindley YOI. If the business cases are approved, this work will improve existing provision and reduce the opportunity for bullying and abuse.

In line with our plans for the secure estate to 2015,⁹ we are looking into options for expanding enhanced needs units to incorporate current practice regarded as emerging practice by HM Inspectorate of Prisons. The enhanced needs units will create a national resource, incorporating research and realising recommendations from various organisations and stakeholders.

Key action 26

We will continue implementation of YJB recommendations from the government's *Independent Review of Restraint in Juvenile Secure Settings*,¹⁰ including roll-out of conflict resolution training to STCs.

Outcome

During 2011/12, the YJB formally took over responsibility for monitoring the delivery of *Independent Review of Restraint* recommendations from the Ministry of Justice's Youth Justice Policy Unit (as it was called then). The YJB has specific responsibility for, or plays a significant role in, 11 of the 58 *Independent Review of Restraint* recommendations. All but one of these has been achieved. The outstanding recommendation will be satisfied upon delivery of the new system of restraint in STCs and under-18 YOIs during 2012/13.

The new system of restraint for under-18 YOIs and STCs, Minimising and Managing Physical Restraint (MMPR, previously known as Conflict Resolution Training), has been assessed by the Restraint Advisory Board, and their advice has been given to ministers.

Implementation of MMPR training will begin in 2012/13. The Restraint Advisory Board's assessment was extensive, focusing not only on the medical risks of each of the proposed techniques, but also on de-escalation strategies within the MMPR system. In partnership with the Ministry of Justice and NOMS, we led the work to design the governance

⁹ Ministry of Justice and Youth Justice Board (2012) *Developing the Secure Estate for Children and Young People in England and Wales – Plans until 2015*. London: Ministry of Justice.

¹⁰ Smallridge, P. and Williamson, A. (2008) *Independent Review of Restraint in Juvenile Secure Settings*.

arrangements for MMPP, as well as a system of safeguarding. We also project managed the development of a data collection system. This will help to ensure that restraint is used appropriately at all times, and that the evidence gathered can directly inform revisions to the system.

Working with NOMS, STCs and advocacy service providers, we led on the development and implementation of a national protocol in response to an *Independent Review of Restraint* recommendation regarding the debriefing of young people after a restraint incident and the independent support these young people receive from advocates, should they request it.

Key action 27

We will review our approaches to oversight of community and secure estate public protection and safeguarding serious incidents, publishing an annual report on community incidents, and consulting with partners to support greater local oversight of incidents.

Outcome

The YJB consulted with key stakeholders to gain views on community serious incident reporting. After the consultation closed in July 2011, we collated the responses and submitted a report of the consultation feedback. This was then used to inform the review of the processes involved in reporting serious incidents.

The review was completed in early 2012 and has led to a new approach for reporting and reviewing safeguarding and public protection incidents being

developed. Implementation of a pilot for handling incidents in the community will begin during July 2011 and our ongoing focus on this area is reflected in our 2012/13 corporate plan.

The review has allowed the YJB to develop a greater understanding of what YOTs need to achieve through the process of reviewing practice after a safeguarding and public protection incident. It has enabled us to refine our information requirements to reduce the burden on YOTs, while improving the quality of information we collect and providing a more sophisticated system for sharing learning, reflecting the principles of localism and the changing landscape around child protection which has arisen following the Munro Review. Our ongoing work in this area has been aligned with similar work taking place in the secure estate.

Key action 28

Building on work carried out during 2010, we will continue to develop and disseminate toolkits to support local analysis and action to address issues relating to the disproportionate representation of Black and Minority Ethnic young people in the youth justice system.

Outcome

The YJB consulted with YOT practitioners to design a disproportionality toolkit. This toolkit was published in May 2011. We engaged with our stakeholders to measure the success of the toolkit and, following feedback from youth justice practitioners, further work in this area is planned for 2012/13.

Key action 29

We will publish a participation practice development resource on YJLS to support practitioners in increasing young people's involvement in, and understanding of, the youth justice system.

Outcome

In May 2011, following consultation with Nacro, the National Youth Agency and the National Children's Bureau, we published a participation practice development resource on YJLS. The resource looks at the difference between engagement and participation, the barriers to and benefits of participation, and explores ways in which youth justice practitioners can involve young people and their carers. It is available in the 'Engaging young people who offend' professional development resource on YJLS.

In July 2011, a sub-group of YJB Board members was set up to consider how participation could be included in the Youth Justice Convention in November 2011. The YJB had been promoting participation across the sector as good practice, and Board members were keen that the YJB led by example. As a result, participation featured as a significant theme at the 2011 Youth Justice Convention. User Voice – an organisation led and delivered by ex-offenders which specialises in presenting the voice of people within the criminal justice system – delivered a number of very successful interactive workshops with young people and practitioners, which highlighted the need for a better understanding of participation within a youth justice context. These popular workshops received very good feedback, with practitioners keen to adapt their work to improve participation.

Organisational objective
Deliver a streamlined and distinctive youth justice function, and prepare for transition to the Ministry of Justice while retaining the skills and expertise of the YJB.

Key action 30

With the Ministry of Justice we will develop and implement a new operating model to replace the current YJB/Ministry of Justice Youth Justice Policy Unit arrangements to deliver youth justice functions after transition to the Ministry of Justice.

Outcome

As part of the preparation for transition of YJB functions to the Ministry of Justice, we worked with the Ministry of Justice to:

- identify the functions that should transfer to the ministry and how these functions should be best delivered
- design a new operating model and structure for the YJB
- implement this and then transfer the staff and functions operating under the new model to the Ministry of Justice, following the expected abolition of the YJB.

The work involved consultation with staff and stakeholders across the youth justice system to ensure that we had a clear understanding of which functions should be retained and the new approaches that could be developed. In particular, the work examined whether there were areas of overlap between the YJB's functions and other parts of the criminal justice system, with a view to reducing duplication.

Following the government's decision in November 2011 to retain the YJB, the new operating model was revised to reflect our continuing status as a non-departmental public body, ensuring, for example, that governance and board support functions would be retained.

The new operating model and revised organisational design was implemented on 2 April 2012, supporting delivery of the YJB's redesigned core functions. For example, we have implemented staffing structures and ways of working which better support our new approaches to lighter-touch oversight of the youth justice system, and which support our new approaches to identifying and disseminating effective practice. The new operating model also allows for more flexible deployment of staff and enables us to operate within significantly reduced running cost budgets agreed for the spending review period.

Key action 31

We will ensure that our main YJB functions continue to be provided with communications, HR, finance, facilities management, ICT and governance support during the period of transition to the Ministry of Justice. We will also assess options for handing over support functions to the Ministry of Justice, in line with the Ministry of Justice's operating model.

Outcome

As part of the preparation for transition of YJB functions to the Ministry of Justice, we considered how support functions would be provided to the new youth justice division that would operate within the Ministry of Justice. While planning was carried out, the YJB ensured that our in-house support functions could continue to be delivered until any new arrangements were in place, consulting with our workforce to reduce any negative impact on staff in YJB support functions, and keeping them up to date with developments.

Following the decision to retain the YJB, further work has taken place to consider in detail the specific levels of support services the YJB will continue to require as a non-departmental public body, and to identify the best value-for-money options for delivering these. Work to identify options for the delivery of communications, HR, finance and procurement services continues. A decision has been taken to move the YJB's headquarters to 102 Petty France, with the Ministry of Justice providing ICT services.

Key action 32

We will engage stakeholders and staff in the development and implementation of the transition to support a successful transfer of functions, which will contribute to maintaining the performance of the youth justice system.

Outcome

As part of the preparation for transition of YJB functions to the Ministry of Justice, we engaged with staff and stakeholders by, for example, consulting during the development of the new operating model and organisational design for the YJB, to ensure that there would be continuity in our operations.

Following the government's decision to retain the YJB as a non-departmental public body, some areas of our Transition Programme continued in, for example, the development of a new operating model for the YJB. We continued to consult with and update staff and stakeholders on new developments and their impact. Staff and stakeholder engagement continues as part of our day-to-day operations.

Key action 33

We will plan for the formal closure of the YJB and handover of assets, including knowledge, to the Ministry of Justice.

Outcome

This action was planned for the latter part of 2011/12 as part of our overall plan for the transition of YJB functions to the Ministry of Justice. Following the government's decision to retain the YJB as a non-departmental public body, however, this action was closed.

Key action 34

We will deliver savings of £1.3m to YJB running costs in 2011/12.

Outcome

The YJB paybill was reduced by £6.6m (35%), from £18.9m to £12.3m in 2011/12. We achieved these savings by implementing a new staffing structure, downsizing our Corporate Services Directorate, and significantly reducing the number of contractors, secondees, and temporary staff.

Key action 35

We will develop a technology roadmap for youth justice system ICT applications and youth justice system information management, and ensure that YJB and youth justice system ICT systems are suitably accredited for information assurance.

Outcome

Our ICT team worked with YJB staff who have particular responsibility for key youth justice ICT systems, including eAsset, Connectivity, and the Youth Justice Management Information System. They considered future requirements for these systems and together developed a vision for how YJB-owned youth justice ICT systems should be developed and supported in future. This vision was approved in January 2012 and is now being used as a roadmap to prioritise and steer future investment decisions on ICT.

In 2011/12, we worked in partnership with the Ministry of Justice to accredit YJB ICT systems for security and information assurance, in line with the government's security framework. All YJB and youth justice ICT systems now have formal accreditation. They each have an approved risk management accreditation document set, and the YJB's senior information risk owner and the Ministry of Justice's accreditor have agreed submissions for each system outlining the key security and information assurance risks affecting each system and the mitigating actions to address these risks.

Wales

Key action 1 for Wales

We will develop an enhanced service specification for Welsh young people held in custody in response to circumstances created by secure establishment decommissioning, following significantly decreased demand.

Outcome

This key action has been successfully completed and the project has met all its key deliverables. The YJB monitor for Hindley YOI will continue to monitor the progress of the enhanced specification.

A specialist careers advisor post was stipulated within the enhanced service specification, and the Welsh Government is in the process of working with Careers Wales to identify a solution for Welsh young people to access services when placed in an English secure establishment. The YJB will also continue to support sustained development of effective resettlement across the whole of Wales.

Key action 2 for Wales

We will support a pilot in Wales of the proposed implementation of Section 34 of the Offender Management Act 2007, allowing placement of those held in youth custody in community settings.

Outcome

It was decided that implementation of Section 34 of the Offender Management Act would not be pursued at this time.

Key action 3 for Wales

We will oversee YJB contributions to the 2010 Culture and Communities Committee recommendations on youth justice.

Outcome

Delivery of all YJB elements of the Culture and Communities Committee were overseen by the YJB in partnership with the Welsh Government. They were individually pursued through a number of work streams under the other Wales key actions, including the participation projects (key action 7), the resettlement consortia (key action 8), and the resettlement checklist (key action 9).

Key action 4 for Wales

We will adapt for Wales elements of the *Breaking the Cycle* Green Paper that relate to devolved services.

Outcome

The YJB and Welsh Government have been working with the Ministry of Justice to ensure that proposals related to remand in the Green Paper and relevant sections of the Legal Aid, Sentencing and Punishment of Offenders Bill (now an Act) reflect the devolved context.

Changes in practice for devolved services relating to the Act will be included in specific guidance and regulations to assist effective implementation in Wales.

Key action 5 for Wales

We will facilitate continued joint working with the Welsh Government during the transfer of YJB youth justice functions to the Ministry of Justice.

Outcome

Officials from the Welsh Government were members of the board overseeing the planned transfer of functions to the Ministry of Justice. Following the government's decision to retain the YJB as a non-departmental public body, this action was closed. However, joint governance arrangements have been strengthened with the establishment of a Wales Youth Justice Advisory Panel in partnership with the Welsh Government. Key youth justice stakeholders in Wales make up the membership of this panel, which is a fully constituted sub-group of the YJB, and has a role to advise Welsh ministers on the implementation of devolved policy relating to youth justice.

Key action 6 for Wales

We will work with police services and youth justice services in Wales to support and widen the use of police-led restorative alternatives to charging.

Outcome

The use of restorative justice as an alternative to police charging for less serious first-time offending is well established across the majority of police forces in Wales. A range of methods are now in use, including:

- 'Triage', which assesses, identifies and diverts suitable first-time offenders from the criminal justice system
- Swansea YOT Bureau's approach, which uses community volunteers to assist the YOT and police in making decisions about restorative alternatives to charging
- the Youth Restorative Disposal in North Wales and Dyfed Powys police force areas.

Since the implementation of these approaches, there has been a steady decrease in the numbers of first-time entrants.

Key action 7 for Wales

We will work with the Children's Commissioner for Wales on consultation and participation.

Outcome

The YJB has worked with the Children's Commissioner's Office, the Welsh Government, Nacro Cymru, Save the Children, and practitioners and young people from Rhondda Cynnon Taff YOT to produce an induction package for young people beginning a community sentence. The aim of this pack is to improve the level of young people's understanding of conditions and interventions that make up their order, in response to the high incidence of speech, language and communication needs among those in the youth justice system, alongside widespread poor literacy skills. In addition, a training pack has been developed to assist practitioners in the use of this resource.

These measures are part of the YJB Wales participation strategy to meet the National Standards for Children and Young People's Participation (Wales).

Key action 8 for Wales

We will encourage the expansion of post-sentence resettlement programmes to every youth offending service area in Wales.

Outcome

The pilot of the Resettlement Support Panel was completed. The subsequent evaluation showed positive results in areas that delivered the model with integrity, including decreased return to custody and recall on license, and increased multi-agency involvement in resettlement support to young people.

The YJB has facilitated a group of YOT operational managers across South Wales and a number of secure establishments where Welsh young people are placed, with the aim of sharing good practice and resolving practice delivery issues between YOTs and the secure estate.

A resettlement consortium is currently being established across southern Wales, incorporating parts of Dyfed-Powys, South Wales and Gwent. Five local authorities have agreed to form a steering group with a view to working in partnership to improve resettlement outcomes for young people. The YJB continues to engage other local authorities that have a high demand for custody to encourage them to be part of the consortium.

The steering group is responsible for overseeing the operational development of an enhanced package of support to those sentenced or remanded to custody, and those serving high-end community sentences who are at risk of a custodial sentence if their offending behaviour continues. The operational side of the consortium involves collaboration between key third sector partners in Wales, such as the Seren Group and Action for Children, as well as the private sector and the Welsh Centre for Crime and Social Justice. Both YOTs and the secure estate are represented in this group to ensure that an enhanced package of support is relevant and meets the needs of young people.

Key action 9 for Wales

We will define an expected package of support for children and young people after a period in custody in Wales and England.

Outcome

We initiated a project to improve joint working between the secure estate, YOTs and young people. A resettlement checklist was created to ensure the development and delivery of new collaborative ways of working between practitioners in the secure estate, community justice sectors and young people themselves.

The checklist allows YOT workers, secure estate staff and young people under supervision to have joint accountability for resettlement arrangements. The project has completed an initial six-month pilot phase and is now at the stage of evaluating its impact. Early indications suggest that, where it is used as a way of enhancing existing practice, the checklist has had many benefits. A full evaluation will take place during summer 2012 and the findings will determine the next phase of the pilot.

SECTION

2

MANAGEMENT COMMENTARY

The YJB oversees the youth justice system in England and Wales. This section describes how we operated during 2011/12.

The YJB was established on 30 September 1998 as an executive non-departmental public body under the Crime and Disorder Act 1998. We are sponsored by the Ministry of Justice and our Board members are appointed by the Secretary of State for Justice. We also receive funding from the Home Office.

Principal activities

The YJB oversees the youth justice system in England and Wales. We work to prevent offending and reoffending by children and young people under the age of 18, and to ensure that custody for them is safe, secure, and addresses the causes of their offending behaviour.

Specifically, we:

- advise the Secretary of State on the operation of, and standards for, the youth justice system
- monitor the performance of the youth justice system
- purchase places for, and place, children and young people remanded or sentenced to custody
- identify and promote effective practice
- make grants to local authorities or other bodies to support the development of effective practice
- commission research and publish information.

We base our work on evidence, where this exists.

Basis of accounts

The statement of accounts has been prepared in a form directed by the Secretary of State, and is issued in accordance with the Crime and Disorder Act 1998.

Auditors

The financial statements are audited by the Comptroller and Auditor General who is appointed by statute. The audit fee is disclosed in Note 3 (see page 63). No fees were incurred for non-audit work during the year (2010/11: none).

Board members and senior management

The Crime and Disorder Act 1998 provides that the YJB shall have between 10 and 12 Board members, appointed by the Secretary of State. Board members are appointed for periods of three years. The Board members who served during the year were:

Frances Done* CBE (Chair)
Dr Alan Billings**
Charles Clark OBE QPM
Jennifer Izeckor
Rosanna O'Connor
Graham Robb*
Bob Reitemeier*
Angela Sarkis CBE
David Simpson*
John Wrangham

For biographical details of the YJB's Board members, go to www.justice.gov.uk/about/yjb/yjb-board.htm.

The members of the Board have corporate responsibility for ensuring that the YJB properly discharges its statutory functions and complies with statutory and administrative requirements for the use of public funds.

The YJB adopted a *Code of Practice for YJB Board Members* at its first meeting on 16 October 1998 and this was last reviewed in September 2010. The code of practice provides for a Register of Members' Interests, which can be found at www.justice.gov.uk/downloads/about/yjb/register-members-interests.pdf. The code of practice is available at www.justice.gov.uk/about/yjb/yjb-board.

The Chair of the Board, in consultation with the YJB's sponsoring department, appoints the Chief Executive. Members of the Board may not give instructions that conflict with the Chief Executive's duties as the YJB's Accounting Officer.

The Audit and Risk Committee reviews the YJB's internal control arrangements, the operation of the internal audit service, and the management of risks.

* Member of the Audit and Risk Committee.

** Chair of the Audit and Risk Committee.

Executive Management Group

During 2011/12, the Executive Management Group (EMG) consisted of the Chief Executive, the Director of Performance, the Director of Strategy, the Director of Secure Accommodation and the Director of Corporate Services.

John Drew

Chief Executive

Bob Ashford

Director of Strategy

Lucy Dawes

Director of Performance

Ray Hill

Director of Secure Accommodation

Martin Skeats

Director of Corporate Services

Bob Ashford left the YJB as Director of Strategy on 31 March 2012.

The Chief Executive, as Accounting Officer, ensures that all public funds made available to the YJB are used for the purposes intended by Parliament, that adequate internal controls are maintained, and that proper accounts are prepared. Further details of the responsibilities of the Accounting Officer are given in the statement on page 41.

Summary of performance against targets

See pages 4 to 25.

Financial review

The YJB received £399.6m funding in 2011/12. This level of funding is:

- £52.7m (12%) lower than for 2010/11
- £104.6m (21%) lower than for 2009/10.

Funding for 2011/12 was obtained from two sources:

- £381.6m from the Ministry of Justice
- £18.0m from the Home Office.

The YJB incurred net expenditure of £396.6m in 2011/12.

£245.5m (62% of total expenditure) was incurred on the purchase of places in the secure estate for children and young people, compared with £268.9m (59%) in the previous year. Demand for accommodation fell steadily throughout the year, despite a temporary rise following the summer disturbances. To match supply with demand, the YJB decommissioned 281 secure beds (including 202 at Stoke Heath YOI).

£128.3m (32% of total expenditure) was incurred on youth justice community-based programmes, compared with £153.4m (34%) in the previous year. £118.4m was paid to YOTs in youth justice grants (compared with £145.3m in 2010/11) with a view to achieving the following outcomes:

- reduction in youth offending
- reduction in first-time entrants
- reduction in the use of youth custody
- effective public protection
- effective safeguarding.

£17.6m (4% of total expenditure) was spent on staffing and other administrative costs, compared with £23.9m (5%) in 2010/11. The paybill for 2011/12 was £12.3m, which represents a reduction of £6.6m (35%) on 2010/11. This reduction was achieved through a reorganisation

programme which led to a new staffing structure. The number of agency and contractor staff fell significantly.

Equal opportunities

We have an equal opportunities policy that states that we are committed to ensuring that all eligible persons shall have equality of opportunity for employment and advancement on the basis of their ability, qualifications and suitability for the work.

We aim to set an example of best practice among equal opportunities employers, and consequently the current equal opportunities policy goes beyond the legislative framework within which all United Kingdom employers must operate. The policy states that there must be no discrimination, directly or indirectly, against any eligible person on the grounds of race, colour, nationality, gender, disability, sexual orientation, religion, or any other irrelevant factor, whether in recruitment, training, promotion or in any other way. It is our policy to follow the codes of practice issued by the Equality and Human Rights Commission. The Director of Corporate Services had overall responsibility for ensuring that the policy operated effectively for employment issues.

As an organisation, the YJB is committed to promoting equality and embracing diversity. The YJB's Equality and Diversity Strategy reflects this commitment by articulating our duties and our objectives, and detailing how we intend to integrate equality and diversity into our core business. The strategy contains our overarching statement of commitment to the equality and diversity agenda, and definitions of what we mean when we use the terms 'diversity' and 'equality'. It informs staff about the type of culture we want to engender at the

YJB. The Equality and Diversity Action Plan complements the strategy and is a comprehensive work plan which breaks down the areas of work and responsibilities across directorates. The actions associated with this plan are monitored by the Equality and Diversity Board, which meets quarterly and is chaired by the Chief Executive.

The YJB is also committed to conducting equality impact assessments (EIAs) in any instances where the development or amendment of policies, strategies, projects or new methods of service delivery is being considered. This ensures that we meet our equality duties.

Employee relations

We aim to follow best practice in the management of staff, including giving proper attention to communication, consultation, and motivation of staff. We seek to create an environment in which all employees contribute their best to their own and the YJB's success, and we measure staff perceptions annually through a staff survey.

All HR policies are reviewed and amended in line with current employment legislation and best practice, following consultation with employees and trade unions. Regular meetings are held to ensure a two-way flow of information. We have also regularly reviewed how internal communications can be improved, which has led to initiatives such as more shared learning sessions in the senior management briefings (weekly briefings which are delivered in person by the Chief Executive to all senior managers, who then disseminate the information to the rest of the organisation, principally in smaller team meetings).

2011/12 was a period of significant change for the organisation and we made it a priority to communicate these changes to staff through the appropriate channels. The senior management briefing was one of the key channels we used to communicate our internal restructure to staff.

In the financial year ending 31 March 2012, the YJB refreshed its policies on discipline, personnel security, travel and subsistence, and maternity leave.

A weekly electronic bulletin, *InterCom*, is distributed to all staff, and staff can access a range of material on the YJB intranet.

Disabled people

At 31 March 2012, the number of registered disabled people employed was two – in 2011, the number of registered disabled people employed was also two. When advertising posts, we specifically welcome applications from disabled people. We also operate a scheme whereby disabled people who meet the criteria for a post are guaranteed an interview. In accordance with the principles set out in our recruitment, selection and induction policy and procedures, we acknowledge that we have a duty under the Equality Act (2010) to make reasonable adjustments to the working environment or conditions of appointment that would enable a disabled person to compete for, and carry out, a job on an equal basis.

Our headquarters building is fully compliant with the Equality Act (2010) and is accessible for disabled employees and visitors, as is the proposed new YJB head office location at Petty France, London.

Staff absence

The average number of days taken by staff due to sickness was 4.6 in the financial year ending 31 March 2012. This compares with an average of 4.5 days in 2010/11, and compares favourably with the wider Civil Service average of 7.3 days per employee (as at 31 October 2011). The YJB operates an online self-service tool for recording sickness absence.

Environment

The YJB is committed to minimising any negative environmental impact its operations have on wider society. We seek to preserve natural resources where possible, improve our use of energy and avoid environmental pollution.

Better Payment Practice Code

Our standard terms are to make payments in respect of goods/services within 30 days of receipt of a valid invoice. The target under the Better Payment Practice Code is to pay 95% of invoices within the agreed terms. A review of invoices paid in the year showed that 97% (2011: 95%) were paid in accordance with that policy.

Disclosure of relevant audit information

As Accounting Officer, I confirm that there is no relevant audit information of which the auditors are unaware and that I have taken all the appropriate steps to make myself aware of any relevant audit information, and to establish that the auditors are aware of that information.

Personal data-related incidents

1. Personal data published on the justice website

During June 2011, the YJB launched a new initiative for YOTs in England and Wales on the justice.gov.uk website. This new initiative contained toolkits holding a range of documents such as Excel spreadsheets, PowerPoint presentations, slide packs and also Word documents. One of the toolkits published on the justice website inadvertently included an Excel spreadsheet containing personal information relating to 22 young people and seven YOT staff members.

The personal information was available on the justice website for 25 days before it was removed. The YJB worked with the manager of the relevant YOT regarding the actions undertaken by the YJB, and provided the local council with a full security incident report. The YJB informed the Ministry of Justice and the Information Commissioner's Office of this data breach and we continue to work with them regarding the ongoing investigation.

2. Security accreditation for YJB ICT systems

During the early part of 2011, a review of the security accreditation for YJB ICT systems was undertaken. It found that there was either no security accreditation or lapsed security accreditation on all YJB ICT systems. The absence of accreditation does not imply any breach of the Data Protection Act and the YJB is assured that personal or sensitive data was not at risk.

To rectify this situation, the YJB instigated an internal project with the brief to deliver the required security accreditation for YJB ICT systems, and also to raise information assurance and security awareness within the organisation. Our project drew expertise from the Ministry of Justice ICT Detica Managed Service and worked in close partnership with the Ministry of Justice ICT Information Assurance team. We completed the project in March 2012, having successfully achieved an accreditation status for each YJB ICT system with the Ministry of Justice ICT Accreditor. We also produced updated YJB information assurance policies and delivered awareness training to YJB staff members.

3. ICT asset management

During August 2011, an internal audit was conducted to review YJB ICT governance. The scope of the audit covered two main categories: ICT policies and processes, and the management of ICT assets. The audit found that there were a number of significant failings in the internal processes used by YJB ICT to appropriately manage ICT assets. The risks to the YJB associated with this lack of internal control were identified as increased risk of exposing YJB data to unauthorised access or compromise, and also financial risks due to ICT assets which could not be located. The findings from the internal audit were reported to the YJB Audit and Risk Committee.

The YJB response to this audit was the creation of an internal project with the brief to overhaul the legacy asset management system and to deliver a new robust system to ensure the management and tracking of YJB ICT assets. We completed a full audit of all YJB ICT assets and populated a new asset management database. We also delivered supporting policy and procedures, and embedded these within the ICT delivery team.

Our principal risks and uncertainties

Our principal risks include:

- the challenging financial climate and local partners reducing their funding for YOTs
- failure to meet our duty of care in our secure accommodation functions.

More information about our risk management processes can be found in the governance statement on page 42.

Future activities

On 14 October 2010, the government announced plans to reform public bodies as part of the Public Bodies Bill, including a proposal to abolish the Youth Justice Board and to transfer its functions to the Ministry of Justice. This proposition was subject to debate in the House of Commons and the House of Lords during the passage of the Bill, and to a consultation process with youth justice stakeholders. The Justice Select Committee also considered the matter and issued a report. On 23 November 2011, the government announced its intention to withdraw its proposal, and to retain the Youth Justice Board.

Our plans are published annually in our corporate plan, which is approved by the Secretary of State. Our latest plan sets out our strategic objectives for 2012–15, which are that we will work in partnership across the community and commission the secure estate to:

- prevent offending
- reduce reoffending
- protect the public and support victims
- promote the safety and welfare of children and young people in the criminal justice system.

In addition, we have a key organisational objective to continue to develop the YJB to deliver our mandate, working closely with government and stakeholders to deliver a coherent, distinctive and effective youth justice system in a time of reduced resources.

For further information on the development and operation of the YJB's business, please refer to the review on page 5, which includes a summary of performance against our targets.

Signed on behalf of the YJB by

John Drew
Chief Executive
and Accounting Officer

Date: 9 July 2012

SECTION

3

ACCOUNTS 2011/12

The following section sets out our accounts for 2011/12 and describes our system of internal control.

REMUNERATION REPORT

Remuneration policy

Our staff, whether on permanent or temporary contracts, are subject to levels of remuneration and terms and conditions of service (including superannuation) approved by the Ministry of Justice. In some cases, Home Office terms and conditions apply which are endorsed by the Ministry of Justice. Civil Service terms and conditions of service apply to the rates of pay paid to our staff seconded from the Ministry of Justice. Direct employees are paid at equivalent Civil Service rates or at rates approved by the Ministry of Justice. Payment is made in accordance with the *Civil Service Management Code*, except where prior approval has been given by the Ministry of Justice to vary such rates. We operate a performance-related pay scheme set annually by the Ministry of Justice.

Performance bonuses paid to YJB executive management are determined by the Remuneration Committee within a framework set for Senior Civil Service (SCS) pay arrangements, administered by the Cabinet Office. For the year ending 31 March 2011, the Cabinet Office determined that a bonus could be awarded to SCS staff assessed as being in the top 25% of performers. SCS staff are allocated to one of four groups based on an assessment of their contribution relative to others operating at the same level. The same applies to the year ending 31 March 2012.

Terms

Board members

Appointment of Board members, including the Chair, is for a period of three years. The appointment of Board members, and extension of their appointment, is made by the Secretary of State for Justice, in line with guidance issued by the Office of the Commissioner for Public Appointments. Reappointments are also subject to a satisfactory appraisal process.

Frances Done was reappointed as Chair of the YJB by the Secretary of State for Justice for a period of three years (with effect from 1 February 2011).

Early termination of a Board member's appointment is at the discretion of the Secretary of State.

Executive management

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit, on the basis of fair and open competition. The recruitment principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

Executive managers are permanent employees who hold appointments which are, unless otherwise stated, open-ended. Early termination would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commissioners can be found at <http://civilservicecommission.independent.gov.uk>.

Remuneration Committee

Our Remuneration Committee meets annually to agree the appraisal of the Chief Executive, and to consider his or her remuneration. The Chair is Frances Done, and a quorum for the committee is at least one other member of the Board, plus the Chair.

Remuneration (audited information)

Board members

The Board members' remuneration, with the exception of the Chair's remuneration, is based on the number of days worked. The Chair's remuneration is determined by the Secretary of State for Justice.

In the year ended 31 March 2012, the Board members received remuneration as follows.

Name	2011/12			2010/11			Start date	Unexpired term from 31/03/2012
	Remuneration £'000	Benefits in kind £'000	Total £'000	Remuneration £'000	Benefits in kind £'000	Total £'000		
Frances Done	85	1.4	86	85	2.5	88	01/02/2008	1 year and 10 months
Graham Robb	18	5.6	24	18	5.0	23	01/10/2004	6 months
Allan Billings	15	2.6	18	15	2.5	18	01/10/2004	6 months
Charles Clark	9	2.1	11	9	1.2	10	01/03/2007	11 months
Bob Reitemeier	15	0.3	15	15	-	15	01/06/2006	5 months
Rosanna O'Connor	9	0.3	9	9	0.1	9	11/05/2007	1 year and 1 month
Jennifer Izekor	9	-	9	10	-	10	09/04/2009	6 months
Angela Sarkis	12	-	12	9	-	9	09/04/2009	3 years
John Wrangham	12	2.2	14	12	1.1	13	09/04/2009	3 years
David Simpson*	-	0.1	-	-	-	-	01/10/2004	6 months

* David Simpson waives his entitlement to Board member fees.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the YJB and is treated by HM Revenue and Customs as a taxable emolument.

Board members are reimbursed for their travel and subsistence costs incurred in attending Board business at the YJB's central London headquarters and elsewhere. Since Board members are deemed by HM Revenue and Customs to be employees of the YJB, the amounts of these reimbursements are treated as benefits in kind and are disclosed in the table above. The taxation arising on such expenses is borne by the YJB.

The pension entitlements of the YJB Chair, which are accrued in the Principal Civil Service Pension Scheme, as detailed in the following table. None of the other Board members has any pension entitlements associated with their YJB positions.

Name and title	Accrued pension at 60 as at 31/03/12	Real increase in pension at 60 as at 31/03/12	Related lump sum at 60	Real increase in related lump sum at 60	2012 CETV @ 31/03/12	2011 CETV @ 31/03/11	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Frances Done Chair	5-10	0-2.5	-	-	117	100	17

Executive management

The salary, bonus and pension entitlements of our executive management were as below.

Name and title	2011/12			2010/11		
	Salary £'000	Bonus £'000	Total £'000	Salary £'000	Bonus £'000	Total £'000
John Drew Chief Executive	135-140	10-15	145-150	135-140	5-10	140-145
Martin Skeats Director of Corporate Services (from 19/07/2010)	90-95	-	90-95	70-75 (90-95 full year equivalent)	-	70-75
Director of Secure Accommodation (from 01/12/2009 to 19/07/2010)				20-25 (80-85 full year equivalent)		20-25
Craig Watkins Director of Corporate Services (to 11/07/2010)	-	-	-	30-35 (100-105 full year equivalent)	5-10	35-40
Ray Hill Director of Secure Accommodation (from 01/07/2010)	100-105	-	100-105	70-75 (100-105 full year equivalent)	-	70-75
Brendan Finegan Director of Strategy (to 30/04/2010)	-	-	-	5-10 (85-90 full year equivalent)	-	5-10
Bob Ashford Director of Strategy (from 01/05/2010)*	90-95	5-10	95-105	75-80 (85-90 full year equivalent)	0-5	75-80
Lucy Dawes Director of Performance	90-95	5-10	95-100	90-95	0-5	95-100
Band of highest paid director's total remuneration (£'000)	145-150			140-145		
Median total remuneration (£)	38,077			38,023		
Ratio	3.9			3.8		

*Bob Ashford left the YJB on 31 March 2012 under Voluntary Early Severance terms. The total benefit under these terms was £77,283, of which £25,520 was payable as a lump sum. The remainder represents the actuarially calculated cost of an enhancement made to the individual's pension benefits.

Salary

Salary covers both pensionable and non-pensionable amounts and includes, but may not necessarily be confined to:

- gross salaries
- overtime
- reserved rights to London weighting or London allowances
- recruitment and retention allowances
- private office allowances and any other allowance to the extent that it is subject to UK taxation
- any ex-gratia payments.

The figures shown do not include amounts that are a reimbursement of expenses directly incurred in the performance of an individual's duties. This report is based on accrued payments made by the YJB and thus recorded in these accounts.

Bonuses

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses are included in the table above on a cash basis, so that bonuses disclosed for each year represent those paid to staff in that year, but relate to performance in the previous year.

Compensation

Brendan Finegan left on 30 April 2010 under Compulsory Early Severance terms of the financial year ending 31 March 2010. Under the terms of severance, costs of £30,000 per annum are met by the YJB until he reaches the age of 60. Additionally, the YJB has preserved his pension benefits (lump sum of £61,424) until he reaches the age of 60.

Banded remuneration of the highest-paid director and median pay disclosures

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director at the YJB in the financial year 2011/12 was £145-150k (2010/11: £140-145k). This was 3.9 times (2010/11: 3.8 times) the median remuneration of the workforce, which was £38,077 (2010/11: £38,023).

In 2011/12, no employees (2010/11: nil) received remuneration in excess of the highest-paid director. Remuneration ranged from £8,500 to £115,000 (2010/11: £8,000-£100,000).

Total remuneration includes salary, non-consolidated performance-related pay, and benefits in kind, as well as severance payments. It does not include employer pension contributions and the Cash Equivalent Transfer Value of pensions.

Pension entitlements (audited information)

Name and title	Accrued pension at 60	Real increase in pension at 60	Related lump sum at 60	Real increase in related lump sum at 60	CETV @ 31/03/12	CETV @ 31/03/11*	Real increase in CETV
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
John Drew Chief Executive	10-15	2.5-5	-	-	138	108	30
Ray Hill Director of Secure Accommodation (from 01/07/2010)	20-25	1-2.5	65-70	2.5-5	330	248	82
Martin Skeats Director of Corporate Services (from 19/07/2010)	20-25	1-2.5	-	-	317	245	72
Director of Secure Accommodation (from 01/12/2009 to 19/07/2010)							
Bob Ashford Director of Strategy (from 01/05/2010)	35-40	2.5-5	110-115	10-12.5	811	684	127
Lucy Dawes Director of Performance	45-50	2.5-5	210-215	**	**	**	**
Brendan Finegan Director of Strategy (to 30/04/2010)***	-	-	-	-	-	472	9
Craig Watkins Director of Corporate Services (to 11/07/2010)***	-	-	-	-	-	325	25

* The figure may differ from the closing figure in last year's accounts. This is due to the CETV factors being updated to comply with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008.

**All other pension information for Lucy Dawes is unavailable due to delays in the transfer of information between administrators.

*** 2011 values only are included for Brendan Finegan and Craig Watkins because their last period of service at the YJB was in the previous financial year.

Civil Service pensions – general information

Pension benefits are provided through the Civil Service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes: either a final salary scheme (Classic, Premium, or Classic Plus) or a whole career scheme (Nuvos). The statutory arrangements are unfunded, with the cost of benefits met by monies voted by Parliament each year. Pensions payable under Classic, Premium, Classic Plus and Nuvos are increased annually in line with changes in the Retail Prices Index (RPI). Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a good quality money purchase stakeholder pension with a significant employer contribution (partnership pension account).

Employee contributions are set at the rate of 1.5% of pensionable earnings for Classic and 3.5% for Premium, Classic Plus and Nuvos. Benefits in Classic accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For Premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike Classic, there is no automatic lump sum. Classic Plus is essentially a hybrid, with benefits in respect of service before 1 October 2002 calculated broadly as per Classic and benefits for service from October 2002 calculated as in Premium. In Nuvos, a member builds up a pension based on their pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March), the member's earned pension account is credited with 2.3% of their pensionable earnings

in that scheme year, and the accrued pension is up-rated in line with RPI. In all cases members may opt to give up (commute) pension for lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a selection of approved products. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill-health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at, or over, pension age. Pension age is 60 for members of Classic, Premium and Classic Plus, and 65 for members of Nuvos.

Further details about the Civil Service pension arrangements can be found at the website www.civilservice.gov.uk/pensions.

Cash Equivalent Transfer Value

A Cash Equivalent Transfer Value (CETV) 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 pension benefits they have accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total service, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of buying additional pension benefits at their own cost. CETVs are calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction of benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn.

**Real increase in the value of the
Cash Equivalent Transfer Value**

This reflects the increase in CETV that is funded by the employer. It does not include 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 common market valuation factors for the start and end of the period.

Signed on behalf of the YJB by

John Drew
Chief Executive and
Accounting Officer

Date: 9 July 2012

ANNUAL ACCOUNTS FOR YEAR ENDED 31 MARCH 2012

The Accounting Officer of the Ministry of Justice has designated the Chief Executive of the YJB as the Accounting Officer for the YJB. The responsibilities of an Accounting Officer are set out in *Managing Public Money*,¹¹ published by HM Treasury. These include responsibility for the propriety and regularity of the public finances for which the Accounting Officer is answerable, responsibility for keeping proper records, and responsibility for safeguarding the YJB's assets.

Statement of Accounting Officer's responsibilities

Under the Crime and Disorder Act 1998, the Secretary of State, with the approval of HM Treasury, has directed the YJB to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the YJB and of its net expenditure, changes in taxpayers' equity and cash flows for the financial year.

Under the Act, the Accounting Officer discharges his responsibilities on behalf of the Board, who are required by legislation to keep proper accounts and records, and to prepare a statement of accounts.

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

- observe the Accounts Direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgements 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 any material departures in the financial statements
- prepare the financial statements on a going concern basis.

¹¹ See www.hm-treasury.gov.uk/psr_managingpublicmoney_publication.htm

GOVERNANCE STATEMENT

Introduction by John Drew, Chief Executive of the YJB

This governance statement replaces the statement on internal control provided in previous annual reports, in line with updated guidance from HM Treasury's *Corporate Governance in Central Government Departments: Code of Good Practice 2011*.¹² As Accounting Officer, I am responsible for managing and controlling the resources used by the YJB, in accordance with the responsibilities outlined in *Managing Public Money*. This statement describes how those duties have been carried out through the year and includes accounts of both the YJB's corporate governance and risk management.

Overall health of the youth justice system 2011/12

2011/12 was a year of significant change for the YJB and the youth justice system more generally. In October 2010, the government announced that it would include the YJB as one of the bodies to be abolished in the Public Bodies Bill and, consequently, YJB officials spent much of 2011/12 preparing for abolition and the transfer of functions to the Ministry of Justice. In June 2011, the government published its response to the Green Paper, *Breaking the Cycle: Effective Punishment, Rehabilitation and Sentencing of Offenders*, which sets out its plans for the future of the criminal justice system.

In November 2011, the YJB was removed from the Public Bodies Bill, meaning that we would continue as a distinct arm's length body. However, much of the work on re-structuring

continued on the basis of the need to deliver a 30% cut in running costs by March 2015. A new YJB structure came into effect on 2 April 2012; more on this is included in the main statement below. Also included below are comments on the YJB's involvement in a number of specific events and developments across the year, including its handling of the civil disturbances in August 2011.

The YJB's strategic objectives for 2011–15 have been revised to support the government's aims for the justice system and the implementation of the provisions of the Legal Aid, Sentencing and Punishment of Offenders Act 2012. Our objectives also reflect the government's wider agenda to increase local accountability and decision making. This affects many aspects of youth justice partnerships, with increased local accountability for reducing crime and, in England, for delivering health and education outcomes. We are introducing lighter touch oversight of YOTs and supporting more professional discretion, while continuing to work with our partners to ensure that the provision of youth justice services remains coherent.

Our objectives also take account of the need to deliver significant savings of around £177m by March 2015, against our 2010/11 baseline budgets. Key activities to achieve this include:

- reductions to YOT grants
- decommissioning of secure estate places and further efficiencies in the secure estate
- investment in reducing the demand for custody, and effective practice
- reductions in running costs.

Within the context of a changing landscape and significant reductions in funding, it is pleasing to report that, on the evidence available to date, the performance of the youth justice system remains robust, with the improvements seen over the last few years continuing. The latest performance data is shown in the Summary of Performance section on page 5. The YJB and our youth justice partners are committed to sustaining these performance improvements. Our strategic objectives recognise the need to support local delivery in an environment with fewer resources, and to demonstrate value for money. While the full impact of funding reductions may not yet be fully felt, our planning assumptions are that the custodial population will continue to decrease, and that new government policies and actions by the YJB and its delivery partners across the youth justice system will deliver further reductions in the demand for custody.

Governance framework

Role and scope of the YJB

The YJB is an executive non-departmental public body, created by the Crime and Disorder Act 1998. Board members are appointed by the Secretary of State for Justice. The YJB:

- oversees the youth justice system in England and Wales
- works to prevent offending and reoffending by children and young people under the age of 18
- ensures that custody for children and young people is safe, secure, and addresses the causes of their offending behaviour.

¹² HM Treasury and the Cabinet Office (2011) *Corporate Governance in Central Government Departments: Code of Good Practice 2011*. London: HM Treasury.

Management Statement and Financial Memorandum

The overarching framework within which the YJB operates is set out in our Management Statement and Financial Memorandum, agreed between our sponsorship unit at the Ministry of Justice and the YJB, and derived from a model prepared by HM Treasury. The Management Statement sets out the following:

- the YJB's overall aims, objectives and targets in support of the government's wider strategic aims
- the rules and guidelines relevant to the exercise of the YJB's functions, duties and powers
- the conditions under which any public funds are paid to the YJB
- how the YJB is to be held to account for its performance.

The Financial Memorandum sets out the financial provisions that the YJB must observe, in accordance with *Managing Public Money*.

The Management Statement was last revised in September 2010. It is periodically reviewed by the Ministry of Justice, and never later than three years from the last date of approval. The YJB and the Ministry of Justice may propose amendments at any time. There were no changes over the course of 2011/12, although the YJB and the Ministry of Justice are currently agreeing a new framework document, which will replace the Management Statement and Financial Memorandum, and will be ready by the summer of 2012.

The YJB Chair, Board and committees

The YJB Chair and Board members are responsible for establishing the organisation's overall strategic direction, ensuring that it operates within the limits of its statutory authority, and agreeing corporate targets recommended by the Executive Management Group (EMG). The Board met eight times during 2011/12, and a schedule of attendance is shown in the table below.

Board meeting attendance 2011/12*

	20/04/11	27/07/11	21/09/11	19/10/11	14/12/11	25/01/12	14/03/12
Alan Billings	✓	✓	x	✓	x	✓	✓
Charles Clark	✓	✓	x	✓	✓	✓	✓
Frances Done	✓	✓	✓	✓	✓	✓	✓
Jennifer Izekor	✓	x	x	✓	x	✓	x
Rosanna O'Connor	✓	✓	✓	✓	✓	✓	✓
Bob Reitemeier	✓	✓	x	✓	✓	✓	✓
Graham Robb	✓	✓	✓	✓	✓	✓	✓
Angela Sarkis	✓	x	✓	✓	✓	x	✓
David Simpson	✓	✓	✓	x	✓	✓	x
John Wrangham	x	x	✓	✓	✓	✓	✓

*Does not include the 08 June 2011 awayday.

A register of Board members' interests is published on the justice website at www.justice.gov.uk/downloads/about/yjb/register-members-interests.pdf.

The quarterly business Board meetings include consideration of the following standard agenda items:

- Chair's items, covering current issues of importance
- Chief Executive's report of YJB executive activity over the quarter and emerging issues
- minutes of YJB committee meetings
- a quarterly performance report including: information on the achievement of key youth justice outcome indicators and risks relating to the secure estate and local youth justice services; progress against the YJB corporate and business plan; risks affecting the YJB; other aspects of YJB performance.

A sub-committee structure supports the Board, comprising the Audit and Risk Committee, the Community Justice Committee (operating prior to 1 April 2012 as the Reducing Offending Committee), the Secure Accommodation Committee, the Remuneration Committee, and the Wales Youth Justice Advisory Panel. These committees are attended by Board members, the EMG and other senior YJB staff. With the exception of the annual Remuneration Committee, they meet on a quarterly basis.

The work of the Board and the committees is formally prescribed in their terms of reference, which are reviewed annually, and in other governance documents including the *YJB Standing Orders*, the *Code of Practice for YJB Board Members*, and the *YJB Scheme of Delegation*. The governance documentation, including

the Board and committee terms of reference, was reviewed and updated in March/April 2012.

The Audit and Risk Committee, in particular, provides a forum for the scrutiny of YJB corporate governance and risks. Standing agenda items for the committee include:

- a review of the YJB's Corporate Risk Register
- a report on investigations into deaths in secure accommodation
- an update on the handling of Parliamentary Questions and requests under the Freedom of Information Act
- a report on expenditure
- a report on progress with internal audit recommendations and plans.

Colleagues from the Ministry of Justice's Youth Justice and Women Unit and Internal Audit attend, along with colleagues from the National Audit Office.

The Community Justice Committee oversees the YJB's work in relation to: young people in the community and the services provided to them there; reducing the demand for custody; protecting the public and supporting victims; strategic/cross-youth justice system matters. The Secure Accommodation Committee provides oversight of the YJB's statutory functions in relation to the secure estate and placing young people in custody. The Wales Youth Justice Advisory Panel is a body jointly convened by the Welsh Government and the YJB. The panel oversees the YJB's work to achieve strategic objectives in relation to Wales, and acts as a strategic stakeholder reference group for YJB change initiatives in Wales. The Remuneration Committee considers the annual

appraisal of the Chief Executive, and approves the remuneration of the Chief Executive and other senior staff.

The Executive Management Group

The YJB EMG agrees corporate priorities, reviews and monitors budgets and expenditure, and identifies and manages risk. In 2011/12, the EMG comprised the Chief Executive and all YJB directors, covering four distinct directorates. Three of these – Secure Accommodation, Performance, and Strategy – were responsible for delivering strategic objectives. The fourth, Corporate Services, supported the others in delivery by providing services including ICT, finance, human resources, communications, facilities management and corporate governance. In addition, the YJB Wales office and English regional offices developed and maintained working relationships at local level. The EMG met formally on a weekly basis to plan, deliver and oversee the work of the YJB.

A new EMG structure came into effect in April 2012, comprising five distinct divisions – Community, Effective Practice, Secure Accommodation, Wales, and Corporate Services.

The YJB in Wales

The YJB Wales Division, based in Swansea, has responsibility for the delivery of YJB statutory functions in Wales. This includes overseeing and monitoring youth justice services in Wales, identifying and disseminating effective youth justice practice in Wales in collaboration with colleagues based at the YJB's main London office, and developing YJB strategy with regard to devolved aspects of youth justice delivery in Wales.

The team is led by the Head of YJB Wales at grade 6 level, who works in close contact with John Wrangham, the YJB Board member with lead responsibility for Welsh issues, and who chairs the quarterly Wales Youth Justice Advisory Panel.

The YJB Wales Division is currently working with Welsh Government officials to develop a memorandum of understanding which will more formally underpin the relationship that exists between them and the roles of each in relation to youth justice matters that affect Wales and Welsh young people.

Corporate and business planning

The YJB corporate and business plan sets out the YJB's vision, strategic objectives and associated deliverables, taking account of government priorities. The plan details the strategy for delivery, as well as the risks that may threaten this. The main elements of the plan are agreed with the Secretary of State for Justice. The 2011/12 plan covered the period to the end of 2015. It specified the following overarching strategic objectives:

We will work in partnership across the community and commission the secure estate to:

- *prevent offending*
- *reduce reoffending*
- *protect the public and support victims*
- *promote the safety and welfare of children and young people in the Criminal Justice System.*

The plan also outlined the need to deliver savings to the public purse, and set out five key ways in which this would be achieved:

- reductions in YOT grants
- decommissioning of secure estate

places and further efficiencies in the secure estate

- investment in reducing the demand for custody
- investment in effective practice
- delivering a 30% cut in YJB running costs by March 2015.

The corporate and business plan is updated annually, and the plan for 2012–2015 will be published at www.justice.gov.uk.

Account of corporate governance

Parliamentary accountability

The Secretary of State for Justice is accountable to Parliament for the activities and performance of the YJB. The Secretary of State's responsibilities include:

- approving the YJB's strategic objectives and the policy and performance framework within which the YJB operates
- keeping Parliament informed about the YJB's performance
- approving the amount of grant-in-aid/grant/other funds paid to the YJB, and securing parliamentary approval for these funds
- appointing the Chair and members of the YJB, and laying of the annual report and accounts before Parliament.

The Chair of the YJB is ultimately responsible to the Secretary of State. The YJB's Management Statement states that the Chair:

...shall aim to ensure that the Youth Justice Board's policies and actions support the wider strategic policies of the Government; and that the Youth Justice Board's affairs are conducted with probity.

The Chief Executive of the YJB is appointed by the Chair, with consent given by the Secretary of State. The Chief Executive of the YJB fulfils the role of Accounting Officer, and is personally responsible for safeguarding the public funds for which they have charge, for ensuring propriety and regularity in the handling of those public funds, and for the day-to-day operations and management of the YJB.

As the Chief Executive of the YJB, I have acted in accordance with instructions and guidance in *Managing Public Money* and any other instructions and guidance issued by the Ministry of Justice, the HM Treasury and the Cabinet Office. These include, in particular, HM Treasury's memorandum *The Responsibilities of an NDPB Accounting Officer*, their *Regularity and Propriety* guidance, and the HM Treasury/Cabinet Office code of good practice, *Corporate Governance in Central Government Departments*.

The Chair and Chief Executive can be called before Parliamentary Select Committees to give evidence about the work of the YJB, the youth justice system more generally, and the use and stewardship of the public funds entrusted to the YJB.

In 2011/12, the YJB Chair and Chief Executive gave evidence to the Justice Select Committee on two occasions: in October 2011 to the inquiry into the future of the YJB and YOTs, and in March 2012 to the inquiry into the budget and structure of the Ministry of Justice. The YJB also reported to the Ministry of Justice on recommendations made by the Public Accounts Committee in their February 2011 report, *The Youth Justice System in England and Wales: Reducing Offending by Young People*.

The YJB Chair and Chief Executive meet regularly with the minister responsible for youth justice and the head of our Ministry of Justice sponsor unit to discuss plans, progress and other issues relating to youth justice. The YJB is also required to provide information and advice to the Ministry of Justice and other government departments as requested when dealing with Parliamentary Questions, in line with departmental protocols. In 2011/12, the YJB contributed information and advice to more than 70 Parliamentary Questions.

The role of the Board

Board members are appointed by the Secretary of State for Justice, normally for a three-year term, in line with the Code of Practice compiled and issued by the Office of the Commissioner for Public Appointments. The Board has corporate responsibility for ensuring that the YJB fulfils the aims and objectives set by the Ministry of Justice and for promoting the efficient and effective use of staff and other resources by the Board. In terms of governance oversight, the Board has a specific responsibility, outlined in the Management Statement, to:

...ensure that any statutory or administrative requirements for the use of public funds are complied with; that the YJB operates within the limits of its statutory authority and any delegated authority agreed with the Ministry of Justice, and in accordance with any other conditions relating to the use of public funds; and that, in reaching decisions, the YJB takes into account guidance issued by the Ministry of Justice.

The Management Statement requires all Board members to:

- comply at all times with the *Code of Practice for YJB Board Members*
- comply with the recommendations set out in the *Guidance on Codes of Best Practice for Board Members of Public Bodies* (Office of Public Service, 1977)
- act in good faith and in the best interests of the YJB
- not give the Chief Executive instructions which conflict with the latter's duties as the YJB Accounting Officer.

Board composition

The YJB can have 10–12 Board members. It currently has 10: the Chair, Frances Done, and nine others from backgrounds including education, health, the police, judiciary, voluntary and community sectors, the priesthood, and including specific representation for Wales. Biographies of the Board members can be found at www.justice.gov.uk/about/yjb/yjb-board.

Board effectiveness

The Chair of the YJB has established a performance appraisal system for Board members. Board members agree their objectives with the Chair at the beginning of the financial year, with periodic reviews of progress followed by an end of year appraisal, which is signed off by the Chair and respective Board member. The Chair also provides the Secretary of State for Justice with an assessment of performance when Board members are being considered for reappointment. The performance assessment of the Chair is undertaken annually by the Director General, Justice Policy on behalf of the Secretary of State, to whom the assessment is reported. All appraisals

have been completed for 2011/12. The Board periodically commissions an independent review of its collective operation and effectiveness. The last review, *Safeguarding the Future: A Review of the Youth Justice Board's Governance and Operating Arrangements*, took place in 2009/10. The high-level conclusion of the review was that:

Overall, the YJB earns its place as a crucial part of a system which aims to tackle one of the most serious social policy issues in this country.

Annex D of the report contains a review of the YJB Board's effectiveness and its relationship with its Ministry of Justice sponsor unit, which was carried out by William Roe Associates. The full report can be downloaded from <https://www.education.gov.uk/publications/eOrderingDownload/Safeguarding-the-Future.pdf>.

The Board was provided with an information paper at its meeting on 14 March 2012 outlining progress against the 22 specific recommendations of the *Safeguarding the Future* review. The Board has committed to conducting a further review of effectiveness in the next year.

The Board carries out an annual review of its operating framework, including committee terms of reference, standing orders, and the scheme of delegation, which sets out the powers reserved for the Board in relation to the activities and statutory functions of the YJB, and those delegated to the Chief Executive. The last such review took place in March 2012, resulting in an amended set of governance documents better reflecting the YJB's strategic objectives and other improvements to support the effective operation of the Board.

The provision of information and data to the Board

Every quarter the Board is presented with the YJB's Corporate Performance Report, which provides data and analysis on the performance of the youth justice system, including data on first-time entrants, youth reoffending rates, reducing the use of custody, the custodial population, and a performance and risk assessment of YOTs and the secure estate. The report also contains sections on YJB corporate data in relation to finance and human resources, and a summary of progress against corporate objectives.

The YJB Board and committees are regularly asked to review their information requirements, and a number of changes to information reporting have been made across the year, including for the Reducing Offending Committee in respect of the YOT Performance and Progress Report and for the Board in respect of the Corporate Performance Report, including new presentations of the finance and human resources data. The Board has specifically asked that the human resources data should include more information on YJB staff diversity.

Compliance with the Corporate Governance Code of Good Practice

I am satisfied that the YJB complies in all material respects with the *Corporate Governance in Central Government Departments: Code of Good Practice 2011* to the extent possible, given the YJB's constitution as a non-departmental public body controlled by a statutory Board.

Ministerial Directions

There were no Ministerial Directions sought or issued during 2011/12.

Highlights of the YJB Board and committee reports

The standing agenda items for YJB Board meetings have been listed above. In addition, a number of other items are considered at each YJB Board meeting. In 2011/12 such items included:

- a new approach to the oversight and performance improvement of YOTs, including a peer review scheme
- the production of the YJB and Ministry of Justice's plans for the secure estate until 2015
- listening to the voice of young people
- stakeholder relationships
- the development of a new YOT grant formula
- the serious disturbances of August 2011
- resettlement consortia
- employing ex-offenders in the youth justice system
- secure estate and secure escort contract extensions and re-tendering
- improving the YJB's online Effective Practice content
- minimising and managing physical restraint
- work to improve transitions from youth to adult justice services.

The standing agenda items of the Audit and Risk Committee are also listed above, but the committee considered a number of other issues throughout the course of the year. These included the following:

- the YOT Case Management System
- the compilation of the Annual Report and Accounts
- rail travel checks and balances
- service delivery for youth justice system ICT
- the future accommodation needs of the YJB
- the YJB's technology vision 2011/12 to 2014/15.

A large number of other issues were considered by the Secure Accommodation Committee, the Reducing Offending Committee, and the Wales Youth Justice Advisory Panel.

Internal audit

Of particular note from a governance point of view are the regular internal audit reports to the Audit and Risk Committee. Seven such audits were commissioned during the year, on the following subjects:

- risk management across the YJB
- transition programme
- performance management of staff
- key financial process review
- governance of grants
- ICT governance overview
- flow of information through the youth justice system.

Final reports have been issued in three cases: risk management, transition programme, and ICT governance. The amber/red rating given in respect of ICT governance was of significant concern for the YJB. The report noted that:

...there were key weaknesses in risk management with significant improvement in the design and/or operation of control required; system objectives only partly achieved.

In particular, the report found that there was no disposal and decommissioning policy or procedure, there was no data retention policy guiding what and how long data should be retained, nor was all guidance kept updated. The configuration management database did not provide an accurate record of ICT assets and configuration items and, while guidance was in place, this was not being consistently adhered

to. Due to weaknesses in the internal control framework, it was not possible to define the number of assets that could not be accounted for.

The YJB Audit and Risk Committee, Director of Corporate Services, Head of ICT and Technical Service Manager considered the findings in detail and agreed a number of actions aimed at enhancing the control framework and addressing the recommendations of the report.

Foremost among these was a four-month long project to review IT security policies and processes, and to implement changes, including:

- a review of the YJB Information Security Policy and how to raise awareness of it across the organisation
- the implementation of a log of staff who have accessed the ICT store, build and server rooms, which is kept under review to monitor any unusual activity
- the development of a data retention policy and a disposal/decommissioning policy
- improvements to the implementation of our starters/leavers' policies.

The project was completed in March 2012.

Overall view of internal audit

The Head of Internal Audit at the Ministry of Justice provides an annual report on their internal audit activity at the YJB, informed by work conducted during the year, together with individual meetings with senior managers and the audit work of the National Audit Office. The report includes the internal auditor's independent opinion on the overall adequacy and effectiveness

of the organisation's frameworks of governance, risk management and control. The draft report for 2011/12 concludes that the YJB Chief Executive can "...take a reasonable assurance that the frameworks are generally adequate and effective", an equivalent rating to that for 2010/11.

Risk assessment

Capacity to handle risk

The YJB is well placed to manage risks at all levels of the organisation. The YJB's EMG provides leadership by modelling the behaviours and creating the corporate environment necessary for effective risk management across the YJB. The EMG takes ownership of corporate risks and significant risks escalated from programmes and projects, and members are allocated responsibility for managing specific risks.

The EMG encourages staff to:

- consider the risks relevant to their work
- utilise guidance provided to all staff on the YJB's approach to risk management
- access relevant training, including that provided by the Ministry of Justice; for example, information assurance training is compulsory for all staff.

For staff leading projects and programmes, the YJB's Planning, Support and Governance Unit provides bespoke support, advice and coaching on risk management, as well as general programme management support and reporting to EMG. The Unit also provides a dedicated resource to manage and coordinate the YJB's corporate-level risk processes, enhancing the EMG's capacity to monitor and manage risks.

The risk and control framework

The YJB's Corporate Risk Framework informs the YJB's risk management system, aligning with HM Treasury's *Orange Book, Management of Risk – Principles and Concepts* (2004) and with the Ministry of Justice's *Risk Management Policy* (April 2010).

Day-to-day responsibility for identifying and managing risks lies with managers and programme and project leads within the YJB's directorates. A regular Directorate Risk Group meets to discuss risks identified across the organisation and to assist in the compilation of the overall Corporate Risk Register. The EMG reviews all such risks on a monthly, quarterly and annual basis, through a formal examination and update of the YJB's Corporate Risk Register. On a quarterly basis, the Audit and Risk Committee and the YJB Board review the top risks on the Corporate Risk Register, as well as those escalated by the EMG. They are also involved in six-monthly risk reviews and annual reviews of the Corporate Risk Framework.

The operation of the risk management framework underwent an internal audit in 2011. This resulted in an amber/green rating, meaning that although there are some weaknesses in control design or operation of controls, they do not require significant improvement in order to manage risks or for the achievement of system objectives. As a result, the YJB has committed to make risk management briefings more widely available to staff. The auditor also recommended changes to the YJB's internal control processes. These will be revised in 2012 to provide a more comprehensive and evidence-based approach.

Risk management is embedded in the YJB's approach to its core business of supporting YOTs and overseeing the secure estate for children and young people. Specific risks are escalated to the sponsor department as necessary. The YJB engages in regular consultation with key stakeholders, including other government departments, the voluntary sector and other non-governmental organisations, to discuss all aspects of our business.

The Ministry of Justice Internal Audit Team, operating to the standards set out in HM Treasury's *Government Internal Audit Standards*, draws up its annual audit plans based on an analysis of the risk to which the YJB is exposed and discussions with members of the EMG. The plans are endorsed by the Audit and Risk Committee and approved by me. Plans for implementing recommendations resulting from internal audits are monitored by the Audit and Risk Committee.

To further improve management of risk across the YJB, an assurance map will be developed during 2012/13 which will assess the controls that are in place to manage the critical risks the YJB is exposed to. I anticipate that this will enable me to test whether the control framework is appropriately addressing risk.

Risk profile

The key risks and mitigating actions identified during 2011/12 were as follows.

1. Funding reductions lead to loss of services aimed at preventing offending and reducing reoffending.

While the government has sought as far as possible to limit reductions

to YOT grants, local youth justice services have seen a fall in their funding. The YJB has supported YOTs in developing information to make the case for sourcing youth justice funding locally, as well as making the case to other partners to invest in prevention activities. Our work programme is designed to take account of the need to maintain performance with fewer resources, and to encourage professional discretion and innovation. This includes developing schemes to incentivise performance, identifying and disseminating effective practice, and developing approaches for peer support between practitioners.

2. Demand for custody does not reduce, with the result that savings cannot be delivered.

The YJB closely monitors trends in demand in order to commission the secure estate effectively. Our work programme includes projects to reduce demand for custody and we continue to work closely with the Ministry of Justice to influence and shape policy development and its implementation so that it will have the desired impact on reducing demand.

3. Safeguarding and the risk of serious harm to young people who offend.

Our contract management and monitoring for the secure estate provides a means to assess whether providers have adequate risk management arrangements in place. As part of establishing a new performance framework, we are reviewing our approach to managing contracts with secure accommodation providers. We are supporting the implementation of a programme of work covering

the use of restraint in the secure estate, as well as a new behaviour management system for use in under-18 YOIs and STCs. We are also developing a safeguarding strategy to clarify and structure the YJB's role and expectations around safeguarding in the youth justice system.

4. Loss of coherent delivery of youth justice at the national and local level.

Our work programme supports local innovation and reduced bureaucracy, including lighter-touch monitoring of YOTs, with intervention in the poorest performing areas, and continued monitoring of delivery of secure estate contracts. In a changing landscape, we continue to work closely with national and local partners so that health, education and other support services are available to address young people's welfare needs and offending behaviour.

5. YOT performance declines.

We continue to work with YOTs to help them improve and share effective practice. The Youth Justice Performance Improvement Framework is the YJB's approach to monitoring and performance improvement for YOT partnerships in England and Wales. The Youth Justice Performance Improvement Framework encompasses a number of elements that work together to support improvements to YOT practice and performance, underpinned by information and knowledge of local, regional and national youth justice delivery. The YJB is developing and embedding a new approach to YOT oversight, which includes a revised quarterly

performance oversight process, an interface with risk-led inspections, and peer review and support arrangements.

Information assurance and lapses of data security

The YJB Information Assurance Strategy ensures that the information held by the YJB is handled securely, appropriately protected, as accurate as possible, and made available to the right people, at the right time, for the right reasons. The strategy complies with the Cabinet Office document *HMG Security Policy Framework* and, in particular, security policy number four in that document, Information Security and Assurance. The policy has been updated following the internal audit of ICT already referred to above, and widely advertised across the organisation. YJB staff are required to complete, annually, the information assurance online training module on the National School of Government website. In 2012, the YJB has also undertaken work to ensure that the ICT systems we operate on behalf of the youth justice system are appropriately accredited for security and information assurance.

There was one case of data loss in 2011/12 involving the publication of personal information on the www.justice.gov.uk website, relating to young people who had offended and YOT staff. The information was removed as soon as the matter came to light. The YJB Security Incident Reporting process was followed, with YJB management and relevant parties within the Ministry of Justice alerted to the incident. The data loss was also reported to the Information Commissioner's Office and the YJB's

Audit and Risk Committee, along with the actions taken to mitigate the effects of the data loss and to prevent a similar occurrence happening again. There were also seven cases of *potential* data loss, due to the loss or theft of laptops, BlackBerry phones and memory sticks. Given that the equipment was password protected, it is unlikely that any data was actually accessed in these cases.

Significant events and developments in 2011/12

August 2011 disturbances

Internal communication among key YJB staff started shortly after the first outbreak of the disturbances. The YJB's Emergency Response Group met daily for three weeks from 10 August to oversee the youth justice system's response.

The Emergency Response Group included representatives from across the YJB, and was chaired by either the Director of Performance or the Director of Secure Accommodation. The YJB also had a representative in the Ministry of Justice Gold Command (the government's central co-ordination unit, which included representatives from the police, courts, prison and probation services), which was operational throughout nights and over weekends.

In the days immediately following the disturbances, the YJB concentrated on maintaining the effective performance of the youth justice system by focusing on key operational issues, most notably capacity, stability and safeguarding in the secure estate, and YOT presence in courts. The YJB played a pivotal role in co-ordinating

youth justice services across these activities. A number of YJB staff worked extremely long shifts during this period, and particular mention in this respect should be made of our Placements Team. The Emergency Response Group met for the final time on 1 September 2011. It was agreed that overall the YJB and wider youth justice system had performed very well. Issues that were highlighted for improvement were:

- the way that decisions were recorded and logged
- communications between courts and YOTs
- establishing a cohort of staff who are trained to provide emergency cover and support for the Placements Team.

In the following weeks, attention turned to a more in-depth consideration and analysis of the causes of the disturbances and lessons learned. In October 2011, the YJB hosted a seminar, 'Riots and Looting: Causes and Concerns', with guest speakers from the academic world and attendance from representatives across government and the Greater London Authority. A separate meeting with London YOTs was also held in October to discuss their views on the events.

The YJB commissioned the charity User Voice to consult young people in custody and the community who were involved in the disturbances to find out their reasons for participating, as well as young people who chose not to take part, and a report of their findings has been produced.¹³

The YJB also contributed to a number of cross-government working groups

¹³ Youth Justice Board (2012) *Young People and the August 2011 Disturbances: Observations from the Youth Justice Board Consultation with Young People and Youth Offending Team Staff*. London: Youth Justice Board.

and initiatives which were formed post-August, including the Ministry of Justice Recovery Group and a cross-government group on gang activity. In particular, YJB research and opinion helped to inform the *After the Riots* report from the Riots Communities and Victims Panel, which was established by the government to investigate the causes of the riots and to consider what more could be done to build greater social and economic resilience in communities. The Panel's final report was published on 28 March 2012 and can be downloaded from <http://riotspanel.independent.gov.uk/wp-content/uploads/2012/03/Riots-Panel-Final-Report1.pdf>.

Minimising and managing the use of physical restraint in custody

Ensuring that young people in custody are safe and secure is a key objective of the youth justice system. The primary responsibility for ensuring this happens rests with the secure estate providers. Providers ensure this by having in place integrated safeguarding processes, supported by local authority children's services and local Safeguarding Children Boards.

An important way for secure providers to ensure the safety of young people is through the effective management of their behaviour. In response to a recommendation made by the Independent Review of Restraint in Juvenile Secure Settings in 2008, the government commissioned the National Offender Management Service (NOMS) to develop a new restraint system for STCs and under-18 YOIs. The new system, Minimising and Managing Physical Restraint (MMPR), will start to be rolled out in August 2012.

The system aims to provide secure estate staff with the ability to use de-escalation strategies to minimise the use of restraint and the skills to apply appropriate restraint techniques, when necessary, as effectively and safely as possible. There will be continual analysis of the efficacy and safety of individual techniques and the manner in which establishments use them. In line with existing legislation and guidance, MMPR sits within a wider framework of effective behaviour management and is underpinned by a clear commitment to minimise the use of restraint in secure establishments.

A revised policy framework document has been developed to consolidate existing legislation and statutory guidance across all three sectors of the secure estate. This will be accompanied by a suite of supporting documents providing guidance and training in MMPR. The existing formal governance arrangements overseeing restraint policy and practice will remain in place: the Independent Review of Restraint Senior Programme Board and the Restraint Management Board will be responsible for ensuring that parties fulfil their obligations of compliance with the MMPR system.

Deaths in custody

There were, tragically, three deaths in the secure estate for children and young people in 2011/12, including two within a week at the end of January 2012. This follows a period of three and a half years without any deaths in the secure estate. All three cases were suspected suicides, although official Prisons and Probation Ombudsman investigations and Coroners inquests are ongoing to establish the exact causes and circumstances surrounding the deaths.

The YJB's Emergency Response Group meets regularly following such incidents, to consider the impact and the lessons to be learned. The YJB's Safeguarding Children Governance Board also provides a regular forum where such issues are discussed.

Following the two deaths in January, the YJB convened a Safety Summit, where a number of senior operational and policy officials met to consider safety in the secure estate, and in particular whether there were any areas of general concern or risk that needed to be addressed urgently. No pressing systemic concerns were identified in relation to the general safeguarding arrangements for young people in custody, although a number of suggestions for improvements were discussed and are now being considered. The YJB will continue to engage fully with the ongoing investigations/inquests and will work with the sector and those conducting reviews and inquiries to make sure that learning from these cases is used to improve practice.

Payment of grants to YOTs and performance oversight

Youth justice grants are made under section 41(5) of the Crime and Disorder Act, which gives the YJB authority to make grants, with the approval of the Secretary of State, to local authorities or other bodies to develop good practice and commission research.

Since 2010/11, funding to YOTs has been placed into a single pot, replacing the previous structure which directed funding towards different activities. This allows more local flexibility for YOTs to direct resources according to local analysis and need, aligned to their youth justice strategic plans.

In line with the government's localism agenda, the YJB's approach to overseeing performance and driving outcomes is now based on light-touch monitoring and reduced central prescription. We want the oversight of YOTs to be a collaborative process, where individual services or regional groupings feel they are able to share risks or concerns with us in order to seek improvement.

Each YOT is allocated a named member of the YJB regional/Welsh team. They act as the service's primary contact and also attend YOT managers' meetings and relevant fora. Progress is monitored on a quarterly basis by a Performance Oversight and Commissioning Group, which is chaired by the YJB Deputy Chief Executive of the Community Division. This reviews performance against the three justice indicators (first-time entrants, proven reoffending and use of custody) and business area team knowledge of YOT issues and development. It is supported by an annual review of the youth justice plan for each service. This information is

used to help us identify where support is needed and how best to provide it. Improved outcomes are then driven through:

- co-ordination of peer support
- deployment of performance improvement support to address both individual service issues and themes that concern groupings of YOTs
- monitoring progress against post-inspection improvement plans set out by HMI Probation
- a clear process to escalate risk gradually, but, in very extreme cases, to ministerial level.

The results of this activity contribute to the risk-based inspection of YOTs by HMI Probation.

John Drew
Chief Executive and
Accounting Officer

Date: 9 July 2012

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 the Youth Justice Board for the year ended 31 March 2012 under the Crime and Disorder Act 1998. These 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 Board, Chief Executive and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Board and Chief Executive are 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 Crime and Disorder Act 1998. 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 Youth Justice Board's circumstances and have been

consistently applied and adequately disclosed, the reasonableness of significant accounting estimates made by the Youth Justice Board, 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 audit certificate.

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

Opinion on regularity

In my opinion, in all material respects the expenditure and income have been applied to the purposes intended by Parliament and the financial transactions 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 Youth Justice Board's affairs as at 31 March 2012 and of its net expenditure for the year then ended; and
- the financial statements have been properly prepared in accordance with the Crime and Disorder Act 1998 and directions issued thereunder by the Secretary of State.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been

properly prepared in accordance with the directions issued by the Secretary of State under the Crime and Disorder Act 1998; and

- the information given in the 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
- 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

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

Date: 10 July 2012

ACCOUNTS

Statement of Comprehensive Net Expenditure for the year ended 31 March 2012

	Notes	2011-12 £'000	2010-11 £'000
Expenditure			
Staff costs	2	12,295	18,900
Depreciation	5	3,221	3,120
Amortisation	6	397	397
Other expenditure	3	379,086	430,274
Net expenditure		394,999	452,691
Interest payable/receivable	3,4	1,582	1,766
Net expenditure after interest		396,581	454,457

Other comprehensive expenditure

	Notes	2011-12 £'000	2010-11 £'000
Net (gain)/loss on revaluation of property, plant and equipment		(2,376)	2,718
Total comprehensive expenditure for the year ended 31 March 2012		394,205	457,175

All results arise from continuing activities.

The notes on pages 58 to 71 form part of these accounts.

Statement of Financial Position as at 31 March 2012

	Notes	2012 £'000	2011 £'000
Non-current assets			
Property, plant and equipment	5	66,714	67,540
Intangible assets	6	<u>942</u>	<u>1,339</u>
Total non-current assets		67,656	68,879
Current assets			
Trade and other receivables	8	3,835	7,670
Cash and cash equivalents	9	<u>19,531</u>	<u>15,114</u>
Total current assets		23,366	22,784
Total assets		91,022	91,663
Current liabilities			
Trade and other payables	10	(9,275)	(12,674)
PFI liabilities	12	<u>(2,862)</u>	<u>(2,664)</u>
Total current liabilities		(12,137)	(15,338)
Non-current assets plus net current assets		78,885	76,325
Non-current liabilities			
PFI	12	<u>(20,349)</u>	<u>(23,211)</u>
Total non-current liabilities		(20,349)	(23,211)
Assets less liabilities		58,536	53,114
Taxpayers' Equity			
Revaluation reserve		7,163	5,121
General reserve		51,373	47,993
Total capital and reserves		58,536	53,114

John Drew

Chief Executive and Accounting Officer

Date: 9 July 2012

The notes on pages 58 to 71 form part of these accounts.

Statement of Cash Flows for the year ended 31 March 2012

	Notes	2012 £'000	2011 £'000
Cash flows from operating activities			
Net expenditure after interest		(396,581)	(454,457)
Depreciation and amortisation	5,6	3,618	3,517
Loss on re-indexation of non-current assets	3	(15)	1,759
Loss on write-off of non-current assets	3	-	67
Interest received		194	212
Interest paid		(191)	(204)
Decrease in trade and other receivables	8	3,835	477
(Decrease) in trade and other payables, excluding interest and PFI liabilities	10	(3,402)	(9,276)
Movements in payables relating to items not passing through the Statement of Comprehensive Net Expenditure	5	-	(174)
Net cash outflow from operating activities		(392,542)	(458,079)
Cash flows from investing activities			
Purchase of property, plant and equipment	5	(4)	(70)
Purchase of Intangible asset	6	-	(571)
Net cash outflow from investing activities		(4)	(641)
Cash flows from financing activities			
Grant-in-Aid from Ministry of Justice		381,564	401,990
Grants from Home Office		18,033	20,666
Grants from Arts Council		30	245
Grant funding from Department for Education		-	29,381
Capital element of payments in respect of on-balance sheet PFI contracts		(2,664)	(2,481)
Net financing		396,963	449,801
Net increase/decrease in cash and cash equivalents in the period	9	4,417	(8,919)
Cash and cash equivalents at the beginning of the period		15,114	24,033
Cash and cash equivalents at the end of the period		19,531	15,114

Grants from government departments are all treated as contributions from a controlling party, as directed by the government *Financial Reporting Manual*, and recognised on a cash basis with an opposite entry in the General Reserve (see Statement of changes in Taxpayers' Equity).

The notes on pages 58 to 71 form part of these accounts.

Statement of changes in Taxpayers' Equity for the year ended 31 March 2012

Notes	Revaluation reserve £'000	General reserve £'000	Total reserves £'000
Balance at 31 March 2010	7,950	50,057	58,007
Changes in accounting policy	-	-	-
Restated balance at 1 April 2010	7,950	50,057	58,007
Changes in Taxpayers' Equity for 2010/11			
Grant-in-Aid from Ministry of Justice	-	401,990	401,990
Other grants from central government	-	50,292	50,292
Net expenditure for the year	-	(454,457)	(454,457)
Movements in reserves			
Release of reserves to the General Reserve	(111)	111	-
Net loss on revaluation of property, plant and equipment	(2,718)	-	(2,718)
Balance at 31 March 2011	5,121	47,993	53,114
Changes in Taxpayers' Equity for 2011/12			
Grant-in-Aid from Ministry of Justice	-	381,564	381,564
Other grants from central government	-	18,063	18,063
Net expenditure for the year	-	(396,581)	(396,581)
Movements in reserves			
Release of reserves to the General Reserve	(334)	334	-
Net gain on revaluation of property, plant and equipment	2,376	-	2,376
Balance at 31 March 2012	7,163	51,373	58,536

NOTES TO THE ACCOUNTS

1.1 Going concern

The activities of the YJB are mainly financed by the Ministry of Justice. The YJB's confirmed Near Cash budget for 2012/13 (£365.0m) is derived from two main sources: Ministry of Justice (£358.2m) and the Home Office (£6.8m).

On November 23 2011, it was announced that the government had decided not to pursue the abolition of the YJB via the Public Bodies Bill, which was the legislation that would have given ministers the power to abolish the YJB.

Having considered the circumstances described above, and from discussion with the Ministry of Justice, the YJB's management considers it appropriate to adopt a going concern basis for the preparation of these financial statements.

1.2 Accounting policies

Basis of accounts

These financial statements have been prepared in accordance with the government *Financial Reporting Manual* (FReM) issued by HM Treasury.

They are in a form as directed by the Secretary of State with the approval of Treasury and in accordance with section 41 of, and Schedule 2 to, the Crime and Disorder Act 1998.

The following principal accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

a. Principal accounting policies

The accounts are prepared under the International Financial Reporting Standards (IFRS) and the FReM. There are no new standards in issue that are expected to have a material impact on the YJB's accounts.

b. Net expenditure

Net expenditure is wholly attributable to the YJB's goal of providing leadership in the youth justice system. For this reason, it is not deemed necessary to disclose results by segment. The disclosure requirements of IFRS 8 (Operating Segments) is met by Note 3. There is no income or expenditure relating to geographical areas outside the United Kingdom.

c. Grant-in-Aid

The YJB is principally funded by grant-in-aid received from the Ministry of Justice, which is accounted for when received. Similarly, grants received for revenue purposes are also treated on a cash basis. Grant-in-Aid and grant received to finance activities and expenditure which support the statutory and other objectives of the YJB are treated as financing, credited to the General Reserve, because they are regarded as contributions from a controlling party.

d. Grant expenditure

Grants payable in respect of YJB expenditure are accounted for on an accruals basis. A liability is deemed to arise when the grant recipient carries out the specific activity, which forms the basis for entitlement. Funds provided, which have not been fully utilised by the grantee, are disclosed as a prepayment in the Statement of Financial Position.

e. Value added tax

The YJB is not eligible to recover value added tax (VAT) incurred, and all costs are shown inclusive of any VAT charged.

f. Corporation tax

The YJB is liable for corporation tax on interest earned. Corporation tax payable is charged to net expenditure as disclosed in Note 3.

g. Non-current assets

Tangible and Intangible Assets are capitalised if they are intended for use on a continuous basis for more than one year and their original cost, on an individual or grouped basis, is £1,000 or more. The cost of furniture is not capitalised (treated as expenditure in the year of acquisition).

Internal software development costs on projects are capitalised as Intangible Assets under IAS 38 where those projects are deemed to support future service delivery of the YJB itself.

Professional valuations of freehold land and buildings are obtained approximately every five years and modified in the intervening years by use of appropriate indices. Buildings are valued on an existing use basis. The valuations are in accordance with Royal Institution of Chartered Surveyors (RICS) guidance. A surplus is taken to the revaluation reserve, except where it reverses a deficit previously taken to the Statement of Comprehensive Net Expenditure (SOCNE). A deficit is taken to the revaluation reserve only to the extent that a surplus for that particular asset exists within the revaluation reserve. Any further deficit is taken to the Statement of Comprehensive Net Expenditure. Increased depreciation charges arising from the revaluation are matched by transfers from the Revaluation Reserve to the General Reserve.

Other non-current assets are valued at cost less depreciation by the FREM for low-value non-property erections.

Land and buildings at the four STC sites were professionally revalued by independent surveyors, Lambert Smith Hampton and CB Richard Ellis, at 31 March 2009. In the periods between professional revaluations, STC sites are valued at current cost by using published price indices.

Intangible non-current assets are generally not revalued or indexed, but maintained at cost less depreciation or amortisation unless they have a readily ascertainable market value, in which case this valuation is used.

It is the Board's policy to charge a full year's depreciation charge in the first year (i.e. the year of acquisition) in which assets are recognised.

h. Depreciation and Amortisation

Depreciation and Amortisation is provided on all non-current assets, except land, on a straight-line basis to write off the cost or valuation (less any estimated residual value) evenly over the asset's anticipated life, as follows.

Buildings core	Forty years for Hassockfield STC Fifty years for Medway, Oakhill and Rainsbrook STCs
Buildings, machine and electrical equipment	25 years
Information technology	3 years
Internally developed software	5 years
Office equipment	5 years
Leasehold improvements - Drummond Gate HQ (3-year lease)	3 years

i. Impairment

The carrying amounts of assets (tangible fixed assets, intangibles and debtors) are reviewed at the reporting date to determine whether there has been a permanent reduction in their value. Impairment losses are recognised as charges to net expenditure.

j. Research and development

Research expenditure into the evaluation of good practice within the youth justice system is written off fully in the period incurred. Software development costs are capitalised under IAS 38 as Intangible Assets where expenditure is deemed to support future service delivery by the YJB itself. Expenditure incurred on other Wiring Up Youth Justice projects is written off fully in the period incurred.

k. Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS). The defined benefit schemes are unfunded and are non-contributory except in respect of dependants' benefits. The YJB recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS of amounts calculated on an accruing basis. Liability of payment for future benefits is a charge on the PCSPS.

l. Operating leases

Operating lease expenditure is written off in the year in which it is incurred.

m. Private Finance Initiative transactions

Private Finance Initiative (PFI) transactions are accounted for in accordance with *Financial Reporting Manual* (FREM) IAS 17 and IFRIC 12. Where the balance of risks and rewards of ownership of the PFI property are borne by the YJB, the property is recognised as a non-current asset and the liability to pay for it accounted for as a finance lease. Contract payments are apportioned between an imputed finance lease charge and a service charge. The YJB has not entered into any off-balance sheet PFI contracts. Refer to Note 12.

n. STC remands

The YJB recovers one-third of the cost of remands made to STCs from local authorities. The net cost of STC placements is disclosed in Note 3.

o. Significant judgements

The balance of grant held by YOTs disclosed in Note 8 is an estimate based on certificates received from YOTs up to the reporting date. Imputed notional interest rates are applied to PFI finance lease calculations. Standard HM Treasury rates were applied at the point when contracts were initiated. Refer to Note 12.

2. Staff numbers and related costs

	Board members	Permanent staff	Other (including agency) staff costs	2012 Total	2011 Total
	£'000	£'000	£'000	£'000	£'000
Wages and salaries	184	7,940	1,803	9,927	16,025
Social security costs	16	663	88	767	902
Other pension costs	21	1,377	203	1,601	1,973
	221	9,980	2,094	12,295	18,900

No staff costs were capitalised during 2011/12 (2010/11 nil).

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme, but the YJB is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2007. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

For 2011/12, employers' contributions of £1.601m were payable to the PCSPS (2010/11 £1.973m) at one of four rates in the range of 16.7% to 24.3% of pensionable pay, based on salary bands (2010/11 16.7% to 24.3%).

The scheme actuary reviews employer contributions every four years following 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.

Employees can opt to open a partnership pension account or a stakeholder pension with an employer contribution. No employees have taken this option during 2011/12 (nil in 2010/11). There were no contributions due to the partnership pension providers at the statement of financial position date.

Average number of persons employed

The average number of whole-time equivalent persons employed by the YJB during the year, was as follows:

	2012	2011
Permanent and seconded staff	189	219
Temporary staff	32	92
Total	221	311

2.1 Reporting of Civil Service and other compensation schemes – exit packages

Exit packages cost band 2012 (2011)	Number of compulsory redundancies		Number of other departures agreed		Total number of exit packages by cost band	
<£10,000	-	(13)	4	(7)	4	(20)
£10,000 - £25,000	-	(2)	8	(6)	8	(8)
£25,000 - £50,000	-	-	8	(2)	8	(2)
£50,000 - £100,000	-	-	2	(1)	2	(1)
£100,000 - £150,000	-	-	-	-	-	-
Total number of exit packages	-	(15)	22	(16)	22	(31)
Total resource cost (£)	-	(89,807)	562,557	(269,199)	562,557	(359,006)

Redundancy and other departure costs have been paid in accordance with provisions of the Civil Service Compensation Scheme, a statutory scheme under the Superannuation Act 1972. Where the department has agreed early retirements, the additional costs are met by the department and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

3. Other expenditure

	Notes	2012 £'000	2011 £'000
Accommodation costs		2,324	1,937
Audit fee – external		44	42
Audit fee – internal		58	100
Board meetings		40	50
Communications		170	248
Conferences		63	14
Consultancy		93	80
General administration		165	144
IT costs		1,500	1,242
Legal costs		200	204
Personnel costs		83	183
Professional fees		5	14
Loss on write-off of non-current assets	5	-	67
Travel and subsistence		497	553
Corporation tax		54	140
		5,296	5,018
Programme expenditure			
Young offender institutions (HMPS and PFI) including escorts		150,387	176,041
Secure children's homes		36,648	39,035
Secure training centres		58,463	53,887
Direct YOT funding		118,362	145,316
Intensive Fostering		1,398	2,162
Youth justice ICT programmes		2,563	3,075
Community education and youth justice practitioner training		1,784	2,787
Other grants for intervention programmes		2,545	762
Research		204	157
Other programme expenditure		1,451	275
		373,805	423,497
Net expenditure for the year excluding staff costs		379,101	428,515
Non-cash costs			
(Gain) on indexation of non-current assets other than land and buildings		(15)	(52)
Loss on land and buildings revaluation		-	1,811
Total pre-interest and depreciation		379,086	430,274
Interest			
Interest payable to Ministry of Justice		194	212
Interest payable PFI debt		1,582	1,766
Total		380,862	432,252

YJB paid capital grants of £2.369m (2010/11 £12.993m) to NOMS for infrastructure development projects at young offender institutions. Included in the programme expenditure is the PFI service element of £54.023m which was paid during the year (2010/11 £51.346m). Prior year IT administrative costs have been restated from £4,000 to £1.242m by reclassifying £1.238m from youth justice ICT programme expenditure.

4. Interest receivable

	2012 £'000	2011 £'000
The YJB earned interest on funds deposited at the bank, which is payable to the Ministry of Justice	194	212

Secure training centre remand income from local authorities amounted to £5.54m during the 2011/2012 year (2010/2011: £5.066m); as per the accounting policy this is netted off against the secure training centre expenditure in Note 3.

5. Property, plant and equipment

	Land £'000	Buildings £'000	Information technology £'000	Office equipment £'000	Leasehold improvements £'000	Total £'000
Cost/valuation at 01 April 2011	8,767	76,885	607	2	3,150	89,411
Additions	-	-	4	-	-	4
Disposals/write-offs	-	-	-	-	-	-
Revaluation/indexation	314	2,751	-	-	45	3,110
Cost/valuation at 31 March 2012	9,081	79,636	611	2	3,195	92,525
Depreciation at 01 April 2011	-	19,244	526	2	2,099	21,871
Charge for the year	-	2,121	35	-	1,065	3,221
Disposals/write-offs	-	-	-	-	-	-
Revaluation/indexation	-	689	-	-	30	719
Depreciation at 31 March 2012	-	22,054	561	2	3,194	25,811
Net book value at 31 March 2012	9,081	57,582	50	-	1	66,714
Asset financing:						
Owned	-	-	50	-	-	50
Finance leased	-	-	-	-	1	1
On-balance sheet PFI contracts	9,081	57,582	-	-	-	66,663
Net book value at 31 March 2012	9,081	57,582	50	-	1	66,714

	Land	Buildings	Information technology	Office equipment	Leasehold improvements	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Cost/valuation at 01 April 2010	9,347	81,973	1,293	2	3,065	95,680
Transfers	-	-	-	-	-	-
Additions	-	-	70	-	-	70
Disposals/write-offs	-	-	(748)	-	-	(748)
Revaluation/indexation	(580)	(5,088)	(8)	-	85	(5,591)
Cost/valuation at 31 March 2011	8,767	76,885	607	2	3,150	89,411
Depreciation at 01 April 2010	-	18,334	1,189	2	1,021	20,546
Charge for the year	-	2,048	22	-	1,050	3,120
Disposals/write-offs	-	-	(681)	-	-	(681)
Revaluation/indexation	-	(1,138)	(4)	-	28	(1,114)
Depreciation at 31 March 2011	-	19,244	526	2	2,099	21,871
Net book value at 31 March 2011	8,767	57,641	81	-	1,051	67,540
Asset financing:						
Owned	-	-	81	-	-	81
Finance leased	-	-	-	-	1,051	1,051
On-balance sheet PFI contracts	8,767	57,641	-	-	-	66,408
Net book value at 31 March 2011	8,767	57,641	81	-	1,051	67,540

Land and buildings at the four STC sites were professionally revalued by independent surveyors, Lambert Smith Hampton and CB Richard Ellis, at 31 March 2009. All land and buildings are held under PFI contracts (see Note 12), at the end of which the ownership of the relevant freeholds will revert to the YJB. Refer to accounting policy Note 1f.

6. Intangible assets

	Internally generated software £'000	Total £'000
Cost/valuation at 01 April 2011	1,984	1,984
Additions	-	-
Disposals	-	-
Revaluation/indexation	-	-
Cost/valuation at 31 March 2012	1,984	1,984
Amortisation at 01 April 2011	645	645
Charge for the year	397	397
Disposals	-	-
Revaluation/indexation	-	-
Amortisation at 31 March 2012	1,042	1,042
Net book value at 31 March 2012	942	942

Asset financing:

Owned	942	942
Finance leased	-	-
On-balance sheet PFI contracts	-	-
Net book value at 31 March 2012	942	942

	Internally generated software £'000	Total £'000
Cost/valuation at 01 April 2010	1,239	1,239
Additions	-	-
Disposals	745	745
Revaluation/indexation	-	-
Cost/valuation at 31 March 2011	1,984	1,984
Amortisation at 01 April 2010	248	248
Charge for the year	397	397
Disposals	-	-
Revaluation/indexation	-	-
Amortisation at 31 March 2011	645	645
Net book value at 31 March 2011	1,339	1,339

Asset financing:

Owned	1,339	1,339
Finance leased	-	-
On-balance sheet PFI contracts	-	-
Net book value at 31 March 2011	1,339	1,339

Additions during the year 2010/11 include a capital accrual of £0.174m.

7. Financial instruments

International Financial Reporting Standard IFRS 7, *Financial Instruments: Disclosures*, requires disclosure of the role which financial instruments have had during the year in creating or changing the risks an entity faces in undertaking its activities. At the year end, there were funds on short-term deposit, but short-term assets and liabilities are excluded from IFRS 7. Because of the largely non-trading nature of its activities and the way in which non-departmental public bodies are financed, the YJB is not exposed to the degree of financial risk faced by business entities.

Moreover, financial instruments play a much more limited role in creating or changing risk than would be typical of the listed companies to which IFRS 7 mainly applies. The YJB has no powers to borrow or purchase foreign currency with grant-in-aid. Surplus grant may be held on deposit, but interest must be repaid to the Ministry of Justice. Financial assets and liabilities are generated by day-to-day operational activities and are not held to change the risks facing the YJB in undertaking its activities.

Credit risk

The YJB's net revenue resource requirements are financed by submitting plans to the Ministry of Justice annually, as is its capital expenditure. The YJB is, therefore, not exposed to significant credit risks. The vast majority of the YJB's receivables are local authorities. The YJB is, therefore, not exposed to significant credit risks.

Liquidity risk

The YJB's net revenue resource requirements are financed by submitting plans to the Ministry of Justice annually, as is its capital expenditure. The YJB is, therefore, not exposed to significant liquidity risks.

Market risk

The YJB has no long-term interest bearing deposits, and any interest earned on short-term deposits is paid to the Ministry of Justice. There is an imputed interest cost for the PFI creditor calculated at 8% for all STCs, except for Oakhill, where the rate is 5.5%. As this is a fixed rate for the term of the contract, the YJB does not face market risk.

Foreign currency risk

All material assets and liabilities are denominated in sterling, so the YJB is not exposed to currency risk.

8. Trade receivables and other current assets

	2012 £'000	2011 £'000
Other receivables	3,149	4,625
Prepayments and accrued income	482	244
Grant prepayments	204	2,801
	3,835	7,670

Intra-government balances

Balances with central government bodies	1,290	2,601
Balances with NHS Trusts	425	425
Balances with local authorities	1,305	4,091
Balances with bodies external to government	815	553
	3,835	7,670

9. Cash and cash equivalents

	2012 £'000	2011 £'000
Balance at 1 April	15,114	24,033
Net change in cash and cash equivalent balances	4,417	(8,919)
Balance at 31 March	19,531	15,114
Commercial banks and cash in hand	19,531	15,114
Balance at 31 March	19,531	15,114

10. Trade payables and other liabilities

Amounts falling due within one year	Notes	2012 £'000	2011 £'000
Trade payables		5,561	8,720
Interest payable to the Ministry of Justice		46	43
Accruals and deferred income		3,668	3,911
		9,275	12,674
Intra-government balances			
Balances with central government bodies		3,153	4,485
Balances with NHS Trusts		-	-
Balances with local authorities		5,273	6,104
Balances with bodies external to government		849	2,085
		9,275	12,674

11. Commitments under leases

11.1 Operating leases

The YJB is committed to making the following minimum lease payments under operating leases during the 2011/12 financial year.

Obligations under operating leases comprise:

	YOIs*	Buildings	Secure children's homes	2012 Total	2011 Total
	£'000	£'000	£'000	£'000	£'000
Not later than one year	142,140*	772	35,001	177,913	182,647
Later than one year and not later than five years	-	10	35,001	35,011	116,707
Later than five years	-	-	-	-	-
Total	142,140	782	70,002	212,924	299,354

* This relates to the service level agreement between the YJB and NOMS for the provision of beds in the secure estate for children and young people.

11.2 Other commitments

There were no capital commitments at 31 March 2012. Commitments under finance leases related entirely to existing PFI contracts which are disclosed in Note 7 and Note 12.

Other commitments consist of grant payments to external organisations amounting to £112.226m, which are due in 2012/13.

12. Commitments under PFI contracts

On-balance sheet

The YJB holds a reversionary interest in the STC buildings at the end of the contract term. Under IFRIC 12 Service Concession Arrangements, STC buildings have been capitalised as non-current assets and depreciated accordingly in the financial statements. The original fair capital value has been established by external independent surveyors, and a corresponding notional debt to the contractor established based on a mortgage over the contract term. This debt, and the imputed interest on it, is repaid from part of the total amount paid to the contractors each year. The balance of the amount paid is treated as a service element, i.e. the cost of operating the centre each year, and this and the imputed interest are taken separately to the net expenditure account.

Obligations under on-balance sheet PFI contracts recognised in SoFP

	Oakhill £'000	Medway £'000	Rainsbrook £'000	Hassockfield £'000	Total 2011/12 £'000
Not later than one year	1,711	844	784	907	4,246
Later than one year and not later than five years	6,846	77	920	1,367	9,210
Later than five years	21,250	-	-	-	21,250
	29,807	921	1,704	2,274	34,706
Less interest element	(10,933)	(73)	(198)	(291)	(11,495)
PFI liability recognised in SoFP	18,874	848	1,506	1,983	23,211
Of which:	£'000				
Current	2,862				
Non-current	20,349				
Total	23,211				

Total minimum lease payments including service and imputed interest element for on-balance sheet PFI contracts:

	STC contracts £'000
Not later than one year	66,470
Later than one year and not later than five years	114,574
Later than five years	240,397
Total	421,441

Remaining terms for on-balance sheet PFI contracts

STC	Length of term	Contract end date
Oakhill	25 years	May 2028
Medway	15 years	April 2013
Rainsbrook	15 years	May 2014
Hassockfield	15 years	Sep 2014

Off-balance sheet

The YJB is not party to any off-balance sheet PFI contracts.

13. Contingent liabilities disclosed under IAS 37

As at 31 March 2012, there were no contingent liabilities (2011: £nil).

14. Related party transactions

The YJB is an executive non-departmental public body that, during the 2011/12 financial year, was solely sponsored by the Ministry of Justice. The YJB also received funding from the Home Office for certain programmes. The Ministry of Justice is, therefore, regarded as a related party. There is an agreement between NOMS and the YJB for the provision of beds in the secure estate for children and young people.

Board members are required under the Code of Practice to declare any personal, financial and business interests which may conflict with their duties on the Board. Members may not participate in Board discussions or decisions on financial matters where a conflict of interest arises.

During the year, the YJB entered into a number of transactions with organisations with which Board members were related parties. These transactions are detailed below.

A register of Board members' interests is maintained and is available for inspection at the YJB's offices.

Board members and related parties

Member	Company/partnership/ trust/organisation	Role in, relationship to	Transactions	£
Bob Reitemeier	The Children's Society	Previous Chief Executive	Staff costs – payment of his fees goes to The Children's Society	15,000
Graham Robb	Dance United Restorative Justice Council	Unpaid Office Unpaid Office Trustee	Grant payment Membership subscription	75,000 450

The YJB financial results are consolidated by the Ministry of Justice. The Ministry of Justice group accounts are published on the justice website at www.justice.gov.uk.

15. Events after the reporting period

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

No events during this reporting period have been identified which would require disclosure to give a proper understanding of the YJB's financial position.

16. Losses and special payments

There were no losses or special payments during the reporting period.

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