



Thames Valley Probation Board

ANNUAL REPORT

2008-09

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Introduction

Aims of the National Probation Service & NOMS

The National Probation Service aims are:

- to protect the public;
- to reduce re-offending;
- to provide for the proper punishment of offenders;
- to ensure that offenders are aware of the effects of their crimes on their victims and on the public; and
- to rehabilitate offenders.

INTRODUCTION

Thames Valley Probation Board's (TVP) job is to protect the public in the Thames Valley and turn offenders away from committing further crime.

Working together with criminal justice partners, local authorities, statutory and voluntary sector partners, faith and private sector organisations, TVP tackles offending behaviour by providing effective community sentences and by working with offenders released from prison on licence.

TVP's work to reduce reoffending involves supervision, managing unpaid work as community payback, providing intervention programmes and enlisting appropriate support to enable improved outcomes for offenders. The approach is based on individual assessments which actively recognise and respect diversity.

To protect the public, suitably experienced, supported and trained staff use rigorous risk management processes. TVP effectively enforces orders and licences to required, measurable standards. TVP works with local partners to support and protect the victims of crime.

In the Thames Valley community, by informing and working inclusively, TVP seeks to retain the confidence of the local population and the support of community leaders, elected representatives, judges and magistrates. TVP works with commissioners and local providers to make the most efficient use of collective resources in all aspects of service delivery.

In essence, Thames Valley Probation Board's mission is '**Less Re-offending, Fewer Victims**'.

The overarching key strategic priority for 2008-09 in TVP was to maximise performance and service delivery within a framework of diversity and achieving efficiency and Value for Money. In turn an important aim was to allocate sufficient resources to Offender Management, in line with the main grant resource allocation, so that core probation services to offenders could be delivered and thereby ensure maximum levels of offender risk management and public protection.

This report shows the steps TVP has taken during 2008-09 to promote less re-offending and fewer victims.

Part 1: Annual Report

This Annual Report is structured according to the European Excellence Model (EEM) and will cover (a) the enablers that were put in place to ensure that Thames Valley Probation is an organisation which is fit for purpose with a strong performance culture and (b) the results that were obtained in the reporting year.

A. Operational Review

The last year has been one of very considerable achievement for TVP. Throughout the year a great deal of effort was made to improve performance at every level and to ensure that the results of the national Integrated Probation Performance Framework (IPPF) improved and showed an overall rating of 'green' i.e. 'good performance'. By the end of the financial year, the on-going improvements in performance resulted in achieving this goal. This should, therefore, provide judges and magistrates and the community at large with confidence that community sentences imposed on offenders in the Thames Valley are not only applied rigorously but are also successful in reducing re-offending and, therefore, result in there being fewer victims.

TVP received additional grant in 2008/09 under the national reducing prison population plan (RPP). Nationally £40 million was made available for this purpose and, TVP's share of that grant amounted to £1.35 million. As a result of this extra funding, a comprehensive plan of action was developed and very successfully delivered. A series of measures and actions were implemented in relation to Sentencer engagement and changes to proposal and enforcement practice, which included a Thames Valley area wide conference attended by magistrates. The focus of the conference was on reducing the prison population, the lack of input in prison to short sentenced prisoners, the accelerating impact of suspended sentence orders on offenders going into custody, and celebrating some notable successes from TVP's Drug Rehabilitation Requirement (DRR)/ Prolific Priority Offenders (PPO) work. In addition to work with Sentencers, TVP appointed Compliance Officers in all Divisions which enabled a very specific focus on offenders with a poor history of engagement. Thus, the Compliance Officers' aim was one of re-engaging those offenders at risk of breach or recall. Early indications suggest TVP's effort to contribute to the RPP initiative has had a positive impact in reducing local rates of imprisonment, has helped TVP to improve offenders' compliance with Order requirements and Licence conditions, and has supported its strategy to control demand for its services.

Section B (Results) provides a detailed breakdown of this year's performance. While TVP is proud to have made such improvements, it is not complacent and aims to build further upon this good performance.

TVP has exceeded all of its targets in respect of Customer and People results and has exceeded or been close to target for over 60% of the other Key Performance results.

Given the scale of the improvements that have been achieved and the expectations on staff, TVP is also particularly pleased to note that staff sickness absence was below the average for the sector at 11.1 days per employee for the year. It is TVP's staff who deliver the improvements and credit must go to them for the substantial progress made.

Management Commentary

Part 1: Operational and Performance Review

A. Enablers

The EEM enablers that will be referred to in the section below are Leadership, Policy and Strategy, People Management, Partnerships and Resources and Processes.

Leadership

Thames Valley's Senior Management Team was strengthened and consolidated by a restructure in 2006, which included experienced leaders from probation and the private and public sectors. In 2007/08 there was also a complete restructure of the Board, with a new Chair and 6 new members.

Together, the senior management team and the Board focused quickly and professionally on Trust status, establishing a clear corporate identity, supported by well defined organisational functions and responsibilities. Corporate mission, vision and values were agreed through discussion between the two groups and common themes identified. These themes were then incorporated into a three year strategy and a corporate business planning process which coherently links the strategy to divisional, team and individual objectives.

The Service Level Agreement (SLA) process with the Regional Offender Manager (ROM) as commissioner, was firmly bedded in and regular meetings took place throughout the year. TVP's pro-active relationship development with the ROM is based on openness, information exchange and trust.

Deployment and communication of the strategic priorities was again a key theme for the year. There are a range of mechanisms in place through which TVP communicates and deploys policy and strategy, including leadership events, divisional managers' meetings, team meetings, supervision meetings and the intranet. In addition the Corporate Management Team produces a monthly Team Briefing for all staff, which includes feedback from all levels of the organisation.

The development of an improved practice culture was again reflected in a measurable performance improvement. Performance against targets rose in almost every area of the business, such that by the end of the year the IPPF was showing overall performance to be 'green', hence 'good'. TVP has invested in a number of posts that support the achievement of excellence, including business process improvement managers, a quality improvement manager and a research manager.

The senior management team, led by the Director of Offender Management, devised an improvement plan following the 2007 inspection and that has, again, been incorporated into both the three-year strategy and the local business plans. It challenges, encourages and prioritises target achievement within a context of effective risk management.

Most leaders within the organisation have undertaken leadership training in the form of the managers' toolkit and Master Class.

Policy and Strategy

A three-year strategy for the period 2008 to 2011 was developed and the Business Plan for 2008/09 was an integral part of that three year strategic planning process. Both of these documents were approved by the Board in March 2008 and made available on TVP's intranet and internet, albeit that more recently they been superseded with plans for 2009 and beyond.

The strategy clearly sets out where TVP was and where it wanted to be in three years' time, emphasising the importance of an effective organisational culture which promotes best practice and reduces re-offending in the Thames Valley, and taking into account the needs of TVP's key stakeholders.

To deliver the aims within the strategic and business plans, the senior management team has clear roles and responsibilities that tie in with the strategic priorities of the organisation and the deployment of policies to achieve this. In addition, the Board and directors have two-monthly workshops to intensively review and develop policy on priority issues.

Board members' experience and capability is harnessed and they have specific 'champion' roles in, for example, HR and diversity groups, to help develop policy and strategy in line with business objectives.

TVP regularly engages with key stakeholders such as the Regional Offender Manager, Sentencers and other partners. There is also an increased range of mechanisms for engaging offenders, such as an offender survey.

TVP routinely uses and reviews performance data at all levels, and alongside this, other learning activities take place, such as audits, surveys and professional discussions within development groups. Information is shared on a regional basis and TVP also learns from other organisations.

People Management (to include Health & Safety Legislation)

TVP reintroduced the EEM (European Excellence Model) self-assessment in 2007, which it had not done since 2004 due to other priorities around change management. Another EEM evaluation was undertaken in the autumn of 2008, and the overall outcome was that TVP had shown a steady improvement in all the factors scored in the model. The biggest improvements were under the Leadership and People enablers and under Customer results. As a result of this improvement the overall score rose from 379 in 2006/07 to 447 in 2007/08

TVP has in place a range of Human Resource policies and processes, which support the business plan and are available on the TVP intranet. A new single equality scheme was published in March 2009 which brings together existing equality duties – race, gender, disability and age. TVP welcomes the harmonisation of its approach to equality and human rights.

Training needs are developed from the business plan and individual needs identified through the appraisal process. Two themes for training in 2008/09 were risk of harm and disability awareness, in addition to the leadership training referred to in the previous section.

Target setting and appraisals are also closely linked to the business planning process.

Health initiatives for staff continued to be high on the agenda. The Human Resources Directors (job share) again made a sum of money available and asked staff for suggestions for office initiatives. The take-up has been encouraging and this has proved to be very popular with staff. In addition, health and safety training for managers continued to be a focus, to enable managers to appropriately address health and safety issues with their staff.

Partnerships and Resources

An area for improvement identified through the EEM process was that a partnership strategy needed to be written. A partnership strategy was, therefore, developed and approved by the TVP Board in March 2009.

TVP continued to be visible in working with its key partners. In 2008/09 the range of partnership activity in which it was engaged fell into three broad categories, as follows:

- *Public protection activity*, for example, multi-agency public protection arrangements (MAPPA), domestic abuse multi-agency risk assessment conferences (MARAC), secondment of staff to HM Prison Service (HMPS), support to youth offending teams or services (YOT/YOS), and contracted approved premises services.
- *Reoffending reduction activity*, for example, integrated offender management of prolific and other priority offenders (PPO) by crime and disorder reduction partnerships (CDRP), treatment of offenders misusing drugs and alcohol, access to community based offender treatment, education, training and employment (ETE), welfare, accommodation and health services.
- *Community confidence activity*, for example, the Thames Valley local criminal justice board (LCJB), effective community penalty enforcement with HM Court Service, neighbourhood level delivery of offender punishment and reparation through community payback including local authority service level agreements, achievement of Local Area Agreement (LAA) priority targets.

TVP staff are represented, at senior level, on sub-groups and the main Board of the Thames Valley LCJB and, through the Assistant Directors, TVP increased its profile at other local partnerships.

TVP has led the way with input into the victim perspective for the LCJB and via the Think Victim Workbook for staff, which has also been adopted by other probation areas.

Staff have been attending the Neighbourhood Actions Groups (NAGs) alongside police colleagues and community representatives and many of TVP's Community Payback projects have directly reflected the needs and wishes of the local community as a result. In particular, as one of the national pioneer areas in 2008/09 for 'Justice Seen Justice Done', TVP staff in Slough have worked closely with colleagues in Slough Borough Council and other partners to explore innovative ways of getting suggestions from members of the public to carry out Community Payback projects. TVP has also worked hard to sign up to the next round of Local Area Agreements (LAAs), working with county, district and unitary authorities across the area.

Financial planning and the deployment of resources is integral to the business planning and review process. The majority of budgets are deployed to the Assistant Directors or to specialist managers. Robust and timely financial management information is available to budget holders

Processes

TVP designs processes and ways of working to implement either national or local policy and in order to help it achieve defined standards and targets. Processes are in place for both operational and support services, and in some instances, TVP has involved customers and stakeholders in process design in order to better meet their needs e.g. with the court service.

During 2007/08 the Thames Valley Quality Improvement Performance System (TV QuIPS) was introduced, and this has continued to be developed during 2008/09. It was developed from an application used by Wiltshire Probation Area and adapted to meet the specific needs of Thames Valley. The system allows the monitoring of the accuracy and quality of risk assessment to provide managers with more 'current' performance information. It incorporates other measures to support performance against the OMI (Offender Management Inspection) action plan and IPPF (Integrated Probation Performance Framework) targets.

Revamped arrangements in relation to diversity, in the form of a high level Diversity Monitoring Group and an operational Diversity In Service Delivery Group, were put in place early in 2008/09 to provide the basis for a more responsive and inclusive service delivery model that would dovetail with the Integrated Offender Management development.

The use of area development groups is widely used to improve processes for offender management. Service Level Agreements have been developed between offender management and interventions to help define processes to the benefit of both.

B. Results

Customer Results

Performance Indicator	Description	2008/09 Result	2008/09 Target
OM7 <i>Victim contact</i>	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.	99%	90%
INT 9 <i>Employment at termination</i>	The percentage of offenders in employment at termination of their order or licence to be at least 40%.	54%	40%
INT 8 <i>Sustained employment</i>	The number of offenders who find and sustain employment.	No. 400	No. 368
OM17 <i>Accommodation at termination</i>	The percentage of offenders in settled and suitable accommodation at the end of their order or licence.	77%	70%
OM19 <i>Education referrals</i>	Number of referrals to the LSC under OLASS.	No. 1,827	No. 1,316

People Results

Performance Indicator	Description	2008/09 Result	2008/09 Target
IPPF8 Sickness absence	Reduce sickness absence in the National Probation Service to an average of 11.5 days per member of staff per year.	11.1 days	11.5 days
IPPF9 Ethnic Monitoring	Proportion of race and ethnic monitoring data on (a) staff and (b) offenders which is returned on time and using the correct (Census 2001) classifications.	98%	95%

Key Performance Results

Performance Indicator	Description	2008/09 Result	2008/09 Target
OM1 Court report timeliness	The percentage of Pre-sentence Reports (PSRs) (excluding RICs) completed within the timescales set by the Court.	98%	90%
OM2 RIC PSRs for Magistrates Courts	The percentage of RIC PSRs for Magistrates Courts completed within 10 working days.	57%	80%
OM3 End to end enforcement	To achieve an average of 35 working days from the relevant unacceptable failure to comply to resolution of the case; and to resolve 60% of breaches of Community Orders within 25 working days of relevant failure to comply.	58%	60%
OM4 License recall requests	100% of Licence recall requests to reach NOMS Post Release Section within 24 hours of the decision by the Offender Manager.	89%	90%
OM5 Enforcement	The percentage of cases in which initiation of breach proceedings took place within 10 working days of the relevant unacceptable failure to comply.	94%	90%
OM6 Cases reaching six months without requiring breach action	The percentage of cases that reach the six month stage without requiring breach action, to be no less than 70%.	75%	70%
OM8 Tier 2 & 3 OASys timeliness	The percentage of Tier 2 (where appropriate) and Tier 3 cases in which OASys assessments were completed or updated within the appropriate timescales.	74%	85%
OM9 Tier 4 OASys timeliness	The percentage of Tier 4 cases in which OASys assessments were completed or updated within the appropriate timescales.	73%	90%

Performance Indicator	Description	2008/09 Result	2008/09 Target
OM10 PPO OASys timeliness	The percentage of PPO cases in which OASys assessments were completed or updated within the appropriate timescales.	77%	90%
OM11 Tier 2 & 3 OASys final reviews	The percentage of Tier 2 (where appropriate) and Tier 3 cases in which OASys termination reviews were completed or updated within the appropriate timescales	72%	80%
OM12 Tier 4 OASys final reviews	The percentage of Tier 4 cases in which OASys termination reviews were completed or updated within the appropriate timescales.	67%	80%
OM13 PPO OASys final reviews	The percentage of PPO cases in which OASys termination reviews were completed or updated within the appropriate timescales.	55%	80%
OM14 OM Phase 2 or 3 OASys assessments	The percentage of prisoners subject to OM Phase 2 or 3 for whom OASys assessments were completed or updated within the appropriate timescales.	95%	90%
OM15 Parole assessment report timeliness	The percentage of parole eligible cases in which the Parole Assessment Report was provided within the required timescale.	93%	90%
OM16 Risk management plan timeliness	The percentage of medium/high/very high risk of harm offenders for whom a Risk Management Plan was completed within the appropriate timescales.	72%	80%
OM18 PPO drug testing condition	The percentage of PPOs on Licence for a trigger offence that have a drug testing condition inserted into their licence.	74%	90%
OM 20 Order or license successfully completed	The percentage of Orders & Licences successfully completed to be not less than 70%.	69%	70%
INT 1 Sex offender performance programme	The number of accredited sex offender programme completions to be at least 60.	No. 64	No. 60
INT 2 Domestic violence performance programme	The number of accredited domestic violence programme completions to be at least 100.	No. 143	No. 100
INT 3 Accredited OBP performance (excl. SOTP and DV)	The number of accredited offending behaviour programme completions to be at least 306 (excluding sex offender and domestic violence).	No. 435	No. 306
INT 4 Accredited OBP starts	The percentage of accredited programme starts that meet the OGRS eligibility criteria where relevant to be at least 90%.	89%	90%

Performance Indicator	Description	2008/09 Result	2008/09 Target
INT 5 Unpaid work performance	The number of unpaid work completions to be at least 1,478.	No. 1,956	No. 1,478
INT 6 DRR performance	The number of Drug Rehabilitation R completions to be at least 218	No. 267	No. 218
INT 7 ATR performance	The number of Alcohol Treatment Requirements (ATR) completions to be at least 20.	No. 22	No. 20
INT 11 Unpaid works stand-downs	The percentage of Unpaid Work offender days which are lost because of stand-downs on the day to be less than 5%.	5.6%	5%
INT 12 DRR starts	The percentage of DRR starts.	No. 549	No. 469

C. Workload and Activity Statistics

Commencements by Order Type 2008/09

Order Type	No.
Adult Statutory Through Care	531
Community Punishment & Rehabilitation (Punishment)	67
Community Punishment & Rehabilitation (Rehabilitation)	21
Community Order	3,982
Community Punishment Order	79
Community Rehabilitation Order	25
CPO for Breach	13
Detention and Training Order	1
Deferred Sentence	1
Discretionary Conditional Release (post Oct 92)	12
Extended Public Protection	13
Extended Supervision for Sex Offender	1
Extended Supervision for Violent Offender	1
Indeterminate Public Protection	28
Life Imprisonment	17
Psychiatric Order	2
S105. Post Release Licence	12
Standard Determinate Custody (CJA)	351
Suspended Sentence Order	1,441
Voluntary Through Care	10
Young Offender Institution	286
Young Offender Statutory Through Care	150
Total	7,044

Commencements	2008/09	2007/08	2006/07
Orders	5,843	6,891	6,900
Licences	1,201	1,161	923
Total	7,044	8,052	7,823

Reports written by Court & Report Type 2008/09

Report Type	Crown Court	Magistrates' Court	Youth Court	Total
Standard Delivery	1,585	2,870	3	4,458
Fast Delivery	190	973	2	1,165
Oral	73	1,980	-	2,053
Addendum/Deferred Report	74	118	-	192
Deferred Sentence Report	8	25	-	33
Further Assessment	17	73	-	90
No Contact Report	3	10	-	13
Report on Appeal	1	3	-	4
Total	1,951	6,052	5	8,008

Unpaid Work Hours

Unpaid Work Hours Ordered and Worked	2008/09	2007/08
Ordered	379,210	359,441
Worked	258,127	239,416

Caseload

<i>Order Type</i>	<i>2008/09</i>	<i>2007/08</i>
Adult Statutory Through Care	1,245	1,414
Community Punishment & Rehabilitation (Punishment)	43	51
Community Punishment & Rehabilitation (Rehabilitation)	21	24
Community Order	2,886	3,239
Community Punishment Order	97	177
Community Rehabilitation Order	36	85
CPO for Breach	14	36
Detention & Training Order	2	-
Discretionary Conditional Release (post Oct 92)	252	262
Drug Treatment & Testing Order	-	2
Extended Public Protection	47	35
Extended Supervision for Sex Offender	22	31
Extended Supervision for Violent Offender	5	2
Indeterminate Public Protection	134	94
Life Imprisonment	280	273
Psychiatric Order	3	1
S105. Post Release Licence	6	7
Standard Determinate Custody (CJA)	419	179
Suspended Sentence Order	1,197	1,219
Voluntary Through Care	5	3
Young Lifer	-	1
Young Offender Institution	97	116
Young Offender Statutory Through Care	261	305
Total	7,072	7,556

D. Names of Board Members & Official Contact Address

Thames Valley Probation Head Office,
Kingsclere Road, Bicester, Oxon
OX26 2QD
01869 255300

Board Secretary: Richard Lawrence-Wilson

Board Members:

Malcolm Fearn (Chair)
Gerry Marshall (Chief Officer)
Yashpaul Anderson
Hirak Chakravarty
Michael Day
Annette Griffiths (until 28th February 2009)
Arif Hussain
Honor Juniper
Ian Menzies-Conacher
Michael Nolan
Phillip Perlin
Sue Seager
Her Honour Judge Zoe Smith

Two Board members, Robert Evans and Richard Stokes, served on the Board for two consecutive 3 year periods, which came to an end on the 31st March 2008. They were not eligible for re-appointment.

Annette Griffiths served on the Board for one 3 year period and did not seek re-appointment.

Management Commentary

Part 2: Financial Review & Remuneration Report

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. Thames Valley Board is a corporate body, which came into existence on April 1, 2001.

Accounts

Thames Valley Probation Board is required under Schedule 1, paragraph 16(1) of the 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.

Under Schedule 1, paragraph 16(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

Thames Valley Probation Board covers the Thames Valley police area, as defined in Schedule 1 of the Police Act 1996, serving a population of about 2,200,000. During the year, the Board employed some 600 full time equivalent staff that worked from 14 office sites, 5 approved premises and 6 Prisons across the area.

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

The discharge of policies as established by the National Offender Management Service (NOMS), are designed to ensure:

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

The Chief Officer (CO) is a statutory office holder appointed by the Secretary of State. The CO is the Accountable Officer for the Board 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.

Pension Liabilities

Employees of the Board are members of the Local Government Pension Scheme. Details of pension arrangements are set out in Note 3 to the Accounts.

Appointments

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

The Lord Chancellor appointed Her Honour Judge Zoe Smith to the Board from among judges of the Crown Court. The emoluments of this appointee are paid from the Lord Chancellor's Department.

Public Interest

The Board operates a policy of equal opportunities, regardless of gender, race, disability, sexuality, age, ethnicity or sexual orientation.

The Board observes the principles of the CBI "Prompt Payment" Code and aims to pay all approved invoices within 30 days. In 2008/09, 91% of undisputed invoices were paid within 30 days (2007/08: 92%).

Management

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

Gerald Marshall (Chief Officer), Malcolm Fearn (Chair), and

Yashpaul Anderson, Hira Chakravarty, Michael Day, Annette Griffiths, Honor Juniper, Ian Menzies-Conacher, Michael Nolan, Phillip Perlin, Sue Seager and Her Honour Judge Zoe Smith (as members).

The Remuneration Report contains information about the Management Boards' remuneration.

External Accountability

Under paragraphs 16-17 of Schedule 1 of the Criminal Justice and Court Services Act 2000, the Board 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 Thames Valley Probation Board. Their Certificate and Report is included at pages 23.

Post Balance Sheet Events

There were no material events after the balance sheet date.

Remuneration Report

Name	Role	2008-09		2007-08	
		Salary	Benefits in Kind	Salary	Benefits in Kind
		£000	(to nearest £100)	£000	(to nearest £100)
Gerald Marshall	Chief Officer	85-90	None	80-85	None
Malcolm Fearn	Chair	15-20	None	15-20	None
Yashpaul Anderson	Board Member	0-5	None	0-5	None
Hirak Chakravarty	Board Member	0-5	None	0-5	None
Michael Day	Board Member	0-5	None	0-5	None
Ian Menzies-Conacher	Board Member	0-5	None	0-5	None
Michael Nolan	Board Member	0-5	None	0-5	None
Phillip Perlin	Board Member	0-5	None	0-5	None
Honor Juniper	Board Member	0-5	None	0-5	None
Sue Seager	Board Member	0-5	None	0-5	None
HH Judge Zoe Smith	Board Member	0-5	None	0-5	None
Annette Griffiths	Board Member	0-5	None	0-5	None

Pension Benefits

Name	Real increase in pension & related lump sum at age 65	Total accrued pension at aged 65 at 31 March 2009 & related lump sum	CETV at 31 March 2009	CETV at 31 March 2008	Real increase in CETV	Employer Contribution to partnership pension account
	£000	£000	£000	£000	£000	(to nearest £100)
Gerald Marshall Chief Officer	0 – 2.5 Plus lump sum of -1 – 0	35 – 40 Plus lump sum of 110 – 115	875	813	16	6,400

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

With the exception of the Chief Officer, no other Board member received any pension benefits.

Gerald Marshall
Chief Officer and
Accountable Officer for the Board
18 June 2009

Richard Lawrence-Wilson
Board Secretary

18 June 2009

Statement of Accountable Officer's Responsibilities

Under the Schedule 1, paragraph 17(1) (b) of the Criminal Justice and Court Services Act 2000, the Secretary of State has directed the Thames Valley Probation Board 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 board 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 board 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 judgments and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the *Government Financial Reporting Manual* have been followed, and disclose and explain material departures in the financial statements, and
- Prepare the financial statements on a going concern basis.

The Secretary of State has appointed the Chief Officer as the Accountable Officer of the Board. 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 boards' assets, are set out in the Accountable Officers' Memorandum issued by the Secretary of State and published in *Managing Public Money* produced by HM Treasury. Under the terms of the Accountable Officers' Memorandum, the relationship between the Department's and boards' Accountable Officers, together with their respective responsibilities, is set out in writing.

Statement on the System of Internal Control

Scope and Responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of internal control that supports the achievement of Thames Valley policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Government Accounting. This structure is also supported by a Board and Audit committee created through the Criminal Justice and Court Services Act 2000, which reports to the Director of Probation who is the Accountable Officer of the National Probation Service.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of departmental policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The system of internal control has been in place in Thames Valley for the year ended March 31, 2009 and up to the date of approval of the annual report and accounts, and accords with Treasury guidance.

Capacity to Handle Risk

The Board takes responsibility for risk and determines the risk appetite of the organisation. The Board members and senior managers have undergone risk training which contained best practice to ensure that members fully understand the processes and responsibilities in relation to risk and to ensure that a relevant risk control framework was incorporated into Thames Valley Probation. Middle managers within Thames Valley Probation have also undergone in house training in order that they understand and can participate within the risk identification, evaluation and review process which is contained within the quarterly Business Planning process. Guidance notes have also been produced to assist all staff in participating within this risk review process relevant to the part of the organisation they are in. A continual review of practice has been undertaken and review by Internal Audit.

The Risk and Control Framework

Risk has been integrated into the quarterly Business Planning and Review process so that those risks assessed as most significant to the organisation are regularly reviewed. Each risk is allocated to a senior manager and progress is monitored against agreed actions. The risk register is reviewed by the Audit Committee and agreed by the Board at which point the appetite for the risks identified is assessed and agreed.

Risk management is supported by a Risk Policy and is designed to ensure that risk management is embedded in the whole organisation.

Review of Effectiveness

As Accountable Officer, I also have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, the executive manager with responsibility for the development and maintenance of the internal control framework and comments made by the external auditors in their management letter and other reports. I have been advised on the implications of the result of my review of the effectiveness of the system of internal control by the Board and Audit Committee and where weaknesses have been identified actions have been planned to ensure continuous improvement of the system is in place.

An Assurance Stocktake plan is produced at the start of the year which is reviewed throughout the year. This process identifies fundamental objectives of the organisation and against each one of these objectives the controls currently in place are defined so that assurance can be provided.

Some of the key processes which have been in place for a number of years are as follows:

- Board and Audit Committee regular review of risks and progress against identified weaknesses.
- Management control through reporting, review, processes, procedures, training, supervision and appraisal.
- Quarterly Business Planning and Review process which is embedded throughout the organisation which includes organisational risk.
- Internal Audit independent assessment based on a plan agreed nationally and locally and report to the Audit Committee.
- External Audit independent assessment and report to the Audit Committee and Board.
- National monitoring of performance and expenditure by NPD and reported to the Chief Officer and Board Chair.
- HMIP reviews reported to the Chief Officer and Board Chair.

In addition to the actions listed above, the following has been undertaken during 2008/09:

- The establishment of a Business Process Improvement function which is tasked with undertaking a series of Value For Money projects across the organisation to identify efficiency savings with a link to business process re-engineering.
- The use of organisational risk software has been embedded into the organisation to ensure that current timely reports on risk are available to assist the management of the organisation and can be reported to the Audit Committee and Board.

Information Security

We have reviewed our information security arrangements and aim to implement good practice in this area.

The Board has an information security policy which is published to all staff. This policy sets out the organisation's and each individual's responsibility to protect information against unauthorised disclosure, transfer, modification, or destruction whether accidental or intentional. In addition to the policy there are information security guidelines, which give an introduction to information security, and a leaflet designed to raise awareness of the issues. There are also data protection act guidelines, which broadly set out the

requirements of the act and both corporate and individual responsibilities as prescribed by the act. New members of staff are informed of these policies and guidelines as part of their induction.

There is an Information Security Forum chaired by the Director of Interventions which meets quarterly to consider future developments in information security. There are regular office inspections to ensure that staff are complying with the information security policy and guidelines, the results of which are reported to the relevant line manager and considered by the Information Security Forum and published on the intranet.

I also undertake a self assessment of our information security arrangements as part of the re-accreditation submission to access the government secure intranet (GSI), and I believe our arrangements to be adequately managed.

The internal auditor also recently undertook an audit of information security and concluded that our arrangements were adequately controlled.

Although this does not eliminate all risk, the major areas of residual risk lie with NOMS naturally and are not in the control of the local Board.

Gerald Marshall
Chief Officer and Accountable Officer for the Board
18 June 2009

Independent auditor's report to the Members of the Board of Thames Valley Probation Board

Opinion on the financial statements

I have audited the financial statements of Thames Valley Probation Board the year ended 31 March 2009 under the Audit Commission Act 1998. The financial statements comprise the Operating Cost Statement, the Balance Sheet, the Cashflow Statement, the Statement of Total Recognised Gains and Losses 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 Thames Valley Probation Board in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 36 of the Statement of Responsibilities of Auditors and of Audited Bodies prepared by the Audit Commission.

Respective responsibilities of the Accountable Officer and auditors

The Accountable Officer's responsibilities for preparing the financial statements in accordance with the Criminal Justice and Court Services Act 2000 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 Secretary of State under the Criminal Justice and Court Services Act 2000. 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 Secretary of State under the Criminal Justice and Court Services Act 2000. 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 Board's compliance with HM Treasury's Financial Reporting Manual and the National Offender Management Services Finance Manual for 2008/09. 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 Probation Board'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, the management commentary and the Operating and Financial 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 Probation Board'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 the Secretary of State under the Criminal Justice and Court Services Act 2000, of the state of the Probation Board's affairs as at 31 March 2009 and of its net operating costs, recognised gains and losses and cash flows for the year then ended;
- the part of the Remuneration Report to be audited has been properly prepared in accordance with the accounting policies directed by the Secretary of State under the Criminal Justice and Court Services Act 2000;
- 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 board'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 Probation Board 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 boards specified by the Audit Commission. I report if significant matters have come to my attention which prevent me from concluding that the Probation Board has made such proper arrangements. I am not required to consider, nor have I considered, whether all aspects of the Probation Board'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 boards specified by the Audit Commission and published in January 2009, I am satisfied that, in all significant respects, Thames Valley Probation Board made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2009.

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.

Mick West
Officer of the Audit Commission
Unit 5, Isis Business Centre, Horspath Road, Cowley, OX4 2RD
9 July 2009

Operating Cost Statement for the year ended 31 March 2009

	Notes	2008-2009		2007-2008	
		£000	£000	£000	£000
Administration Costs:					
Staff costs	2(a)	21,551		19,396	
Other administration costs	4(a)	6,788		6,007	
Income	6(a)	(1,078)		(647)	
Net Administration Costs		27,261		24,756	
Programme Costs:					
Staff costs	5(a)	0		0	
Programme costs	5(b)	0		0	
Income	6(b)	0		0	
Net Programme Costs		0		0	
Net Operating Costs			27,261		24,756

All income and expenditure is derived from continuing operations.

Statement of Recognised Gains and Losses

for the year ended 31 March 2009

	Notes	2008-2009		2007-2008	
		£000	£000	£000	£000
Net gain/(loss) on revaluation of tangible fixed assets	7	1		0	
Receipt of donated assets	13(b)	0		0	
Actuarial gain/(loss) relating to the pension scheme	3(i)	(8,349)		2,058	
Recognised gains and losses for the financial year		(8,348)		2,058	

The notes on pages 29 to 43 form part of these accounts

Balance Sheet as at 31 March 2009

	Notes	31 March 2009		31 March 2008	
		£000	£000	£000	£000
Fixed Assets:					
Tangible fixed assets	7		103		0
Debtors falling due after more than one year	8		0		0
Current Assets:					
Debtors	8	710		972	
Cash at bank and in hand	9	<u>2,001</u>		<u>169</u>	
		2,711		1,141	
Creditors (amounts falling due within one year)	10	<u>(1,825)</u>		<u>(1,871)</u>	
Net current assets/(liabilities)			<u>886</u>		<u>(730)</u>
Total assets less current liabilities			<u>989</u>		<u>(730)</u>
Creditors (amounts falling due after more than one year)	10	0		0	
Provisions for liabilities and charges	11	<u>(742)</u>		<u>(577)</u>	
Net assets/(liabilities) excluding pension liability			<u>247</u>		<u>(1,307)</u>
Pension Liability	3		(14,060)		(4,655)
Net assets/(liabilities) including pension liability			<u>(13,813)</u>		<u>(5,962)</u>
Taxpayers' equity:					
General fund	12		(13,821)		(5,969)
Revaluation reserve	13(a)		8		7
Donated asset reserve	13(b)		0		0
			<u>(13,813)</u>		<u>(5,962)</u>

(Signed) _____ (Accountable Officer)

(Date) _____

(Signed) _____ (Treasurer)

(Date) _____

Cash Flow Statement for the year ended 31 March 2009

		2008-2009	2007-2008
	Notes	£000	£000
Net cash outflow from operating activities	14(a)	(26,095)	(25,112)
Capital expenditure and financial investment	14(b)	(103)	0
Financing	14(c)	28,030	24,118
Increase / (decrease) in cash in the period		1,832	(994)

The notes on pages 29 to 43 form part of these accounts

Notes to the Accounts**1 Statement of Accounting Policies**

These financial statements have been prepared in accordance with the 2008-09 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained follow generally accepted accounting practice for companies (UK GAAP) to the extent that it is meaningful and appropriate to the public sector. Where the FReM permits a choice of accounting policy which has been judged to be most appropriate and gives a true and fair view has been selected. The Probation Board accounting policies have been applied consistently to 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 fixed assets.

1.2 Going concern

The balance sheet at 31 March 2009 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 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 the NPS is part. Under Government Finance 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 NPS liabilities is accordingly to be met by future grants of Supply to the Ministry of Justice and the application of future approvals annually by Parliament. Such approval for amounts required for 2009-10 has already been given and there is no reason to believe that future approvals will not be forthcoming. It has 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 fixed asset is £5,000, inclusive of any irrecoverable VAT element, where appropriate. Tangible assets have been stated at current cost using indices appropriate to the category of asset.

All land and building fixed assets used by Probation Board are managed and owned centrally by the Ministry of Justice and are recorded on their Balance Sheet. The cost of using those assets within Note 4 (a), other administration costs under "accommodation, maintenance & utilities". The charge to the Probation Board does not represent the full cost incurred by the Ministry of Justice but 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.

1.4 Depreciation

Tangible fixed 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 fixed 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 and the 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 Board. It comprises of rent receivables, income from EU sources, income from other Government departments and miscellaneous income. Fees and charges for services are recovered on a full cost basis in accordance with the Treasury's Fees and Charges guide.

The Probation Board 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 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 administration or as programme income of administration costs set out in the FReM by H.M. Treasury. Administration costs reflect the costs of running the Probation Board together with associated operating income. Programme income is 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 Board, 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 fixed
 - 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 independently of the investments of the scheme and employers are obliged to make additional contributions where assets are insufficient to meet retirement benefits. Under the LGPS 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 a central government entity has a share of a local government (or other) pension scheme liability on its balance sheet, then that entity will use a discount rate determined by the appropriate 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 FRS17 pension liability and other disclosures. Where the actual asset values at 31 March 2008 are different to those estimates and the impact on the Probation Board's share of the asset values are material, a disclosure within the Local Notes reflecting the extent of the material difference is made.

The actuarial approach to estimating the asset values at 31 March is unlikely to change in future years and as material differences could continue to appear again, local Boards should state between the estimated and actual asset values within their Local Notes. In accordance with 'Amendment to FRS17' quoted securities in 2008/09 are required to be valued at their bid price; previous mid price. The effect of this change must be captured in the actuarial gains/losses on assets in 2008/09 rather than restating the 2007/08 asset figures.

1.11 Early Departure Costs

The Probation Board is required to meet the additional costs of benefits beyond the normal pension benefits in respect of employees who retire early. The Probation Board's policy is to provide cost when the early retirement programme has been announced and is binding on the Probation Board. Where the effect of the time value of money is significant, the estimated risk-adjusted cost is 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 Board, the asset is recorded as a tangible fixed asset and a debt is recorded to the lessor. Lease payments are 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. Other leases are regarded as operating leases and the rentals are charged to the Operating Cost Statement on a straight-line basis over the period 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 Board, the property is recognised as a fixed asset and the liability to pay for it is accounted for as a 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

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 them and are also reflected elsewhere in the statements for example in the Cash Flow statement. (Most bodies covered by the Financial Reporting Manual do not receive grants, and are financed by parliamentary funding).

Financing of Training Consortia

Part of the funding that goes to the Probation Boards 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 to the Areas who co-ordinate the Training funds and a percentage to the remaining Probation Boards.

1.15 Provisions

The Probation Board provides for legal or constructive obligations which are of uncertain timing or amount at the balance sheet date 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

Most of the activities of the Probation Board 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 fixed 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:**

	2008-2009		
	£000	£000	£000
	Total	Permanently - employed staff	Others
Wages and salaries	18,890	18,059	831
Social security costs	1,354	1,354	0
Other pension costs	3,141	3,141	0
Sub Total	23,385	22,554	831
Less recoveries in respect of outward secondments	(1,834)	(1,834)	0
Total net admin costs	21,551	20,720	831
Net programme costs	0	0	0
Total Staff Costs	21,551	20,720	831

The Local Government Pension Scheme is a funded multi-employer defined benefit scheme. The Probation Board's share of the underlying assets and liabilities are shown below

Three persons (2007-08: No persons) retired early on redundancy grounds; the total additional accrued pension liabilities in the year amounted to £107,000 (2007-08: £Nil).

2(b) Average number of persons employed

	2008-2009		
	Total	Permanently - employed staff	Others
	696	621	75
	696	621	75

3 Pension Costs

Pension benefits are provided through the LGPS. This is a statutory fully funded scheme which provides benefits on a "final salary" basis at a normal retirement age of 65. Benefit of 1/80th of pensionable salary plus a lump sum equivalent to 3/80th of pensionable pay for each year of service is payable on retirement. Members have paid contributions of 6.0 earnings up to the 31/3/09. Pensions payments are increased in line with the Retail Prices Index. On death, pensions are payable to the surviving spouse. On death in service the lump sum benefit of twice pensionable pay and also provides a service enhancement on the spouse's pension. Medical retirement is possible in the event of serious ill-health. In 1 are brought into payment immediately. Changes in the scheme relating to contributions and benefits accruing came into effect from 1/4/08. Scheme Administration is by the Royal Windsor and Maidenhead. Actuaries Barnett Waddingham used in the FRS17 calculations, an estimate of the number of employees, deferred pensioners, pensioners and new ea employer and employee contributions and actual fund assets and fund returns as at 28/2/09.

3(a) A full actuarial valuation was carried out at 31 March 2007 by Barnett Waddingham. For 2008-09, employers' contributions of £2,173k were payable to the LGPS (2007-08 £2,413 The schemes' Actuary reviews employer contributions every three years following a full scheme valuation. The contribution rates reflect benefits as they are accrued, not when the incurred, and reflect past experience of the scheme.

Partnership accounts are excluded under FRS17

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

Employer's contributions for 2008-09 were 14% of salaries; and,
 Employer's contributions for 2009-10 will be 14% of salaries; and
 Employer's contributions for 2010-11 will be 14% of salaries.

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

	31 March 2009
	%
Inflation assumption	3.0%
Rate of increase in salaries	4.5%
Rate of increase for pensions in payment and deferred pensions	3.0%
Discount rate	6.7%
Mortality Assumptions	
The post retirement mortality tables adopted by the actuary were the PA92 series projected to calendar year 2007 for current pensioners and 2017 for non-pensioners with a -2 year age rating and a 90% scaling factor.	

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

	rate of return at 31 March 2009 %	Value at 31 March 2009 £000	rate of return at 31 March 2008 %
Equities	7.4%	19,289	7.9%
Government Bonds	4.0%	2,946	4.5%
Other Bonds	6.5%	4,528	6.6%
Property	5.5%	3,349	5.9%
Other	3.0%	900	5.0%
Total	0.0%	31,012	0.0%
(Present value of scheme liabilities)		(45,072)	
Deficit of the scheme		(14,060)	
Net Pension Liability		(14,060)	

3(d) Pension Cost	2008-2009			
	£000			
Current service cost				2,811
Past service cost				223
Effect of Curtailment or Settlement				107
Total operating charge				3,141
3(e) Analysis of amount credited to other finance income or debited to other finance charge	2008-2009			
	£000			
Expected return on pension scheme assets				(3,109)
Interest on pension scheme liabilities				3,196
Net return				87
3(f) Changes to the present value of liabilities during the year	2008-2009			
	£000			
Opening present value of liabilities				47,292
Current service cost				2,811
Interest cost				3,196
Contributions by Members				990
Actuarial (gains)/losses on liabilities *				(8,081)
Benefits paid				(1,466)
Past service costs				223
Curtailments/Settlements				107
Closing present value of liabilities				45,072
<i>* Includes changes to actuarial assumptions</i>				
3(g) Changes to the fair value of assets during the year	2008-2009			
	£000			
Opening fair value of assets				42,637
Expected return on assets				3,109
Actuarial gains/(losses) on assets				(16,430)
Contributions by the Employer				2,172
Contributions by Members				990
Benefits paid				(1,466)
Net increase from disposals and acquisitions				0
Settlements				0
Closing fair value of assets				31,012
3(h) Actual return on assets	2008-2009			
	£000			
Expected return on assets				3,109
Actuarial gains/(losses) on assets				(16,430)
Actual return on assets				(13,321)
3(i) Analysis of amount recognised in SRGL	2008-2009			
	£000			
Total actuarial gains/(losses)				(8,349)
Cumulative actuarial gains/(losses)				(6,187)
3(j) History of asset values, present values of liabilities, surplus/deficit and experience gains and losses	2008-2009	2007-2008	2006-2007	2005-2006
	£000	£000	£000	£000
Fair value of assets	31,012	42,637	45,658	40,596
Present value of liabilities	45,072	47,292	53,126	41,434
Surplus / (Deficit)	(14,060)	(4,655)	(7,468)	(838)
Experience gains / (losses) on scheme assets:	0	(1,807)	0	0
Experience gains / (losses) on scheme liabilities:	0	3,305	0	0

	2008-2009		2007-
	£000	£000	(Rest: £000)
4 Other Administration Costs			
Rentals under operating leases	0		0
Interest charges	0		0
Finance charges/(income) - pension costs	87		(455)
Accommodation, maintenance and utilities	2,245		2,270
Travel, subsistence and hospitality	933		1,420
Professional services	370		200
IT services	634		574
Communications, office supplies and services	945		696
Other staff related	402		496
Offender Costs	1,055		812
Other expenditure	162		100
Auditors' remuneration and expenses	45		42
		6,878	
Non-cash items			
Depreciation	1		0
Impairment of fixed assets	0		0
Profit on disposal of fixed assets	0		0
Loss on disposal of fixed assets	0		0
Cost of capital charges	(308)		(164)
Early retirement provision provided for in year	77		16
Other provisions provided for in year	140		0
		(90)	
Total		6,788	
			(Restated due to reclassification of exp

5 Programme Costs**5(a) Staff Costs**

	2008-2009		
	Total	Permanently -	
		Employed staff	Others
Wages and salaries	0	0	0
Social security costs	0	0	0
Other pension costs	0	0	0
Sub total	0	0	0
Less recoveries in respect of outward secondments	0	0	0
Net programme staff costs	0	0	0

5(b) Other Programme Costs

Current expenditure	0
Total Programme Costs	0
	(Restated due to restatement of progr

6 Income**6(a) Administration Income**

	2008-2009		2007-
	£000	£000	(Rest: £000)
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
		0	
EU funding: direct contributions to Board activities		0	
Income receivable: from other government bodies		552	
Miscellaneous Income		481	
		1,033	
Operating Income to be Surrendered			
Interest received:			
From bank	45		81
From car loans	0		0
From other sources	0		0
Total operating income to be surrendered		45	
Total Administration Income		1,078	

6(b) Programme Income

EU funding	0		0
Other programme income	0		0
Total Programme Income		0	
Total Operating Income		1,078	
			(Restated due to reclass

	2008-2009			
	Information Technology £000	Plant & Equipment £000	Furniture and Fittings £000	Vehicles £000
Cost or valuation				
At 1 April 2008	0	0	0	10
Additions	0	0	0	103
Donations	0	0	0	0
Net Transfers In/Out	0	0	0	0
Disposals	0	0	0	0
Revaluations	0	0	0	0
Indexation	0	0	0	1
Impairment	0	0	0	0
At 31 March 2009	0	0	0	114
Depreciation				
At 1 April 2008	0	0	0	10
Charged in year	0	0	0	1
Net Transfers In/Out	0	0	0	0
Disposals	0	0	0	0
Revaluations	0	0	0	0
Indexation	0	0	0	0
Impairment	0	0	0	0
At 31 March 2009	0	0	0	11
Net Book Value at 31 March 2009	0	0	0	103
Net Book Value at 31 March 2008	0	0	0	0
Asset Financing:				
Owned	0	0	0	103
Finance Lease	0	0	0	0
Net Book Value at 31 March 2009	0	0	0	103
Revaluation analysis				
Net change to Revaluation (excluding Impairment)	0	0	0	1
Impairment	0	0	0	0
Statement of Recognised Gains and Losses	0	0	0	1

Notes:

There are no donated assets.

	2007-2008			
	Information Technology £000	Plant & Equipment £000	Furniture and Fittings £000	Vehicles £000
Cost or valuation				
At 1 April 2007	0	0	0	10
Additions	0	0	0	0
Donations	0	0	0	0
Net Transfers In/Out	0	0	0	0
Disposals	0	0	0	0
Revaluations	0	0	0	0
Indexation	0	0	0	0
Impairment	0	0	0	0
At 31 March 2008	0	0	0	10
Depreciation				
At 1 April 2007	0	0	0	10
Charged in year	0	0	0	0
Net Transfers In/Out	0	0	0	0
Disposals	0	0	0	0
Revaluations	0	0	0	0
Indexation	0	0	0	0
Impairment	0	0	0	0
At 31 March 2008	0	0	0	10
Net Book Value at 31 March 2008	0	0	0	0
Net Book Value at 31 March 2007	0	0	0	0
Asset Financing:				
Owned	0	0	0	0
Finance Lease	0	0	0	0
Net Book Value at 31 March 2008	0	0	0	0
Revaluation analysis				
Net change to Revaluation (excluding Impairment)	0	0	0	0
Impairment	0	0	0	0
Statement of Recognised Gains and Losses	0	0	0	0

Notes:

There are no donated assets.

8 Debtors
8(a) Analysis by type

31 March 2009

Amounts falling due within one Year:

	£000
Trade debtors	128
VAT	81
Deposits and advances	0
Debtors due from other Probation Boards (including Training Consortia)	0
Debtors due from Probation Trusts	0
Debtors due from NOMS Agency	396
Debtors due from the Ministry of Justice - HQ	0
Debtors due from HM Court Service (HMCS)	0
Debtors due from the Tribunal Service (TS)	0
Debtors due from the Office of Public Guardianship (OPG)	0
Other debtors	8
Prepayments and accrued income	97
	710

Amounts falling due after more than one Year:

Trade debtors	0
Deposits and advances	0
Other debtors	0
Prepayments and accrued Income	0
	0

Total Debtors at 31 March 2009

710

(Restated due to reclass)

8(b) Intra-Government Balances

Amounts falling due within one Year:

	31 March 2009	31 March 2008
	£000	£000
Balances with other central government bodies (inc parent dept)	402	505
Balances with local authorities	109	112
Balances with NHS Trusts	0	0
Balances with public corporations and trading funds	0	0
Subtotal: intra-government balances	511	617
Balances with bodies external to government	199	355
Total Debtors at 31 March 2009	710	972

Amounts falling due after more than one Year:

	31 March 2009
	£000
	0
	0
	0
	0
	0
	0
	0
	0

9 Cash at Bank and in hand

31 March 2009

	£000
Balance at 1 April	169
Net change in cash balances	1,832
Balance at 31 March	2,001
The following balances at 31 March are held at:	
Office of HM Paymaster General	0
Commercial banks and cash in hand	2,001
Balance at 31 March 2009	2,001

10 Creditors**10(a) Analysis by type****31 March 2009****Amounts falling due within one Year:**

	£000
VAT	0
Other taxation and social security	432
Trade creditors	421
Other creditors	91
Accruals and deferred income	534
Staff creditors	4
Bank overdraft	0
Creditors due to other Probation Boards (including Training Consortia)	29
Creditors due to Probation Trusts	0
Creditors due to NOMS Agency	0
Creditors due to the Ministry of Justice - HQ	0
Creditors due to HM Court Service (HMCS)	0
Creditors due to the Tribunal Service (TS)	0
Creditors due to the Office of Public Guardianship (OPG)	0
Unpaid pension contributions due to the pension scheme	269
Long Term Liabilities due within one year	0
Operating Income to be surrendered (Interest received)	45
Fixed asset accruals	0
	1,825

Amounts falling due after more than one Year:

Staff creditors	0
Other creditors	0
	0
	1,825

Total Creditors at 31 March 2009

(Restated due to reclas

10(b) Intra-Government Balances**Amounts falling due within one Year:**

	31 March 2009	31 March 2008
	£000	£000
Balances with other central government bodies (inc parent dept)	64	7
Balances with local authorities	30	3
Balances with NHS Trusts	0	0
Balances with public corporations and trading funds	0	0
Subtotal: intra-government balances	94	10
Balances with bodies external to government	1,731	1,861
Total Creditors at 31 March 2009	1,825	1,871

Amounts falling due after more than one Year:

	31 March 2009
	£000
	0
	0
	0
	0
	0
	0
	0

11 Provisions for Liabilities and Charges

31 March 2009

	Early Retirement and Pension Commitments Added Years £000	Other Provisions £000
Balance at 1 April 2008	577	0
Provided in the year	77	140
Provisions not required written back	0	0
Provisions utilised in the year	(52)	0
Balance at 31 March 2009	602	140

31 March 2008

	Early Retirement and Pension Commitments Added Years £000	Other Provisions £000
Balance at 1 April 2007	610	0
Provided in the year	16	0
Provisions not required written back	0	0
Provisions utilised in the year	(49)	0
Balance at 31 March 2008	577	0

Early Retirement and Pension Commitments

The Probation Board meets the additional costs of benefits beyond the normal Local Government Pension Scheme (LGPS) benefits in respect of employees who retire early by paying amounts annually to the LGPS over the period between early departure and normal retirement date. The Probation Board provides for this in full when the early retirement programme is binding on the Board by establishing a provision for the estimated payments discounted by the Treasury discount rate of 2.2 per cent in real terms.

Other

Other Provisions relate to staff restructuring costs. These costs were approved by the Thames Valley Probation Board in March 2009 and it is expected that all costs will be defrayed by 2009.

12 General Fund

	2008-2009 £000
Balance at 1 April	(5,969)
Financing activities:	
Net NOMS Financing received in year (excluding Training Consortia)	23,781
Training Consortia financing received from NOMS in the capacity as Lead Area	0
Training Consortia financing from NOMS received by the Area	1,297
Training Consortia financing received from the Areas within their consortia	0
Training Consortia financing transferred from the Lead Area to the Areas within their consortia	0
Training Consortia financing received from their Lead Area	63
Training Consortia financing transferred to their Lead Area	0
Training Consortia financing received by the Area from another non-lead Area	0
Training Consortia financing transferred from the Area to another non-lead Area	0
Recharges by NOMS for centrally provided services	2,970
Net transfers from Operating Activities:	
Net operating cost for the year	(27,261)
Operating income to be surrendered (Interest received)	(45)
Non-Cash Charges:	
Cost of capital charge	(308)
Net asset transfers in/(out)	0
Transferred from revaluation reserve	0
Actuarial gains and losses (SRGL)	(8,349)
Balance at 31 March 2009	(13,821)

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).

	2008-2009 £000
Balance at 1 April	7
Arising on revaluations during the year (net)	1
Transferred to General Fund	0
Balance at 31 March 2009	8

13(b) Donated Asset Reserve

	2008-2009 £000
Balance at 1 April	0
Additions during the year	0
Revaluations	0
Release to the Operating Cost statement	0
Balance at 31 March 2009	0

14 Notes to the Cash Flow Statement

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

	2008-2009 £000
Net operating cost	(27,261)
Adjustments for non-cash transactions	(90)
(Increase)/Decrease in debtors	262
Increase/(Decrease) in creditors	(46)
less movements in creditors relating to items not passing through the OCS	36
Adjustments for pension funding	1,056
Use of provisions	(52)
Net cash outflow from operating activities	(26,095)

14(b) Analysis of capital expenditure and financial investment

	2008-2009 £000
Tangible fixed assets additions	(103)
Plus opening balance for fixed asset accruals	0
Minus closing balance for fixed asset accruals	0
Minus proceeds of disposal of fixed assets	0
Net cash outflow from investing activities	(103)

14(c) Analysis of financing

	2008-2009 £000
Net NOMS Financing received in year (excluding Training Consortia)	23,781
Training Consortia financing received by the Lead Area from NOMS	0
Training Consortia financing received by the non-lead Area from NOMS	1,297
Training Consortia financing received from the area within their consortia	0
Training Consortia financing transferred from the Lead Area to the boards within their consortia	0
Training Consortia financing received from their Lead Area	63
Training Consortia financing transferred to their Lead Area	0
Training Consortia financing received by the Area from another non-lead board	0
Training Consortia financing transferred from the Area to another non-lead board	0
Recharges by NOMS for centrally provided services	2,970
Consolidated Fund Extra Receipts received in prior year surrendered (Interest Received)	(81)
Net financing	28,030

15 Capital Commitments

Capital commitments at 31 March for which no provision has been made:
 Committed
 Authorised but not contracted
Total

31 March 2009
£000
0
0
0

16 Commitments Under Leases
Operating Leases

Commitments under operating leases to pay rentals during the year following the year of these accounts are given in the table below, analysed according to the period in the which expires.

Obligations under operating leases comprise:

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

2008-2009
£000
0
0
0
0

17 Other financial commitments

--

Expiry within 1 year
 Expiry within 2 to 5 years
 Expiry thereafter
Total

2008-2009
£000
0
0
0
0

18 Financial Instruments

As the cash requirements of the Board are met through the Estimates process, financial instruments play a more limited role in creating risk than would apply to a non-public sector size. The majority of financial instruments relate to contracts to buy non-financial items in line with the Board's expected purchase and usage requirements and the Board is therefore not exposed to significant credit, liquidity or market risk.

19 Contingent Liabilities

No material contingent liabilities exist at the balance sheet date.

20 Contingent Liabilities not required to be disclosed under FRS 12 but included for parliamentary reporting and accountability purposes

No material contingent liabilities exist at the balance sheet date. The Board has not entered into any quantifiable contingent liabilities by offering guarantees, indemnities or by giving letters of comfort.

	1 April 2008 £000	Increase in Year £000	Liabilities crystallised in year £000	Obligation expired in year £000	31 March 2009 £000
Guarantees (listed)					
Indemnities (listed)					
Letter of comfort (listed)					

As the cash requirements of the Board are met through the Estimates process, financial instruments play a more limited role in creating risk than would apply to a non-public sector size.

21 Losses and Special Payments

Losses Statement	2008-2009		2007-2008	
	Number of Cases	Total Value £000	Number of Cases	Total Value £000
Cash losses	0	0	0	0
Claims abandoned	0	0	0	0
Administrative write-offs	0	0	0	0
Fruitless payments	0	0	0	0
Stores losses	0	0	0	0
Special payments	0	0	0	0
Total	0	0	0	0
Details of cases over £100,000				
Cash losses	0	0	0	0
Claims abandoned	0	0	0	0
Administrative write-offs	0	0	0	0
Fruitless payments	0	0	0	0
Stores losses	0	0	0	0
Special payments	0	0	0	0
Total	0	0	0	0

There were no losses or special payments during the financial year.

22 Related party transactions

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

During the year, none of the Board members, members of key management staff or other related parties has undertaken any material transactions with the Probation Board.

23 Third-party assets

There were no third party assets at the balance sheet date.

	31 March 2009
	£000
Balance at 1 April	0
Funds paid in during the year	0
Funds paid out during the year	0
Balance at 31 March 2009	0


24 Post balance sheet events

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

ACCOUNTS OF LOCAL PROBATION BOARDS IN ENGLAND AND WALES

ACCOUNTS DIRECTION GIVEN BY THE SECRETARY OF STATE IN ACCORDANCE WITH PARAGRAPHS 16(2) AND 17(1) OF SCHEDULE 1 TO THE CRIMINAL JUSTICE AND COURT SERVICES ACT 2000

1. This direction applies to the Local Probation Boards 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 Board 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 Criminal Justice and Court Services Act 2000;
 - 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 Board shall prepare a statement of accounts for the financial year ended 31 March 2009 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 Boards 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 Board 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

3 June 2009

Appendix 1

36 Probation Boards:

Avon & Somerset
Bedfordshire
Cambridgeshire
Cheshire
Cumbria
Derbyshire
Devon & Cornwall
Dorset
Durham
Essex
Gloucestershire
Greater Manchester
Gwent
Hampshire
Hertfordshire
Kent
Lancashire
Lincolnshire
London
Norfolk
Northamptonshire
Northumbria
North Wales
North Yorkshire
Nottinghamshire
South Yorkshire
Staffordshire
Suffolk
Surrey
Sussex
Teesside
Thames Valley
Warwickshire
West Midlands
West Yorkshire
Wiltshire

Appendix 2

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

The Ministry of Justice has issued advice on the preparation of local probation Board 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 Boards, 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 grant-in-aid 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.