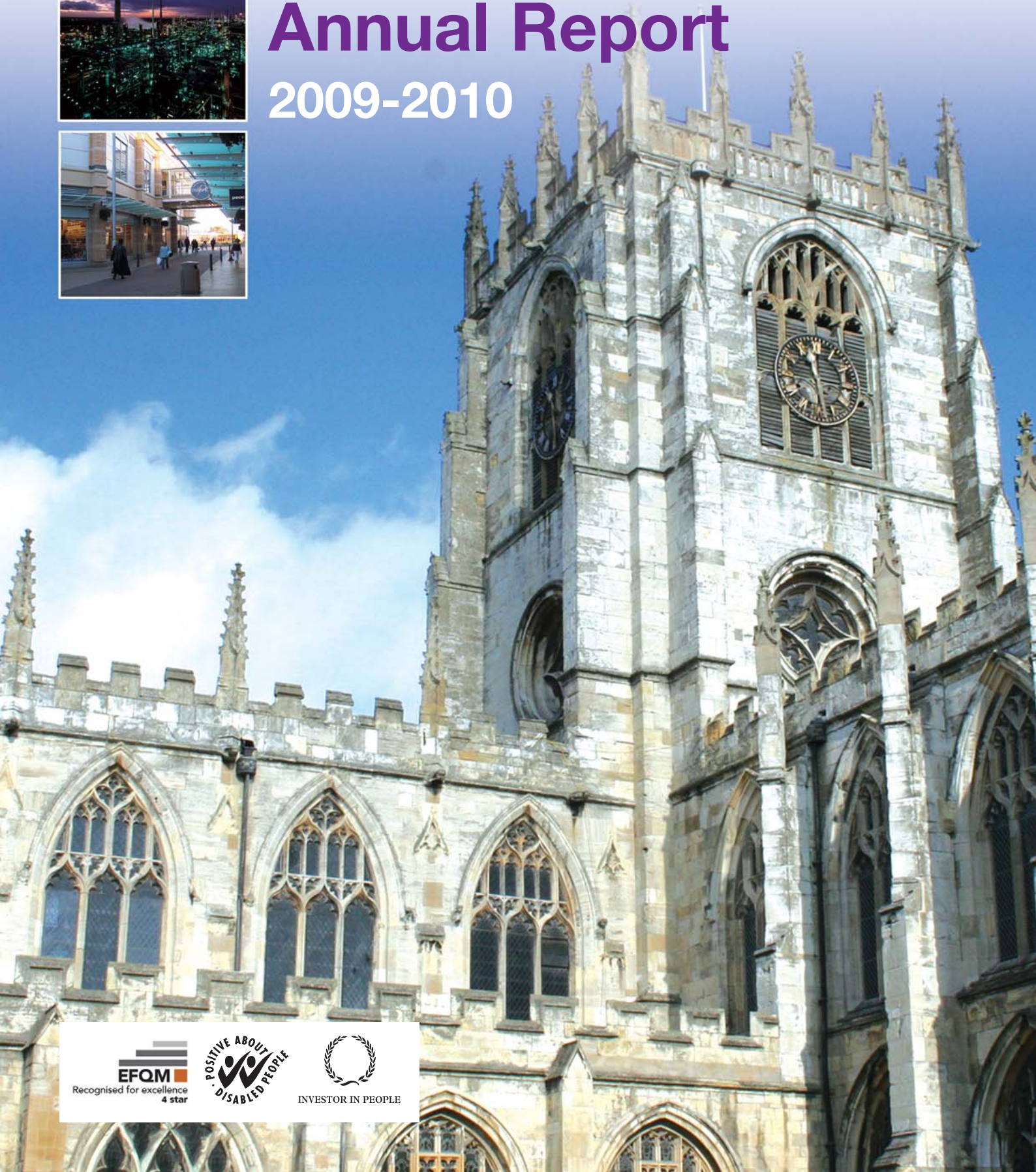




Humberside
Probation Trust



Humberside Probation Board Annual Report 2009-2010



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Introduction

Humberside Probation Trust

Humberside Probation successfully retained its Trust status in July 2009 after reapplying under new guidelines issued by the Ministry of Justice.

Humberside was one of the first six Probation areas in England and Wales to be awarded Trust status in April 2008, when the Board published a Strategic Business Plan outlining the strategic aims for 2008/11.

At the beginning of 2009, Humberside Probation Trust was faced with severe reductions in its budgets for the next two years after changes to the Probation Funding Formula. These were met by reductions in staff numbers through voluntary redundancies and natural turnover.

Staff in the Trust have continued to achieve excellent performance and since the introduction of the Integrated Probation Performance Framework three years ago we have continually achieved the highest level – band 4 Green Star. We intend to maintain this excellent performance during 2010/11.

We have maintained our strong commitment to working in partnership with other organisations. We support the Humberside Criminal Justice Board Strategy, Local Authority Sustaining Communities Strategies and Local Area Agreements. We will continue to develop innovative ways with our partners to protect the public and reduce re-offending.

The Statement of Purpose for Humberside Probation Trust is **‘to make the diverse communities we serve safer by working with others to:**

- **protect the public**
- **reduce re-offending**
- **support victims of crime**

National Offender Management Service

The National Offender Management Service (NOMS) is an executive agency of the Ministry of Justice (MOJ). NOMS is responsible for delivering punishment of offenders in accordance with the sentences of the courts, providing a comprehensive, streamlined system to protect the public and reduce re-offending.

The agency was created in April 2008, bringing Prison and Probation services together to deliver a more efficient and effective end-to-end approach to offender management, in custodial and non-custodial settings.

NOMS delivers the sentences of the courts through providers including:

- 35 Probation Trusts providing Probation services
- HM Prison Service
- private sector partners managing contracted out prisons
- contractors providing essential services including prisoner escort and electronic monitoring of offenders
- public and third sector partners including health, employment and training providers
- headquarters teams responsible for planning, securing resources, driving performance against agreed standards and providing national services where it is most cost-effective to do so.

NOMS is accountable to the Ministry of Justice (MoJ) through the Director General, who also sits on the MoJ management board.

The agency operates a regional structure, with Directors of Offender Management in the English regions and Wales. They commission all custodial and non-custodial provision in each region (excluding high security prisons), ensuring that services are cost effective and appropriately targeted to meet the requirements of sentencers and the needs of offenders at a regional level.

NOMS Statement of Purpose

We work to protect the public and reduce re-offending by delivering the punishment and orders of the courts and by helping offenders to reform their lives.

NOMS Vision

As part of the wider justice service we will give the public confidence in our ability to protect the public and reduce re-offending.

NOMS Values

In delivering Prison and Probation services we will:

- be objective and take full account of public protection when assessing risk
- be open, honest and transparent
- incorporate equality and diversity in all we do
- value and empower staff, and work collaboratively with others
- treat offenders with dignity and respect
- embrace change and innovation
- use our resources in the most cost-effective way.

MANAGEMENT COMMENTARY PART 1:

OPERATIONAL REVIEW

Key Priorities

Humberside Probation Trust's Strategic Business Plan, announced when we became a Trust in April 2008, set out five key aims over the three years to 2011, supported by a set of more detailed action plans. A summary of achievements against these action plans for year two (2009/10) is given under each strategic aim below.

1. To be recognised by our stakeholders as the provider of high quality Offender Management in Humberside that makes a proactive contribution to public protection.

- Following a successful Offender Management Inspection, an action plan was prepared and implemented to address improvements in some aspects of our work suggested in the OMI Report published in March 2009.
- To address comments in offender surveys, we developed and implemented plans to improve the quality of our service to offenders.
- Multi-agency approaches have been developed to provide Integrated Offender Management services across Humberside. These focus on provision for offenders who present the highest risk of re-offending, including those who are sentenced to short custodial sentences.
- The Ministry of Justice provided funding to establish the Together Women Project in Hull, due to commence in April 2010. Working with two existing women's centres this will help build capacity and improve services for women offenders. We have introduced gender-specific reporting arrangements and provision in most other parts of Humberside.
- A review of MAPPA/VISOR within Humberside led to action plans being implemented.
- We launched an Intensive Alternative to Custody project which has proved to be very successful in managing offenders in the community who would have been sentenced to custody. We had 161 offenders commence this programme, beating the target of 100 starts. Further funding has been confirmed for a second year.

- Work priorities were reviewed and a revised workload agreement was agreed with the unions. There has been ongoing work on performance priorities, particularly regarding offender tiering levels, to ensure resources follow those who present the highest risk of harm and risk of re-offending.
 - Procedures were developed and implemented to manage the risk to certain members of staff from identified offenders.
 - We have increased the proportion of Oral Reports and Fast Delivery Reports, as a percentage of all court reports, from 44% to 57% in magistrates' courts and from 3% to 12% in Crown Courts.
 - Community Engagement strategies for Humberside Probation Trust and each LDU are being developed and will now be combined with a Communications Strategy. This is also part of the wider Community Safety Partnership Reducing Re-offending Strategies and the Improving Confidence in the Criminal Justice System agenda
- ### 2. To provide, commission or access through partnerships a range of offender interventions that:
- i. are targeted on offenders who present the highest risk of serious harm and the highest risk of re-offending
 - ii. meet the priority and diverse needs of offenders, victims and sentencers
 - iii. meet the expectations of sentencers and the local community.
- Following the Policing and Crime Act 2009, Community Safety Partnerships have a responsibility for reducing re-offending. We are working collaboratively with partners to produce a strategy for each local area and it is expected these will be completed in September 2010.

- A review of the interventions provision for BME groups is planned. The services for BME offenders will also be addressed in the race disproportionality project to be undertaken by the Humberside Criminal Justice Board.
- We have engaged purposefully with partners to deliver Local Area Agreements. Integrated Offender Management arrangements have been implemented in all locations, Probation staff have been seconded to these partnerships and progress has been made in achieving targets. This includes:
 - the achievement of targets for suitable accommodation for offenders at termination of orders in all locations
 - an overall reduction in re-offending in Humberside, but this is not yet statistically significant. However, significant reductions in re-offending have been registered in North Lincolnshire and East Riding
 - reductions in re-offending by Prolific and Priority Offenders achieved in all locations.
- The visibility of Community Payback Projects has increased significantly through canvassing the public to nominate projects and the use of high visibility vests at Payback locations. In total 74 nominations were received in Humberside and Hull has been recognised as a Centre of Excellence in a Home Office report.
- The development of commissioning strategies has been deferred until a Trust-wide strategy is implemented.

3. To be recognised as an organisation that achieves excellence and positive outcomes for its stakeholders, service users and offenders.

- Our target to ensure the completion of OASys final reviews in 95% of cases was achieved, ensuring information is available on outcomes.
- We implemented an Action Plan to ensure higher status Recognised For Excellence award during 2012/13. A self assessment is planned for 2010/11 to identify any further improvements needed.
- Our Green Star status on the Integrated Probation Performance Framework was maintained.

- We demonstrated improvements in obtaining ‘customer’ feedback:
 - the Community Payback beneficiary scoring undertaken in 2009 indicated that all beneficiaries were either ‘satisfied’ or ‘very satisfied’ with the quality of work, an improvement of 2% on the 2008 survey. There was an increase of 12% (from 36% to 48%) for ‘very satisfied’
 - the number of sentencers ‘satisfied’ or ‘very satisfied’ with the work of Humberside Probation Trust increased from 93% to 96%. This includes an increase in the proportion ‘very satisfied’ from 24% to 31%.
 - of offenders who completed an ‘end of supervision’ survey, 88% considered their supervision had been useful (17%) or very useful (71%) in reducing their risk of re-offending, while 96% were ‘satisfied’ (25%) or ‘very satisfied’ (71%) that they had been treated fairly and with respect.

4. To demonstrate an organisational and leadership capability that will meet the future challenges for Humberside Probation Trust and maintain us at the leading edge of performance and innovation.

- Our application to retain Trust status beyond April 2010 was successful.
- A review of flexible working arrangements was completed. Staff consultation is now being undertaken.
- A Single Equality Scheme has been implemented to comply with legislation and training undertaken. An Action Plan for 2010/11 has been published.
- We successfully managed a proposed shortfall in our allocated budget, while maintaining our high performance, by implementing a release programme for staff. A Workforce Plan for training and developing Probation Officers and Probation Services Officers has been completed.
- There has been co-operation on information and IT services across the Yorkshire and Humberside Probation Trusts.
- An organisational restructure and new operating arrangements involving the formation of two Local Delivery Units was successfully completed.

- Recommendations and early priorities from the Specification Benchmarking and Costs programme were implemented, achieving operational efficiencies.
- A Process Management Policy has been approved and we will review our approach to process development

5. To demonstrate sound and progressive resource and financial management to:

i. achieve a balanced budget during the period of this strategic review

ii. increase the range and amount of additional income generated by Humberside Probation Trust

iii. maximise the 'freedoms' available to Humberside Probation Trust

iv. provide the best value for money in all of our activities.

- A financial plan to manage the budget projections and implications for the period 2009-12 was completed.
- Best Value reviews on Community Payback and Victims were completed in accordance with the nationally agreed arrangements and submitted to the Director of Offender Management. The reviews show that these services provide value for money, with some opportunities for improvement identified.
- An initial review of Corporate Services, aimed at achieving Best Value provision for Humberside, was completed and resulted in savings.
- We are collating the nature and percentage of income generated for services outside of those normally contracted with the Ministry of Justice with a view to establishing an improvement target.
- An Estates Strategy for 2010-13 has been completed and approved by the Board.

Highlights

In July 2009, Humberside Probation successfully retained its Trust status after reapplying under new guidelines issued by the Ministry of Justice. Humberside was one of the first six Probation areas to be awarded Trust status in April 2008.



For the third successive year, our staff achieved the highest level - Band 4 Green Star - for their performance during 2009/10 under the Integrated Probation Performance Framework (IPPF).



The Trust's Offender Management was reorganised into two Local Delivery Units (LDUs) in September 2009. Each led by a Director and Assistant Director of Probation, the LDUs are Hull & East Riding and North & North East Lincolnshire.

Under the change, greater emphasis has been placed upon each LDU working with Safer Communities Partnerships, and others, to demonstrate that we are reducing re-offending in that area. This involves a realignment of our work and priorities towards those identified within each local authority area as having the greatest impact on re-offending.

Each LDU has a Business Development Manager whose job is to work with the Director of Probation, with their counterparts and with partners to bring additional funding and resources to our work.



Humberside Probation Trust has achieved its highest ever score in the latest internal assessment under the European Foundation for Quality Management Excellence Model.

When Humberside first undertook the EEM assessment in 2000, we achieved a score of 221. This figure increased year on year until in 2009 it had significantly improved to 603. The assessment also identifies key strengths and any areas for improvement, which are reported to the Senior Team and the Board.

The Trust has also retained its Investors in People (IiP) award, with improvements made since the last assessment three years ago.



We adopted our first Single Equality Scheme covering all areas of our work – not just the parts we are legally required to cover – and describing how the Trust will fulfill its moral, social and legal obligations to put equality at the heart of everything it does.

As a public sector organisation, the Trust has certain legal requirements under existing legislation to promote equality in the areas of disability, gender and race.

This Single Equality Scheme sets out what we will do to meet these and extends them to include age, religion or belief, sexual orientation and human rights, reflecting the Trust's full remit. The scheme covers three years to 31 March 2012 and is subject to review every April.



Humberside Probation Trust continued to prioritise its commitment to working with Community Safety Partnerships to develop multi-agency approaches to reduce re-offending. Senior Probation Officers have been seconded to Hull and North Lincolnshire partnerships to progress this work.



The Humberside Criminal Justice Board (HCJB), which includes Probation, Police, Courts, Crown Prosecution Service, Youth Offending Teams and Prison Service, provides a 'joined up' Criminal Justice System aimed at ensuring more offenders are sentenced for their crimes. One of the Board's Strategic Priorities is to reduce re-offending and the Chief Executive is now chairing a multi-agency group to develop the strategy and work with Community Safety Partnerships and other partners to take this forward.



For the third successive year, Humberside Probation Trust wrote to every sentencer in the area asking what they thought about the service we provide to them. As in previous years we had an excellent return rate with sentencers happy to tell us what we do well and highlight areas for improvement.

It was encouraging that in most areas they felt we have improved from last year or are maintaining very high standards. Clearly it is important to identify areas for improvement and the most notable feedback in this respect relates to Community Payback, with 22% of sentencers indicating that they felt unpaid work hours aren't completed quickly enough.

The survey indicated that 94% of sentencers were satisfied with the competence of Probation staff to deal with enquiries and 88% were satisfied with the ways in which Probation keeps them informed about its work. In terms of the information we provide in court reports, 96% were satisfied or very satisfied with the information provided in Standard Delivery Reports.

Feedback relating to the Intensive Alternative to Custody (IAC) project was very positive with over three quarters of sentencers in Hull feeling satisfied or very satisfied with the ability of IAC to provide an alternative to short-term custodial sentences.

The most encouraging result was that the vast majority of sentencers (96%) were satisfied or very satisfied with the service that the Trust provides, an increase of 3% on last year's survey.

❖

Work carried out by Humberside Probation Trust and local magistrates to increase public awareness and confidence in the effectiveness and success of community sentences was recognised nationally when the area's Local Crime Community Sentence (LCCS) project was named runner-up for the 2009 national LCCS Development Award.

This is the second time the Humberside project has received national recognition – in 2007 the project's co-ordinator, Mrs Lesley Mole JP, was overall winner of the LCCS Award.

❖

The Trust achieved most of its objectives and targets under its local plan to improve the confidence of the courts in community sentences. For example, overall compliance of orders and licences increased from 71% in March 2009 to 73.1% in March 2010.

❖

Integrated Offender Management (IOM) specialist units are operating in North Lincolnshire and North

East Lincolnshire – and the new initiative has already contributed to reducing crime.

IOM brings together a range of partners to manage a locally defined cohort of persistent offenders who are in the community, regardless of whether they are under statutory supervision, to help reduce re-offending. It involves any offender causing concern in our communities, building on, and expanding, current offender-focused work such as our supervision of statutory offenders, local Prolific and Priority Offender schemes, the Multi Agency Public Protection Arrangements and Drug Interventions Programmes.

❖

A number of our staff have been seconded to a new project which aims to address the needs of offenders sentenced to less than 12 months imprisonment – a group recognised as being most likely to re-offend.

The Minerva Project partnership, located at HMP Hull, begins its engagement with offenders during their time in prison and continues its involvement when they are released. Funded by a Working Neighbourhoods Fund allocation within Hull City Council, the project is particularly interested in increasing the vocational or employment skills of offenders.

However, the project recognises that those serving or released from short prison sentences have wider 'wrap-around' needs relating to accommodation, substance misuse, health issues, debt and family support. Because of this, the project involves partnership with Hull City Council, Humberside Probation Trust and HMP Hull, together with a range of social housing providers, drugs and alcohol services, healthcare providers, legal and financial services, SOVA, Job Centre Plus and Hull's Family Intervention Project.

❖

The Justice Seen, Justice Done pilots in North East Lincolnshire and Hull were extremely successful in attracting suggestions from the public for projects to be completed as part of Community Payback work.

The projects resulted in a major increase in public perception of Community Payback. Following a visit by Home Office Crime and Justice Advisor Louise Casey, Hull was recognised as a Centre of Excellence in a Home Office report.



We successfully piloted a new, effective alternative to suspended sentences and prison sentences of under 12 months with magistrates and judges in Hull.

The Intensive Alternative to Custody (IAC) sentence, targeted at offenders who repeatedly fail to comply with community orders, aims to ensure compliance through supervision and assertive contact underpinned by swift enforcement.

The Ministry of Justice target for the first year was 100 starts – and we achieved 161. The project has secured funding for a further 12 months.

Working closely with Humberside Police, G4S, Hull City Safe and voluntary agencies, the Trust's specialist IAC team provides close supervision of offenders.

Each case has a robust personalised sentence plan tailored to meet individual needs with special provision for female offenders.

Offenders in short-term custody receive few meaningful offence-focused interventions or activities to reintegrate them into the community, as they are not subject to licence conditions. IAC is in response to evidence that re-offending rates among these offenders are the highest of all former prisoners and are higher on average than those who have undergone community sentences.



During the year we analysed our eighth Staff Satisfaction Survey. The survey showed that 72% of staff who took part felt their satisfaction at work was generally high and 79% thought Humberside Probation Trust was a good place to work.



Events to celebrate work, service and educational achievements continued to be held. Awards were also made under our staff recognition scheme - which covers achievement, innovation and a team award – and to staff who demonstrated our Values in Action, those who had served 20 years in the Service and those who retired after long service.



Staff at our approved premises in Hull were named overall winners of the National Approved Premises Association Awards 2010 for the way they effectively managed a dangerous and difficult offender released from prison without statutory supervision after serving his full sentence.



Staff member Wendy Watkins received a category runner-up award in the first ever National Probation Awards, introduced to recognise and reward the commitment, hard work and professionalism of Probation staff throughout England and Wales.

Wendy, a Business Manager and Case Administrator, was nominated in the Most Innovative Project category for her work with two new initiatives which had been introduced in Humberside -- The Police Compliance Action (PCA) Project and working in partnership with G4S to improve the effectiveness of curfew requirements.



Staff from Humberside Probation Trust were among the winners at the first local Criminal Justice Awards. They joined staff, volunteers and key partners working in the Criminal Justice System for the event, which was hosted by Humberside Criminal Justice Board.

The local Justice Awards recognised the outstanding contributions made across a range of activities, from working with victims and witnesses to tackling youth crime and engaging with local communities. Among the award nominees were staff from the Police, Crown Prosecutors, Courts, Prisons, Probation, Youth Offending Teams and community workers including those from Victim Support, with many being volunteers.



The success of our Alcohol Strategy led to two members of our staff being invited to help run alcohol misuse workshops at a National Offender Management Service (NOMS) conference for chiefs and chairs called Better Lives.



Staff continued to take advantage of benefits including access to an Occupational Health Physician, confidential counseling, financial assistance for certain health items and the opportunity to take advantage of a Health CV check. Specialist equipment was provided to users with disabilities. Sickness levels have continued to fall and stood at an average of 7.5 days per person for 2009/10, a drop of 2.1 days compared to last year.

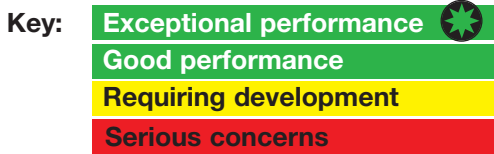


New offender health initiatives introduced by the Trust include twice weekly nurse clinics at our Hull offices offering comprehensive health screening, advice and signposting to additional health services. Similar provision is available at our Grimsby and Scunthorpe offices.

Steve Hemming
Chief Executive
Humberside Probation Trust

RESULTS

Achievement by Trust in 2009/10



Public Protection

IPPF1 – National Standards Public Protection



OM15 – The percentage of parole eligible cases in which the Parole Assessment report was provided within the required timescale



IPPF13 – Approved Premises audit



OM4 – The percentage of licence recall requests to reach NOMS Post Release Section within 24 hours of the decision by the Offender Manager



OM8 – Tier 2 & 3 timeliness: the percentage of OASys assessments completed or updated within the appropriate timescales for all Tier 2 (where appropriate) and Tier 3 offenders



OM35 – The percentage of OASys assessments completed or updated within the appropriate timescales for all Tier 4 offenders and PPOs



OM14 – Phase 2 & 3 timeliness: the percentage of OASys assessments completed or updated within the appropriate timescales for all prisoners subject to OM phase 2 or 3



OM16 – The percentage of medium/high/very high risk of harm offenders who have a completed Risk Management Plan within the appropriate timescales



IPPF4 – Offender Management Inspection (OMI) risk of harm



Offender Management

IPPF3 - National Standards Offender Management



OM20 - The proportion of orders and licences successfully completed



OM39 - The percentage of OASys final reviews (terminations) to be completed within the appropriate timescales for all Tier 2 (where appropriate), Tier 3, Tier 4 and PPO offenders



OM17 - The percentage of offenders in settled and suitable accommodation at the end of their order or licence



OM31 - The percentage of appointments attended by offenders



OM3 - The percentage of breaches of community orders within 25 working days of the relevant failure to comply



OM1 - The percentage of Pre Sentence Reports (PSRs) – excluding remanded in custody for magistrates’ courts – completed within the timescales set by the court



OM2 - The percentage of remanded in custody PSRs for magistrates’ courts completed within 10 working days



OM5 - The percentage of cases in which initiation of breach proceedings took place within 10 working days of the relevant unacceptable failure to comply



OM7 - The percentage of victims who are contacted within eight weeks of an offender receiving 12 months or more for a serious sexual or violent offence



IPPF5 - OMI assessment and sentence planning



Interventions

IPPF2 - National Standards Interventions



INT1 - The number of accredited Sex Offender Programme completions



INT2 - The number of accredited Domestic Abuse Programme completions



INT4 - The proportion of Accredited Programmes that meet the Offender Group Reconviction Scale criteria



INT7 - The number of Alcohol Treatment Requirement completions



INT11 - The proportion of Unpaid Work offenders' days which are lost because of stand downs on the day or notified in advance



INT8 - The number of offenders who find and sustain employment



INT9 - The percentage of offenders in employment at termination of their order or licence to be at least 40%



IPPF6 - OMI implementation of Interventions



INT17 - Drug Rehabilitation Completion Rate



INT15 - General Offender Behaviour Programme completion rate

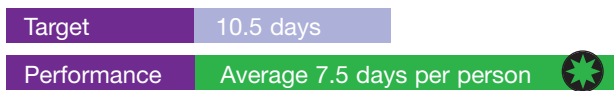


INT18 - Unpaid Work completion rate



Operational capability, resource use and strategy

Sickness absence



Budget outturn



Audit Commission results



IPPF7 - OMI management results



People Results

Staff in post figures by grade, gender and ethnicity

Ethnic origin	Male												
	Refused	Asian/Asian British			Black			Mixed			White		
		Bangladeshi	Indian	Pakistani	African	Caribbean	Other	Other	White / Asian	WH/BL Carib	British	Irish	Other
CEO											1		
Director											4		
Assistant Director											1.6		
Admin 1											1.5		
Admin 2											4		1
Admin 3											4.5		
Admin 4											2.81		
Manager											3		
Asst Warden					1						6		
CP Supervisor					1						12.02		
PO					1	0.5			1		33.7		
PSO	1		1		2				1		22.03	0.61	
PDA											0.5		
SPO					1						11		1
Support worker											3		
TPO											1		
Total WTE	1	0	1	0	6	0.5	0	0	2	0	111.66	0.61	2

Ethnic origin	Female												
	Refused	Asian/Asian British			Black			Mixed			White		
		Bangladeshi	Indian	Pakistani	African	Caribbean	Other	Other	White / Asian	WH/BL Carib	British	Irish	Other
Director							0.81				1		
Assistant Director											1		
Admin 1											0.91		
Admin 2			1			1.5					36.49		
Admin 3											37.43		
Admin 4											9.31		
Manager											6.42		
Asst Warden											7		
CP Supervisor											2.23		
PO						1			1		77.92		1.8
PSO			2						1		79.26		1
PDA											1.8		
SPO											15.1		1
Support worker											1		
TPO											4		
Total WTE	0	0	3	0	0	2.5	0.81	0	2	0	280.87	0	3.8

WORKLOAD AND ACTIVITY STATISTICS

Key:

- CRO – Community Rehabilitation Order
- CPO – Community Punishment Order
- CPRO – Community Punishment and Rehabilitation Order
- DTTO – Drug Treatment and Testing Order
- R – Resettlement/Licence
- CO – Community Order
- CJA – Criminal Justice Act
- SDR - Standard Delivery Report
- FDR - Fast Delivery Report

Commencements by type of order/licence

Humberside – Annual Commencement Figures							
Annual Totals	CRO	CPO	CPRO	R	CO	DTTO (Lower)	DTTO (Higher)
04/05	1053	1120	561	845		249	
05/06	380	510	19	904	1665	14	79
06/07	43	130	27	1517	2985	DTTO replaced by Drug Rehabilitation Requirement	
07/08	8	101	7	1089	3518		
08/09	5	146	7	1107	3593		
09/10	1	100	10	973	3618		

CO Requirements: Supervision 2197. Unpaid Work 1784. Accredited Programmes 649. Drug Rehabilitation Requirement 335. Curfew 563. Alcohol Treatment 191. Specified Activity 649. Residence (Approved Premises) 266. Additional Hours Unpaid Work 346. Attendance Centre 55. Prohibited Activity 13. Suspended Custody 1042. Exclusion 29. Mental Health Treatment 11. Basic Skills 674. Additional Sentence 3001.

Average caseload by type of order/licence

Humberside – Annual Caseload Figures							
Annual Average	CRO	CPO	CPRO (CPO)	CPRO (CRO)	R	DTTO (Lower)	DTTO (Higher)
04/05	1140	849	513	513	2046	146	
05/06	449	258	179	1818	1199	5	36
06/07	114	69	41	1825	2245	DTTO replaced Drug Rehabilitation Requirement	
07/08	32	58	3	1948	2364		
08/09	7	65	7	2072	2484		
09/10	3	39	5	1966	2252		

CO Requirements: Supervision 1838. Unpaid Work 1211. Accredited Programmes 676. Drug Rehabilitation Requirement 205. Curfew 272. Alcohol Treatment 171. Specified Activity 538. Residence (Approved Premises) 76. Additional Hours Unpaid Work 284. Attendance Centre 31. Prohibited Activity 14. Suspended Custody 700. Exclusion 16. Mental Health Treatment 15. Basic Skills 686. Additional Sentence 2323.

Court Reports produced by type

SDRs and FDRs Written – Annual Figures						
	SDR*		FDR**		All Reports	
	Mags	Crn	Mags	Crn		
04/05	1990	934	718	41	3683	
05/06	1872	1149	969	67	4057	
06/07	1680	1240	1044	36	4000	
07/08	1715	1225	1113	44	4097	
08/09	1480	1378	1212	56	4126	
09/10	1031	1355	1407	216	4009	

*Pre Sentence Reports prior to CJA 2003

** Specific Sentence Reports prior to CJA 2003

Community Payback hours ordered/worked (CPO and CPRO)

Community Payback						
	04/05 (ECP)	05/06	06/07	07/08	08/09	09/10
Hours ordered	159,988	184,534	183,953	214,365	218,145	233,583
Hours worked	115,326	146,680	153,662	155,900	170,512	174,823
Ratio	1:0.72	1:0.79	1:0.84	1:0.73	1:0.78	1:0.75

Victims – the total number contacted within eight weeks of sentence

04/05	05/06	06/07	07/08	08/09	09/10
324	311	317	335	299	488

NAMES OF BOARD MEMBERS AND OFFICIAL CONTACT ADDRESS

Mr J Carruthers (Chair)

Mr S Hemming (Chief Executive)

Mr N Anthony, JP

Her Honour Judge Buckingham (from 18/08/09)

Mr T Douglas

Mr M Huntley

Mr N Mackay

Mrs J Oraka

Mr R Subramanian, JP

His Honour Judge Tremberg (to 17/08/09)

Mr I Williamson

Mr A Wright

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MANAGEMENT COMMENTARY PART 2: FINANCIAL REVIEW & RENUMERATION REPORT

Financial Review of the year ended 31 March 2010

Statutory Background

The National Probation Service for England and Wales was established by the Criminal Justice and Court Services Act 2000. Local Probation Boards were established in accordance with the police areas to implement the functions conferred on them through the Act. Each Board is a Corporate Body, which came into existence on 1 April 2001.

With effect from 1 April 2008 the Humberside Probation Board was dissolved and established as a Probation Trust under the Offender Management Act 2007. Under the Act the new Trust has been set up in order to support the strategic aims and current Public Service Agreement of the Ministry of Justice. The Humberside Probation Trust has as their purpose the delivery of probation services under contract with the Secretary of State.

Accounts

Each Trust is required under Schedule 1, paragraph 13(1) of the Offender Management Act to make a report to the Secretary of State on the performance of its functions during each financial year, and prepare in respect of each financial year a statement of accounts, and under Schedule 1, paragraph 14(2) of the Act, the Secretary of State has given direction as to:

- The information to be given in the report and the form in which it is to be given;
- The time by which the report is to be made, and
- The form and manner in which the report is to be published.

Principal Activities

Humberside Probation Trust covers the Humberside Police area, as defined in the Police Act 1996, serving a population of approximately 908,000 people. During the year, the Board employed some 426 full time equivalent staff who operated from six buildings, two approved premises (hostels) and four prisons. Staff numbers reported here differ from note 2(b) in the main statements due to secondments to other organisations.

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

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

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

The Chief Executive (CE) is a statutory office holder appointed by the appointed Board members. The CE is the Accountable Officer for the Trust and is accountable to the Director of Probation in his position as the Principal Accountable Officer (PAO) for the Probation Services.

The PAO, in turn, is accountable to the Accounting Officer of the Ministry of Justice, who is directly accountable to Parliament for safeguarding public funds.

Appointments

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

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

The Lord Chancellor appointed Her Honour Judge Buckingham to the Board on 18 August 2009 from among judges of the Crown Court. His Honour Judge Tremberg was the appointed judge until that date. The emoluments of this appointee are paid from the Lord Chancellor's Department.

Management

The operational management throughout the year was carried out by the Trust Board, which consisted of the following members:

Mr S Hemming, Chief Executive

Mr J Carruthers, Chair

Mr N Anthony, JP, Her Honour Judge Buckingham (from 18/08/09), Mr T Douglas, Mr M Huntley, Mr N Mackay, Mrs J Oraka, Mr R Subramanian, JP, His Honour Judge Tremberg (to 17/08/09), Mr I Williamson and Mr A Wright.

The Remuneration Report contains information about Board members' remuneration.

Pension Liabilities

Employees of the Trust are members of the Local Government Pension Scheme, and details of pension arrangements are set out in Note 3 to the Accounts.

Public Interest

The Trust operates a policy of equal opportunities regardless of gender, race, disability or sexuality. The Trust observes the principles of the CBI "Prompt Payment" Code and aims to pay all approved invoices within 30 days. In 2009/10, 98.3% (2008/09 98.3%) of undisputed invoices were paid within 30 days.

Post Balance Sheet Events

There were no material events after the balance sheet date.

External Accountability

Under paragraphs 13-14 of Schedule 1 of the Offender Management Act 2007, the Trust is required to send to the Secretary of State a report on the discharge of its functions during the year and its audited accounts. The Annual Report and Accounts will comply with the specific accounts directions issued by the Secretary of State with the consent of HM Treasury.

The Audit Commission has appointed the District Auditor as the external auditor for the Humberside Probation Trust. The District Auditor's certificate and report is included at page 30.

Steve Hemming
Chief Executive
15 June 2010

Martin Gore
Treasurer
15 June 2010

Remuneration Report

Appointments

The Chair, the Chief Executive and other members of the Trust Board were all appointed by the Secretary of State in line with the Commissioner for Public Appointments "Guidance on Appointments to Public Bodies" [OCPA]. The emoluments of these persons are paid for through Ministry of Justice funds.

The appointment for Board members will run for a period of up to three years, as determined by the Secretary of State at the conclusion of which there will be a formal but local re-appointment process. It is the intention to follow OCPA guidance and individuals may hold office within the Trust for a maximum of ten years. The first period of appointment commenced with effect from 1 April 2008.

As a condition of his appointment, the Chair is subject to an annual appraisal by a nominee of the Secretary of State. The Chief Executive of the National Offender Management Service will designate a senior member of his staff to act as the appraiser. If he receives an unsatisfactory appraisal, the Secretary of State may remove the Chair from office, against which there is no appeal.

The Trust Chief Executive is a member of the Trust Board. The terms and conditions of appointment are in accordance with collective agreements negotiated from time to time, as set out in the Chief Officers' Salary and Conditions of Service handbook, until such time as a Code for Chief Executives is finalised.

All Ministry of Justice appointed Board members receive non-pensionable remuneration of £15.40 per hour from 1 April 2004, with the exception of the Chief Executive. Trusts at their discretion may pay a travelling allowance and any other relevant expenses incurred. The remuneration for Board members is set by the Secretary of State, in the case of Chief Executives remuneration is determined by the Ministry of Justice through annual pay negotiation. Chief Executives' performance pay is determined by the Director of Probation against criteria set by the National Offender Management Service. There is no performance element for other Board members.

The Lord Chancellor appointed Her Honour Judge Buckingham to the Board on 18 August 2009 from among judges of the Crown Court. His Honour Judge Tremberg was the appointed judge until that date. The emoluments of this appointee are paid from the Lord Chancellor's Department and as such are excluded from the table below.

Remuneration (Audited)

Those board members whose remuneration is paid out of Ministry of Justice funds are shown below, in bands of £5,000.

Name	Contract Start (End)	Role	2009/10		2008/09	
			Salary £000	Benefits in kind	Salary £000	Benefits in kind
Steve Hemming	01.04.2008	Chief Executive	85-90	None	80-85	None
Jonathan Carruthers	01.04.2008	Chair	15-20	None	20-25	None
Neil Anthony	01.04.2008	Member	0-5	None	0-5	None
Tony Douglas	01.04.2008	Member	0-5	None	0-5	None
Michael Huntley	01.04.2008	Member	0-5	None	0-5	None
Neil Mackay	01.04.2008	Member	0-5	None	0-5	None
Justina Oraka	01.04.2008	Member	0-5	None	0-5	None
Ram Subramanian	01.04.2008	Member	0-5	None	0-5	None
Ian Williamson	01.04.2008	Member	0-5	None	0-5	None
Alan Wright	01.04.2008	Member	0-5	None	0-5	None

Salary includes gross salary; performance pay or bonuses; 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. The monetary value of benefits in kind covers any benefits provided by the employer and treated by Her Majesty’s Revenue and Customs as a taxable emolument.

Pension Benefits (Audited)

Below is the value of Board members’ pension benefits.

Name	Real increase in pension at age 65 £000	Total accrued pension at age 65 at 31/3/10 £000	CETV at 31/3/10 £000	CETV at 31/3/09 £000	Real increase in CETV £000	Employer contribution to partnership pension account Nearest £100
Steve Hemming	Pension 0-2.5 Lump sum 5-7.5	Pension 35-40 Lump sum 110-115	687	603	60	N/A

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. 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).

Columns 3 & 4 of the above table show the member's cash equivalent transfer value (CETV) accrued at the beginning and the end of the reporting period. Column 5 reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses common market valuation factors for the start and end of the period.

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 benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures, and from 2003-04 the other pension details, include the value of any pension benefit in another scheme or arrangement which the individual has transferred to another pension scheme.

The estimated monetary value of benefits in kind does not form part of "salaries" for disclosure purposes under resource accounting.

Steve Hemming
Chief Executive
Humberside Probation Trust
15 June 2010

Statement of Accountable Officer's Responsibilities

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

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

- Observe the Accounts Direction issued by the Secretary of State, including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis;
- Make 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 material departures in the financial statements, and,
- Prepare the financial statements on a going concern basis

The Secretary of State has appointed the Chief Executive as the Accountable Officer of the Trust. The responsibilities of the Accountable Officer, including responsibility for the propriety and regularity of the public finances for which the Accountable Officer is answerable, for keeping proper records and for safeguarding the Trust's assets, are set out in the Accountable Officer's Memorandum issued by the Secretary of State and published in Managing Public Money, produced by HM Treasury. Under the terms of the Accountable Officer's Memorandum, the relationship between the Department's and Trust's Accountable Officers, together with their respective responsibilities, is set out in writing.

Steve Hemming
Chief Executive
Humberside Probation Trust
15 June 2010

Statement on the System of Internal Control

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Ministry of Justice policies, aims and objectives set by the Department's Ministers, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me through the Governance Handbook.

The system of internal control is designed to manage rather than eliminate the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify the principal risks to the achievement of Board policies, aims and objectives, to evaluate the nature and extent of those risks and to manage them efficiently, effectively and economically. Following the implementation of risk management, this process has been fully in place since 31 March 2005 and up to the date of approval of the annual report and accounts, accords with Treasury guidance.

The Trust is also a member of the Regional Partnership Board which operates in accordance with a constitution agreed by the four Probation Boards in Yorkshire and Humberside. An audit of the governance arrangements was undertaken in 2008 and rated as adequately controlled.

Whilst the risk position is subject to quarterly review by the senior managers and Audit Committee, the overall Risk Management process is subject to annual review and was assessed as well controlled.

The top risks as currently perceived are reflected in the Service's Strategic Business Plan. All members of staff have access to the business plan and middle and senior managers are briefed on its contents at Area Management Meetings, allowing them to comment on risk movement as appropriate.

As Accountable Officer I also have responsibility for reviewing the effectiveness of the system of internal control. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board and the Audit Committee, and a plan to address weaknesses and ensure continuous improvement is in place. Letters of assurance are provided by senior managers to attest to the adequacy of the internal controls within their areas of responsibility. The Board also participates in the Audit Commission sponsored National Fraud Initiative which seeks to tackle a broad range of fraud risks faced by public sector bodies. Controls have been further enhanced to improve information security through the publication of local procedures, policies and codes of practice to ensure compliance with specific Government Secure Intranet connection requirements and to incorporate requirements for the processing of confidential data.

The Board has established the following processes:

- The Board meets eight times a year to consider the plans and strategic direction within the financial parameters made available to it through the national funding formula. The Board also routinely receives financial monitoring reports from the Treasurer.
- The Board receives reports from the Chair of the Audit Committee, concerning both internal control and the risk management position following each Audit Committee meeting. The Chair of the Audit Committee is also a member of the Board.
- Regular reports are received from the NOMS Audit and Corporate Assurance Unit, to standards defined in the Government Internal Audit Manual (which includes the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the Board's system of internal control) together with recommendations for improvement. Follow-up action is then undertaken to ensure that recommendations are implemented within agreed timescales. A further control is the regular assurance provided to the Board/Audit Committee that agreed audit recommendations have been implemented, and any delays closely monitored.
- The Board has adopted the HM Treasury Risk Management Framework (Abridged Version), and conducted the appropriate Self Assessment. An improvement plan has been agreed with senior management, with appropriate timescales.
- Procedures for identifying and reviewing the Trust's annual objectives and associated risks.
- The development of control mechanisms and corporate risk management policy.
- The allocation of risk ownership and monitoring responsibility to senior managers.
- Procedures for ensuring that aspects of risk management and internal control are regularly reviewed and reported on.
- Systems and procedures used to ensure compliance with specific regulations laid down by the National Offender Management Service or other regulatory bodies.
- Details of monitoring procedures for subsidiary bodies.
- Monitoring of progress with current initiatives and compliance with extant external requirements.

My review of the effectiveness of the system of internal control is informed by the work of the NOMS Audit and Corporate Assurance Unit and the executive managers within the Trust who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors in the Annual Management Letter and other reports. There have been no significant findings regarding the control mechanisms. A process is in place to address any weakness and ensure continuous improvement of the system.

Steve Hemming
Chief Executive
15 June 2010



Independent auditor's report to the Members of the Board of Humberside Probation Trust

Opinion on the financial statements

I have audited the financial statements of Humberside Probation Trust for the year ended 31 March 2010 under the Audit Commission Act 1998. The financial statements comprise the Operating Cost Statement, the Statement of Financial Position, the Statement of Changes in Taxpayers' Equity, the Statement of Cash Flows 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 as having been audited.

This report is made solely to the Members of the Board of Humberside Probation Trust in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 49 of the Statement of Responsibilities of Auditors and of Audited Bodies published by the Audit Commission in April 2008.

Respective responsibilities of the Accountable Officer and auditors

The Accountable Officer's responsibilities for preparing the financial statements in accordance with the Offender Management Act 2007 and directions made thereunder by the Secretary of State and for ensuring the regularity of financial transactions are set out in the Statement of Accountable Officer's Responsibilities.

My responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view in accordance with the accounting policies directed by the Offender Management Act 2007 and directions made thereunder by the Secretary of State. I report whether the financial statements and the part of the Remuneration Report to be audited has been properly prepared in accordance with the directions made by the Offender Management Act 2007 and directions made thereunder by the Secretary of State. I report to you whether, in my opinion, the information which comprises the Financial Review included in the Annual Report, is consistent with the financial statements. I also report whether 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.

I review whether the Accountable Officer's statement on internal control reflects the Probation Trust's compliance with HM Treasury's Financial Reporting Manual and the National Offender Management Services Finance Manual for 2009/10. I report if it does not meet the requirements specified by HM Treasury or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements. I am not required to consider, nor have I considered, whether the Accountable Officer's statement on internal control covers all risks and controls. Neither am I required to form an opinion on the effectiveness of the Trust's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. This other information comprises only the unaudited part of the Remuneration Report, and the Operational Review. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

Basis of audit opinion

I conducted my audit in accordance with the Audit Commission Act 1998, the Code of Audit Practice issued by the Audit Commission and International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Accountable Officer in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Trust's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that:

- the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared;
- 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.

In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

Opinion

In my opinion:

- the financial statements give a true and fair view, in accordance with the accounting policies directed by the Secretary of State under the Offender Management Act 2007 of the state of the Trust's affairs as at 31 March 2010 and of its net operating costs and cash flows for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with the accounting policies directed by the Offender Management Act 2007 and directions made thereunder by the Secretary of State;
- 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; and
- information which comprises the Financial Review included in the Annual Report, is consistent with the financial statements.

Conclusion on arrangements for securing economy, efficiency and effectiveness in the use of resources

Accountable Officer's Responsibilities

The Accountable Officer is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in the Probation Trust's use of resources, to ensure proper stewardship and governance and to review regularly the adequacy and effectiveness of these arrangements.

Auditor's Responsibilities

I am required by the Audit Commission Act 1998 to be satisfied that proper arrangements have been made by the Trust for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires me to report to you my conclusion in relation to proper arrangements, having regard to the criteria for probation trusts specified by the Audit Commission. I report if significant matters have come to my attention which prevent me from concluding that the Trust has made such proper arrangements. I am not required to consider, nor have I considered, whether all aspects of the Trust's arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Conclusion

I have undertaken my audit in accordance with the Code of Audit Practice and having regard to the criteria for probation trusts specified by the Audit Commission and published in January 2009, I am satisfied that, in all significant respects, Humberside Probation Trust made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2010.

Certificate

I certify that I have completed the audit of the accounts in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

**Mark Kirkham,
District Auditor
Officer of the Audit Commission**

**3, Leeds City Office Business Park,
Holbeck,
Leeds,
West Yorkshire,
LS11 5BD
23rd June 2010**

Operating Cost Statement for the year ended 31 March 2010

		2009-2010	2008-2009
	Notes	£000	£000
Administration Costs:			
Staff costs	2(a)	13,272	14,271
Other administration costs	4	5,510	4,346
Income	6(a)	(19,107)	(18,108)
		<u>(325)</u>	<u>509</u>
Net Administration Costs			
Programme Costs:			
Staff costs	5(a)	0	0
Programme costs	5(b)	0	0
Income	6(b)	0	0
		<u>0</u>	<u>0</u>
Net Programme Costs			
		<u>(325)</u>	<u>509</u>
Net Operating Costs			

All income and expenditure is derived from continuing operations.

Statement of Cash Flows for the year ended 31 March 2010

		2009-2010	2008-2009
	Notes	£000	£000
Net cash outflow from operating activities	14(a)	112	293
Capital expenditure and financial investment	14(b)	0	0
Financing	14(c)	338	736
		<u>450</u>	<u>1,029</u>
Increase / (decrease) in cash in the period			

Statement of Financial Position as at 31 March 2010

		2009-2010	2008-2009	2007-2008
	Notes	£000	£000	£000
Non-current assets				
Property, plant and equipment	7	47	84	168
Intangible assets	7(a)	0	0	0
Other receivables > 1 year	8(a)	25	32	17
Total non-current assets		72	116	185
Current assets				
Assets classified as held for sale	8(c)	0	0	0
Trade and other receivables	8(a)	290	228	379
Cash and cash equivalents	9	1,675	1,225	196
Total current assets		1,965	1,453	575
Total assets		2,037	1,569	760
Current (liabilities)				
Trade and other payables	10	(2,617)	(2,064)	(1,089)
Total assets less current (liabilities)		(580)	(495)	(329)
Non-current (liabilities)				
Other payables > 1 year	10	0	(15)	(26)
Provisions for liabilities and charges	11	(1,168)	(822)	(807)
Pension Liability	3	(32,679)	(15,487)	(8,366)
Total non-current (liabilities)		(33,847)	(16,324)	(9,199)
Assets less (liabilities)		(34,427)	(16,819)	(9,528)
Taxpayers' equity:				
General fund	12	(34,434)	(16,822)	(9,529)
Revaluation reserve	13(a)	7	3	1
Donated asset reserve	13(b)	0	0	0
		(34,427)	(16,819)	(9,528)

Steve Hemming (Accountable Officer)

15 June 2010

Martin Gore (Treasurer)

15 June 2010

STATEMENT OF CHANGES IN TAXPAYERS' EQUITY

	Notes	General Fund £000s	Revaluation Reserve £000s	Donated Asset Reserve £000s	Total £000s
Balance under UK GAAP at 31 March 2008		(9,312)	1	0	(9,311)
Changes in accounting policy		<u>(217)</u>	<u>0</u>	<u>0</u>	(217)
Restated balance at 31 March 2008		<u>(9,529)</u>	<u>1</u>	<u>0</u>	(9,528)
Changes in taxpayers' equity for 2008-09					
Net operating cost for the year	OCS	(509)			(509)
Operating income to be surrendered (interest received)	12	(4)			(4)
Net gain/(loss) on revaluation of property, plant and equipment	13(a)		2		2
Donated Assets Reserve	13(b)			0	0
Notional Items					
Cost of capital charge	12	(407)			(407)
Auditor's remuneration	12	0			0
Net asset transfers in/(out)	12	0			0
Net NOMS Financing received in year	12	739			739
Pension Actuarial (Loss)/Gain	12	(7,112)			(7,112)
Income not appropriated in aid paid to Consolidated Fund		0			0
Machinery of Government Changes		0			0
Balance as at 31 March 2009		<u>(16,822)</u>	<u>3</u>	<u>0</u>	<u>(16,819)</u>
Changes in taxpayers' equity for 2009-10					
Net operating cost for the year	OCS	325			325
Operating income to be surrendered (interest received)	12	(2)			(2)
Net gain/(loss) on revaluation of property, plant and equipment	13(a)		4		4
Donated Assets Reserve	13(b)			0	0
Notional Items					
Cost of capital charge	12	(814)			(814)
Auditor's remuneration	12	0			0
Net asset transfers in/(out)	12	0			0
Net NOMS Financing received in year	12	342			342
Pension Actuarial (Loss)/Gain	12	(17,463)			(17,463)
Income not appropriated in aid paid to Consolidated Fund		0			0
Machinery of Government Changes		0			0
Balance as at 31 March 2010		<u>(34,434)</u>	<u>7</u>	<u>0</u>	<u>(34,427)</u>

Notes to the Accounts

1 Statement of Accounting Policies

These financial statements have been prepared in accordance with the 2009-10 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) to the extent that it is meaningful and appropriate to the public sector. Where the FReM permits a choice of accounting policy, the accounting policy which has been judged to be most appropriate and gives a true and fair view has been selected. The Probation Trust's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting Convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of non-current assets.

1.2 Going Concern

The balance sheet at 31 March 2010 shows negative Taxpayers' Equity. This reflects the inclusion of liabilities falling due in future years which are to be financed mainly by drawings from the UK Consolidated Fund. Such drawings will be from grants of Supply approved annually by Parliament, to meet Net Cash Requirement of the Ministry of Justice of which NOMS is part. Under Government Resources and Accounts Act 2000, no money may be drawn from the fund by the Ministry of Justice other than required for the service of the specified year or retained in excess of that need. In common with government departments, the future financing of the NOMS liabilities is accordingly to be met by future grants of Supply to the Ministry of Justice and the application of future income, both to be approved annually by Parliament. Such approval for amounts required for 2010-11 has already been given and there is no reason to believe that future approvals will not be forthcoming. It has accordingly been considered appropriate to adopt a going concern basis for preparation of these financial statements.

1.3 Tangible Fixed Assets

The minimum level for capitalisation of a tangible non-current asset is £5,000, inclusive of any irrecoverable VAT element, where appropriate. Tangible assets have been stated at current cost using published indices appropriate to the category of asset.

All land and building fixed assets used by Probation Trusts are managed and owned centrally by the Ministry of Justice and are recorded on their Balance Sheet. The cost of using those assets is included within Note 4(a), other administration costs under "accommodation, maintenance & utilities". The charge to the Probation Trust does not represent the full cost incurred by the Ministry of Justice. For Boards recharges are calculated using national rates agreed at the start of the financial year and are based on bed space for Approved Premises and by gross internal area for the Commercial Estate. Trusts are charged directly for these services from the centre.

1.4 Depreciation

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

Vehicles - 5 to 7 years;

Office Machinery, Fixtures and Fittings and IT Equipment - 3 to 5 years.

1.5 Donated Assets

Donated tangible non-current assets are capitalised at their current value on receipt, and this value is credited to the donated asset reserve. Subsequent revaluations are also taken to this reserve. Each year, an amount equal to the depreciation charge on the asset is released from the donated asset reserve to the Operating Cost Statement.

1.6 Stock

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

1.7 Operating Income

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

Operating income is income that relates directly to the operating activities of the Probation Trust. For Boards it comprises of rent receivables, income from EU sources, income from other Government Departments and miscellaneous income. For Trusts income from the sponsoring body is also included. Fees and charges for services are recovered on a full cost basis in accordance with the Treasury's Fees and Charges guide.

The Probation Trust can earn interest from various sources but under the Criminal Justice and Court Services Act 2000, it is not allowed to retain any interest received from the investment of funds received from the NOMS Agency. This interest is accounted for as Consolidated Funds Extra Receipts (CFERs) that are surrendered through the Ministry of Justice to HM Treasury.

1.8 Administration and Programme Expenditure

The Operating Cost Statement is analysed between administration and programme income and expenditure. The classification of expenditure and income as administration or as programme follows the definition of administration costs set out in the FReM by H.M. Treasury. Administration costs reflect the costs of running the Probation Trust together with associated operating income. Programme costs are defined as projects which are fully or partially funded from outside the Ministry of Justice.

1.9 Capital Charge

A charge, reflecting the cost of capital utilised by the Probation Trust, is included in operating costs. The charge is calculated at the real rate set by HM Treasury (currently 3.5 per cent) on the average carrying amount of all assets less liabilities except for:

- a) Provisions for Liabilities and Charges, which is charged at 2.2% to reflect the discount rate applied.
- b) Pension Liability, which is charged at 3.2%. However, the discount rate applied to its share of the pension scheme is determined by the appropriate authority.
- c) Tangible non-current assets, where the cost of capital charge is based on opening values, adjusted pro rata for in-year:
 - additions at cost;
 - disposals as valued in the opening balance sheet (plus any subsequent capital expenditure prior to disposal);
 - impairments at the amount of the reduction of the opening balance sheet value (plus any subsequent capital expenditure).
- d) Donated assets, where the charge is nil.

1.10 Pensions

Past and present employees are covered by the provisions of the Local Government Pension Scheme (LGPS). This is a funded defined benefit scheme meaning that retirement benefits are determined independently of the investments of the scheme and employers are obliged to make additional contributions where assets are insufficient to meet retirements benefits. Under the LGPS Regulations the pension fund is subject to an independent triennial actuarial valuation to determine each employer's contribution rate (Disclosure of Stakeholder Pensions Schemes is not included in these accounts). Where a central government entity has a share of a local government (or other) pension scheme liability on its statement of financial position, then that entity will use a discount rate determined by the appropriate authority (for example CIPFA or a qualified independent actuary) in valuing its share and not the rate advised annually by HM Treasury.

The pension fund actuary has used roll forward estimated asset value figures in producing the IAS 19 pension liability and other disclosures. Where the actual asset values at 31 March 2010 are materially different to those estimates and the impact on the Probation Trust's share of the asset values are material, a disclosure within the the Local Notes reflecting the extent of the material difference has been made.

1.11 Early Departure Costs

The Probation Trust is required to meet the additional costs of benefits beyond the normal pension benefits in respect of employees who retire early. The Probation Trust's policy is to provide in full for this cost when the early retirement programme has been announced and is binding on the Probation Trust. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the real rate set by HM Treasury. A discount rate of 2.2 per cent is used.

1.12 Leases

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

1.13 Private Finance Initiative (PFI) Transactions

Where the balance of risks and rewards of ownership of the PFI property is borne by the Probation Trust, the property is recognised as a fixed asset and the liability to pay for it is accounted for as a finance lease. Contract payments are apportioned between an imputed finance lease charge and a service charge. PFI schemes will be disclosed as a note to the accounts.

1.14 Grants Receivable

Two separate policies apply to the Probation Trusts. For Boards monies received as grants (of any nominal type, classification, or attached conditions) are treated as financing rather than income and are recognised in the accounts by directly crediting the General Fund and are also reflected elsewhere in the statements for example in the Cash Flow statement. For Trusts monies received as grant-in-aid are treated as income.

Financing of Training Consortia

Part of the funding that goes to the Probation Trusts/Areas is allocated to the 10 Regional Training Consortia. This is for all the costs of the Regional Training Consortia and is split as a percentage for the 9 Lead Trusts/Areas who co-ordinate the Training funds and a percentage to the remaining Probation Trusts/Areas.

1.15 Provisions

The Probation Trust provides for legal or constructive obligations which are of uncertain timing or amount at the date of the statement of financial position on the basis of the best estimate of the expenditure required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the real rate set by HM Treasury. A discount rate of 2.2 per cent is used.

1.16 Value Added Tax

Two separate policies apply to the Probation Trusts. For the Probation Board most of the activities are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

Most of the activities of the Probation Trust are inside the scope of VAT and, in general, output tax does apply and input tax on purchases is recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase cost of non-current assets. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

2 Staff numbers and related costs

2(a) Total staff costs comprise:

	2009-2010			2008-2009
	£000	£000	£000	£000
	Total	Permanently Employed staff	Others	Total
Wages and salaries	12,195	12,176	19	12,704
Social security costs	910	910	0	959
Other pension costs	1,690	1,690	0	2,085
Sub Total	14,795	14,776	19	15,748
Less recoveries in respect of outward secondments	(1,523)	(1,523)	0	(1,477)
Total net admin costs	13,272	13,253	19	14,271
Net programme costs	0	0	0	0
Total Staff Costs	13,272	13,253	19	14,271

There was one retirement on ill health grounds (2008/09 nil).

2(b) Average number of persons employed

	2009-2010			2008-2009
	Total	Permanently Employed staff	Others	Total
	379	378	1	416
	379	378	1	416

3 Pension costs

The provisions of the Local Government Pension Scheme (LGPS) cover present and past employees, which is statutory and fully funded. The Trust participates in the Local Government Pension Scheme, administered by East Riding of Yorkshire Council.

3(a) A full actuarial valuation was carried out at 31 March 2007 by Hymans Robertson. For 2009-10, employers' contributions of £2,434,000 were payable to the LGPS (2008-09, £2,492,000) at the rate of 22.6%. The scheme's Actuary reviews employer contributions every three years following a full scheme valuation. The contribution rates were revised for 2008-09 and remain unchanged until 2010-11. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Partnership accounts are excluded under IAS 19.

The approximate employer's pension contributions for the three years from:

- Employer's contributions for 2009-10 were 22.6% of salaries; and,
- Employer's contributions for 2010-11 will be 22.6% of salaries; and
- Employer's contributions for 2011-12 will be 22.6% of salaries.

3(b) The major assumptions used by the actuary were:

	2009/2010	2008/2009
Inflation assumption	3.8%	3.1%
Rate of increase in salaries	5.3%	4.6%
Rate of increase for pensions in payment and deferred pensions	3.8%	3.1%
Discount rate	5.5%	6.9%

Mortality Assumptions

Life expectancy is based on the PFA92 and PMA92 tables, projected to calendar year 2033 for non pensioners and 2017 for pensioners, with improvements from 2007 in line with the medium cohort and a 1% p.a. underpin. Based on these assumptions the average future life expectancies at age 65 are - Current Pensioners: Males 22.7 years, Females 26.1 years; Future Pensioners: Males 24.8 years, Females 28.3 years.

3(c) The assets in the scheme and the expected rate of return were:

	Rate of return at 2009-2010	Value at 2009-2010	Rate of return at 2008-2009	Value at 2008-2009	Rate of return at 2007-2008	Value at 2007-2008
	%	£000	%	£000	%	£000
Equities	7.8	34,230	7.0	21,797	7.7	28,262
Government Bonds	4.5	1,690	4.2	1,443	4.5	1,755
Other Bonds	5.5	2,536	6.7	1,916	6.9	1,424
Property	5.8	1,690	4.9	1,553	5.7	2,105
Other	4.8	2,113	4.0	1,756	4.8	1,740
Total	7.3	42,259	6.5	28,465	7.3	35,286
(Present value of scheme liabilities)		(74,938)		(43,952)		(43,652)
Deficit of the scheme		(32,679)		(15,487)		(8,366)
Net Pension Liability		(32,679)		(15,487)		(8,366)

3(d) Pension Cost

	2009-2010 £000	2008-2009 £000
Current service cost	1,243	1,497
Past service cost	73	588
Effect of Curtailment or Settlement	374	0
Total operating charge	1,690	2,085

3(e) Analysis of amount credited to other finance income or debited to other finance charge

	2009-2010 £000	2008-2009 £000	2007-2008 £000
Expected return on pension scheme assets	(1,923)	(2,651)	(2,898)
Interest on pension scheme liabilities	3,068	3,067	2,896
Net return	1,145	416	(2)

3(f) Changes to the present value of liabilities during the year

	2009-2010 £000	2008-2009 £000
Opening present value of liabilities	43,952	43,652
Current service cost	1,243	1,497
Interest cost	3,068	3,067
Contributions by Members	714	728
Actuarial (gains)/losses on liabilities *	26,883	(4,393)
Benefits paid	(1,369)	(1,187)
Past service costs	73	588
Curtailments/Settlements	374	0
Closing present value of liabilities	74,938	43,952

* Includes changes to actuarial assumptions

3(g) Changes to the fair value of assets during the year

	2009-2010	2008-2009
	£000	£000
Opening fair value of assets	28,465	35,286
Expected return on assets	1,923	2,651
Actuarial gains/(losses) on assets	9,420	(11,505)
Contributions by the Employer	3,106	2,492
Contributions by Members	714	728
Benefits paid	(1,369)	(1,187)
Net increase from disposals and acquisitions	0	0
Settlements	0	0
Closing fair value of assets	<u>42,259</u>	<u>28,465</u>

3(h) Actual return on assets

	2009-2010	2008-2009
	£000	£000
Expected return on assets	1,923	2,651
Actuarial gains/(losses) on assets	9,420	(11,505)
Actual return on assets	<u>11,343</u>	<u>(8,854)</u>

3(i) History of asset values, present values of liabilities, surplus/deficit and experience gains and losses

	2009-2010	2008-2009	2007-2008	2006-2007	2005-2006
Fair value of assets	42,259	28,465	35,153	38,662	33,892
Present value of liabilities	<u>74,938</u>	<u>43,952</u>	<u>43,652</u>	<u>52,969</u>	<u>42,990</u>
Surplus / (Deficit)	(32,679)	(15,487)	(8,499)	(14,307)	(9,098)
Experience gains / (losses) on scheme assets:	9,420	(11,505)	(8,098)	285	4,860
Experience gains / (losses) on scheme liabilities:	(26,883)	4,393	5,368	1,055	(126)

4 Other Administration Costs

	2009-2010		2008-2009	
	£000	£000	£000	£000
Rentals under operating leases	27		38	
Interest charges	2		6	
Finance charges/(income) - pension costs	1,145		416	
Accommodation, maintenance and utilities	1,434		1,444	
Travel, subsistence and hospitality	479		519	
Professional services	282		229	
IT services	312		349	
Communications, office supplies and services	369		391	
Other staff related	706		241	
Offender Costs	1,038		852	
Other expenditure	50		78	
Auditors' remuneration and expenses	29		29	
		5,873		4,592
Non-cash items				
Depreciation of tangible non-current assets	41		86	
Amortisation of intangible non-current assets	0		0	
Impairment of non-current assets	0		0	
Profit on disposal of fixed assets	0		0	
Loss on disposal of fixed assets	0		0	
Cost of capital charges	(814)		(407)	
Early retirement provision provided for in year	410		75	
Other provisions provided for in year	0		0	
	(363)		(246)	
Total		5,510		4,346

5 Programme Costs

There were no costs associated with programmes

6 Income

6(a) Administration Income

	2009-2010		2008-2009	
	£000	£000	£000	£000
Income receivable from the Sponsoring Department	18,164		17,314	
Rent receivable from minor occupiers of Probation Estate property:				
From within the departmental boundary	0		0	
From other government bodies	0		0	
From external tenants	0		0	
		18,164		17,314
EU funding: direct contributions to Trust activities		0		0
Income receivable: from other government bodies		672		597
Miscellaneous Income		269		193
		19,105		18,104
Operating Income to be Surrendered				
Interest received:				
From bank	0		0	
From car loans	2		4	
From other sources	0		0	
Total operating income to be surrendered		2		4
Total Administration Income		19,107		18,108

6(b) Programme Income

EU funding	0	0
Other Programme Income	0	0
Total Programme Income	0	0
Total Operating Income	19,107	18,108

7 Property, plant and equipment

	2009-2010				
	Information Technology	Plant & Equipment	Furniture and Fittings	Vehicles	Total
	£000	£000	£000	£000	£000
Cost or valuation					
At 1 April 2009	51	80	206	50	387
Additions	0	0	0	0	0
Donations	0	0	0	0	0
Net Transfers In/Out	0	0	0	0	0
Disposals	0	0	0	0	0
Revaluations	0	0	0	0	0
Indexation	0	4	7	3	14
Impairment	0	0	0	0	0
At 31 March 2010	51	84	213	53	401
Depreciation					
At 1 April 2009	41	37	202	23	303
Charged in year	10	17	1	13	41
Net Transfers In/Out	0	0	0	0	0
Disposals	0	0	0	0	0
Revaluations	0	0	0	0	0
Indexation	0	2	6	2	10
Impairment	0	0	0	0	0
At 31 March 2010	51	56	209	38	354
Net Book Value at 31 March 2010	0	28	4	15	47
Net Book Value at 31 March 2009	10	43	4	27	84
Asset Financing:					
Owned	0	28	4	15	47
Finance Lease	0	0	0	0	0
Net Book Value at 31 March 2010	0	28	4	15	47

Notes:

There are no donated assets.

	2008-2009				
	Information Technology	Plant & Equipment	Furniture and Fittings	Vehicles	Total
	£000	£000	£000	£000	£000
Cost or valuation					
At 1 April 2008	51	77	215	47	390
Additions	0	0	0	0	0
Donations	0	0	0	0	0
Net Transfers In/Out	0	0	0	0	0
Disposals	0	0	0	0	0
Revaluations	0	0	0	0	0
Indexation	0	3	(9)	3	(3)
Impairment	0	0	0	0	0
At 31 March 2009	51	80	206	50	387
Depreciation					
At 1 April 2008	31	20	161	10	222
Charged in year	10	16	48	12	86
Net Transfers In/Out	0	0	0	0	0
Disposals	0	0	0	0	0
Revaluations	0	0	0	0	0
Indexation	0	1	(7)	1	(5)
Impairment	0	0	0	0	0
At 31 March 2009	41	37	202	23	303
Net Book Value at 31 March 2009	10	43	4	27	84
Net Book Value at 31 March 2008	20	57	54	37	168
Asset Financing:					
Owned	0	43	4	27	74
Finance Lease	10	0	0	0	10
Net Book Value at 31 March 2009	10	43	4	27	84

Notes:

There are no donated assets.

7a Intangible Assets

There were no costs associated with intangible assets during 2008-09, 2009-10.

7b Impairments

There were no impairments.

8 Trade Receivables and other Current Assets
8(a) Analysis by type

	31 March 2010	31 March 2009	31 March 2008
	£000	£000	£000
Amounts falling due within one year:			
Trade debtors	128	64	30
VAT	0	0	23
Deposits and advances	11	16	15
Debtors due from Probation Boards	2	5	13
Debtors due from Probation Trusts	0	0	0
Debtors due from NOMS Agency	98	101	13
Debtors due from the Ministry of Justice - HQ	0	0	233
Debtors due from HM Court Service (HMCS)	0	0	0
Debtors due from the Tribunal Service (TS)	0	0	0
Debtors due from the Office of Public Guardianship (OPG)	0	0	0
Other debtors	0	0	0
Prepayments and accrued income	51	42	52
	<u>290</u>	<u>228</u>	<u>379</u>
Amounts falling due after more than one year:			
Trade debtors	0	0	0
Deposits and advances	25	32	17
Other debtors	0	0	0
Prepayments and accrued Income	0	0	0
	<u>25</u>	<u>32</u>	<u>17</u>
Total at 31 March 2010	<u>315</u>	<u>260</u>	<u>396</u>

8(b) Intra-Government Balances

	Amounts falling due within one year		Amounts falling due after more than one year	
	2009-2010	2008-2009	2009-2010	2008-2009
	£000	£000	£000	£000
Balances with other central government bodies (inc parent dept)	104	112	0	0
Balances with local authorities	35	17	0	0
Balances with NHS Trusts	0	0	0	0
Balances with public corporations and trading funds	0	0	0	0
Subtotal: intra-government balances	139	129	0	0
Balances with bodies external to government	151	99	25	32
Total at 31 March 2010	290	228	25	32

8(c) Assest Held for Resale

There are no assest held for resale

9 Cash at Bank and in hand

	2009-10	2008-09	2007-08
	£000	£000	£000
Balance at 1 April	1,225	196	199
Net change in cash balances	450	1,029	(3)
Balance at 31 March	1,675	1,225	196

The following balances at 31 March are held at:

Office of HM Paymaster General	0	0	0
Commercial banks and cash in hand	1,675	1,225	196
Balance at 31 March	1,675	1,225	196

10 Trade payables and other current liabilities

10(a) Analysis by type

	31 March 2010	31 March 2009	31 March 2008
	£000	£000	£000
Amounts falling due within one year:			
VAT	530	657	0
Other taxation and social security	293	308	295
Trade creditors	59	9	34
Other creditors	0	5	4
Accruals and deferred income	1,070	646	450
Staff creditors	66	74	48
Bank overdraft	0	0	0
Creditors due to Probation Boards	21	1	0
Creditors due to Probation Trusts	0	0	0
Creditors due to NOMS Agency	320	86	0
Creditors due to the Ministry of Justice - HQ	0	0	0
Creditors due to HM Court Service (HMCS)	0	0	0
Creditors due to the Tribunal Service (TS)	0	0	0
Creditors due to the Office of Public Guardianship (OPG)	0	0	0
Unpaid pension contributions due to the pension scheme	256	274	255
Long Term Liabilities due within one year	0	0	0
Operating Income to be surrendered (Interest received)	2	4	3
Fixed asset accruals	0	0	0
	2,617	2,064	1,089
Amounts falling due after more than one year:			
Staff creditors	0	0	0
Other creditors	0	15	26
	0	15	26
Total at 31 March	2,617	2,079	1,115

10(b) Intra-Government Balances

	Amounts falling due within one year		Amounts falling due after more than one year	
	2009-2010	2008-2009	2009-2010	2008-2009
	£000	£000	£000	£000
Balances with other central government bodies (inc parent dept)	341	87	0	0
Balances with local authorities	0	0	0	0
Balances with NHS Trusts	0	0	0	0
Balances with public corporations and trading funds	0	0	0	0
Subtotal: intra-government balances	341	87	0	0
Balances with bodies external to government	2,276	1,977	0	15
Total at 31 March 2009	2,617	2,064	0	15

11 Provisions for Liabilities and Charges

	2009/2010		
	Early Retirement and Pension Commitments Added Years	Other Provisions	Total
	£000	£000	£000
Balance at 1 April 2009	822	0	822
Provided in the year	410	0	410
Provisions not required written back	0	0	0
Provisions utilised in the year	(64)	0	(64)
Balance at 31 March 2010	<u>1,168</u>	<u>0</u>	<u>1,168</u>

	2008/2009		
	Early Retirement and Pension Commitments Added Years	Other Provisions	Total
	£000	£000	£000
Balance at 1 April 2008	807	0	807
Provided in the year	75	0	75
Provisions not required written back	0	0	0
Provisions utilised in the year	(60)	0	(60)
Balance at 31 March 2009	<u>822</u>	<u>0</u>	<u>822</u>

	2007/2008		
	Early Retirement and Pension Commitments Added Years	Other Provisions	Total
	£000	£000	£000
Balance at 1 April 2007	796	0	796
Provided in the year	68	0	68
Provisions not required written back	0	0	0
Provisions utilised in the year	(57)	0	(57)
Balance at 31 March 2008	<u>807</u>	<u>0</u>	<u>807</u>

Early Retirement and Pension Commitments

The Probation Trust meets the additional costs of benefits beyond the normal Local Government Pension Scheme (LGPS) benefits in respect of employees who retire early by paying the required amounts annually to the LGPS over the period between early departure and normal retirement date. The Probation Trust provides for this in full when the early retirement programme becomes binding on the Trust by establishing a provision for the estimated payments calculated on a basis consistent with the other pension costs as determined under IAS 19.

Other

There are no further provisions

12 General Fund

	2009-2010	2008-2009	2007-2008
	£000	£000	£000
Balance at 1 April	(16,822)	(9,529)	(15,346)
Financing activities:			
Financing	(35)	(50)	65
Training Consortia financing received from NOMS in the capacity as Lead Area	0	0	0
Training Consortia financing from NOMS received by the Area	403	731	701
Training Consortia financing received from the Areas within their consortia	0	0	0
Training Consortia financing transferred from the Lead Area to the Areas within their consortia	0	0	0
Training Consortia financing received from their Lead Area	0	58	30
Training Consortia financing transferred to their Lead Area	(26)	0	0
Training Consortia financing received by the Area from another non-lead Area	0	0	0
Training Consortia financing transferred from the Area to another non-lead Area	0	0	0
Net transfers from Operating Activities:			
Net operating cost for the year	325	(509)	(94)
Operating income to be surrendered (Interest received)	(2)	(4)	(3)
Non-Cash Charges:			
Cost of capital charge	(814)	(407)	(307)
Auditors' remuneration	0	0	0
Net asset transfers in/(out)	0	0	76
Transferred from revaluation reserve	0	0	0
Actuarial gains and losses	(17,463)	(7,112)	5,354
Changes in Accounting policy		0	(5)
Balance at 31 March	(34,434)	(16,822)	(9,529)

13 Reserves

13(a) Revaluation Reserve

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

	2009-2010	2008-2009	2007-2008
	£000	£000	£000
Balance at 1 April	3	1	1
Arising on revaluations of PPE + Intangibles during the year (net)	4	2	0
Transferred to General Fund	0	0	0
Changes in Accounting policy	0	0	0
Balance at 31 March	7	3	1

13(b) Donated Asset Reserve

There are no donated assets.

14 Notes to the Cash Flow Statement

14(a) Reconciliation of operating cost to operating cash flows

	2009-2010	2008-2009
	£000	£000
Net operating cost	325	(509)
Adjustments for non-cash transactions	(363)	(246)
(Increase)/Decrease in debtors	(55)	136
Increase/(Decrease) in creditors	538	964
less movements in creditors relating to items not passing through the OCS	2	(1)
Adjustments for pension funding	(271)	9
Use of provisions	(64)	(60)
Net cash outflow from operating activities	112	293

14(b) Analysis of capital expenditure and financial investment

	2009-2010	2008-2009
	£000	£000
Non-current assets additions	0	0
Plus Opening Balance for Non-current Asset Accruals	0	0
Minus Closing Balance for Non-current Asset Accruals	0	0
Minus Proceeds of Disposal of Non-current Assets	0	0
Net cash outflow from investing activities	0	0

14(c) Analysis of financing

	2009-2010	2008-2009
	£000	£000
Net NOMS Financing received in year (excluding Training Consortia)	(35)	(50)
Training Consortia financing received by the Lead Area from NOMS	0	0
Training Consortia financing received by the non-lead Area from NOMS	403	731
Training Consortia financing received from the areas within their consortia	0	0
Training Consortia financing transferred from the Lead Area to the areas within their consortia	0	0
Training Consortia financing received from their Lead Area	0	58
Training Consortia financing transferred to their Lead Area	(26)	0
Training Consortia financing received by the Area from another non-lead area	0	0
Training Consortia financing transferred from the Area to another non-lead area	0	0
Consolidated Fund Extra Receipts received in prior year surrendered (Interest Received)	(4)	(3)
Net financing	338	736

15 Capital Commitments

There are no Capital Commitments at 31 March for which no provision has been made.

16 Commitments Under Leases

Operating Leases

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

Obligations under operating leases comprise:

Expiry within 1 year	
Expiry after 1 year but not more than 5 years	
Expiry thereafter	
Total	

	2009-2010	2008-2009
	£000	£000
Expiry within 1 year	27	27
Expiry after 1 year but not more than 5 years	40	66
Expiry thereafter	0	0
Total	67	93

Finance Leases

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

Obligations under finance leases comprise:

Expiry within 1 year	
Expiry after 1 year but not more than 5 years	
Expiry thereafter	
Total	

	2009-2010	2008-2009
	£000	£000
Expiry within 1 year	0	17
Expiry after 1 year but not more than 5 years	0	0
Expiry thereafter	0	0
Total	0	17

17 Other financial commitments

The Trust does not have any other financial commitments.

18 Financial Instruments

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

19 Contingent Liabilities

There were no contingent liabilities.

20 Contingent Liabilities not required to be disclosed under IAS 37 but included for parliamentary reporting and accountability purposes

The Trust has no other contingent liabilities that do not have to be disclosed under IAS 37 but should be included for parliamentary reporting and accountability purposes.

21 Losses and Special Payments

	2009-2010		2008-2009	
	Number of Cases	Total Value £000	Number of Cases	Total Value £000
Losses Statement				
Cash losses	0	0	0	0
Claims abandoned	0	0	0	0
Administrative write-offs	0	0	0	0
Fruitless payments	0	0	0	0
Stores losses	0	0	0	0
Special payments	31	672	4	64
Total	31	672	4	64

Details of cases over £100,000

There were no individual cases over £100,000

22 Related party transactions

The Ministry of Justice is regarded as a related party. During the year, the Probation Trust had various material transactions with the Ministry of Justice. Additionally, the Probation Trust had transactions with other Probation Areas/Trusts, other government bodies and third party organisations.

The Trust contracts with East Riding of Yorkshire Council for the provision of finance services, including general ledger, payroll and creditor together with general and specific financial advice. Caroline Lacey, Head of Finance (chief finance officer) to East Riding of Yorkshire Council, was Treasurer to the Trust until February 2010. During the year payments totalling £58,990 were made under the contract. No other Member of the Trust Board, member of key management staff, nor their close relations or members of the same household have undertaken any material transactions with the Probation Trust.

23 Third-party assets

The Trust administers a trust fund, the Hull and East Riding Charitable Trust, whose purpose is to encourage offenders not to reoffend. These are not Trust assets and are not included in the accounts. The assets held at the balance sheet date to which it was practical to ascribe monetary values comprised monetary assets, such as bank balances and monies on deposit. They are set out in the table immediately below.

Balance at 1 April
 Funds paid in during the year
 Funds paid out during the year
Balance at 31 March

	2009-2010	2008-2009
	£000	£000
Balance at 1 April	0	0
Funds paid in during the year	10	7
Funds paid out during the year	(10)	(7)
Balance at 31 March	0	0

24 Post Balance Sheet events

There are no post balance sheet events requiring disclosure in the accounts

25 Transition to IFRS

	General fund	Revaluation reserve	Donated Asset reserve	Total
	£000	£000	£000	£000
Taxpayers' equity at 31 March 2009 under UK GAAP:	(16,502)	3	0	(16,499)
Adjustments for IFRS changes:				
Leases	(5)	0	0	(5)
Others e.g. employee benefits	(315)	0	0	(315)
Adjustments for:				
Impairments recognised on transition	0	0	0	0
UK GAAP errors	0	0	0	0
Taxpayers' equity at 1 April 2009 under IFRS:	(16,822)	3	0	(16,819)

	£000
Net Operating Cost for 2008/09 under UK GAAP	406
Adjustments for:	
Private finance initiative	0
Leases	(1)
Employee benefits	104
Net Operating Cost for 2008/09 under IFRS	509

The UK GAAP 2008/09 cash flow statement included net movements in liquid resources of £1,029,000. This net movement is included in the bottom line cash and cash equivalents figure in the 2009/10 statement of cash flows under IFRS.

As can be seen above, the transition to IFRS has worsened the financial position of the Trust. This results from the requirement in IAS 19 for accrual to be made in respect of accrued annual leave that remains untaken at 31 March. Cash flows of the organisation are unaffected.

Revenue costs of IFRS: arrangements newly brought onto SoFP under IFRIC 12 (eg LIFT/PFI)

No arrangements were brought onto the Statement of Financial Position under IFRIC 12.

Local notes to the accounts

1 Early Retirement Provision

The Trust's accounting policies are imposed by NOMS to ensure that all Trusts prepare their accounts on a largely consistent basis. However, local accounting policies, where necessary, are for the determination of the Trust. From 2009/10 the estimation technique for the calculation of the provision for past early retirement decisions has been revised. This change brings the provision into line with the other pension calculations determined by the actuary under IAS19.

2 IFRS 8 Operating Segments

Humberside Probation Trust provides Probation Services under a single contract with the DoM throughout the Humberside Police area, as defined in the Police Act 1996. The contract discharges the policies of the Ministry of Justice that are designed to ensure the interchangeable objectives of reducing reoffending and protecting the public. The Trust, therefore, has one operating segment for reporting purposes.

	2009-2010	2008-2009
	£000	£000
Provision of Probation Services	(325)	509

ACCOUNTS OF LOCAL PROBATION TRUSTS IN ENGLAND AND WALES

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

1. This direction applies to the Local Probation Trusts listed in the attached Appendix 1.
2. The accounts shall be prepared so as:
 - To give a true and fair view of the state of affairs of the Trust as at the financial year-end and of the net resource outturn, recognised gains and losses and cash flows for the financial year and have been properly prepared in accordance with the Offender Management Act 2007;
 - To provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.
3. Each Trust shall prepare a statement of accounts for the financial year ended 31 March 2010 and subsequent financial years, in compliance with the accounting principles and disclosure requirements of the Government Financial Reporting Manual ("the FReM") issued by HM Treasury and which is in force for the relevant financial year. In addition Trusts are required to comply with the National Probation Service Finance Manual which is in force for the relevant financial year. The statement of accounts shall be published within the report, which the Trust is required to make to the Secretary of State on the performance of its functions for the relevant financial year.
4. Compliance with the requirements of the FReM will in all but exceptional circumstances be necessary for the accounts to give a true and fair view. Any material departure from either the FReM or the NPS Finance manual should be discussed in the first instance with the NOMS Agency finance team.
5. A note setting out the relationship between the National Probation Service Finance Manual and the FReM is attached at Appendix 2.

Edward Kirby

On behalf of the Secretary of State for the Ministry of Justice

5 May 2010

Appendix 1

8 Probation Trusts:

Dyfed Powys

Greater Manchester

Humberside

Lancashire

Leicestershire & Rutland

Merseyside

South Wales

West Mercia

Appendix 2

APPLICATION OF THE GOVERNMENT FINANCIAL REPORTING MANUAL (FReM) ISSUED BY HM TREASURY TO THE ACCOUNTS OF LOCAL PROBATION TRUSTS

The Ministry of Justice has issued advice on the preparation of local Probation Trust accounts in a National Probation Service Finance Manual. This provides specific guidance on the application of the principles and disclosure requirements of the FReM to the circumstances of local Probation Trusts, including the following agreed interpretations:

1. There is no requirement to prepare a Statement of Parliamentary Supply or a Statement of Net Operating Costs by Departmental Aims and Objectives.
2. Monies received as part of the grant schedule funding, which is separate from the main grant-in-aid funding, should be treated as financing and not as income.
3. The salary and pension entitlements of key managers should be appropriately disclosed.
4. Items may be added to or deleted from the above list only with the agreement of HM Treasury.