



Youth Justice Board For England & Wales Statement of Accounts

For the period **1 April 1999 to 31 March 2000**

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FOREWORD TO THE ACCOUNTS

1 Introduction

This statement of accounts reports the results of the Youth Justice Board for England and Wales (the Board) for its second accounting period from 1 April 1999 to 31 March 2000. It has been prepared in accordance with the Accounts Direction given by the Secretary of State with the consent of the Treasury in accordance with section 41 of, and schedule 2 to, the Crime and Disorder Act 1998 (the Act).

2 History

The Board was established on 30 September 1998 as an Executive Non-Departmental Public Body under the Act. It is financed by grant in aid from the Vote of the Home Office. The Secretary of State is answerable to Parliament for the Board and is responsible for making financial provision for its needs.

3 Principal Activities

The Board's role is to provide national leadership for the youth justice system.

The Board is required to:

advise the Secretary of State on the operation of the youth justice system, in delivering its aim of preventing offending by children and young people and on changes that may be needed;

monitor the operation and performance of the youth justice system, including the youth court, the work of the youth offending teams and the delivery of secure accommodation;

identify and disseminate good practice; including commissioning research and providing grants for developing good practice;

advise on national standards for the work of youth offending teams and the juvenile secure estate, monitor performance standards and publish results; and

commission and purchase secure facilities for juveniles on remand and under sentence from April 2000.

4. Board Members and Senior Management

The Act provides that that the Board shall have between 10 and 12 members, appointed by the Secretary of State.

The Secretary of State on 25 September 1998 announced the appointment of the twelve members of the Board for periods of between three and five years.

<u>Board members</u>		<u>Appointment to:</u>
Norman Warner	Chair	September 2003
Mr Rob Allen		September 2003
Mr Jonathan Black*		September 2002
Mr Cedric Fullwood CBE*		September 2001
Ms Joyce Moseley		September 2001
Dr Theodore Mutale		September 2003
Ms Janet Paraskeva JP*#		September 2002
Mr Charles Pollard		September 2003
Mrs Annabella Scott JP*		September 2001
Mr Martin Stephenson		September 2002
Ms Lorna Whyte		September 2002
Mr Charles Wilson		September 2001

Ms Janet Paraskeva JP resigned from the Board with effect from 14 September 2000.

* member of Audit Committee

Senior Management Team

The senior management team consisted of the Chief Executive, The Managing Director Secure Facilities, the Director of Finance and the Board Secretary. They are supported by a team of senior policy advisors.

Mark Perfect Chief Executive

Janet Dalrymple	Managing Director Secure Facilities (from 14 October 1999)
Andrew Brown	Secretary to the Board
Allan Hutton	Director of Finance (from 24 January 2000)
Ruth Allan	Senior Advisor Managing Youth Justice
Robert Newman	Senior Advisor Secure Facilities
Adrian Bell	Senior Advisor Youth Offending Teams
Louise Bennett	Senior Advisor Development Fund
Rachel Pitkeathley	Director of Communications
Nicholas Fry	Director of Standards (from 5 November 1999)
Marcia O'Garro	Director of Placements (from 1 November 1999)
Jonathon Fayle	Director of Placements and Payments (from 20 December 99)

Roger King was appointed Managing Director Community Interventions and joined the senior management team from 19 June 2000.

5. Code of Practice

The Board adopted a Code of Practice for Members at its first meeting on 16 October 1998. The Board's Code of Practice includes a register of Members' interests, which is available for inspection at the Board's offices by arrangement.

6. Board Governance

Board members meet regularly to decide and review the Board's policy, management, organisation and performance.

Operational and financial processes have been developed throughout the period to meet and respond to the Board's needs and will continue to be developed in 2000/2001 in line with the Board's increased responsibilities. The Board's systems are designed to provide the Board with reasonable assurance that the affairs of the Board are conducted in a proper manner and that risks to the Board's objectives are appropriately managed.

An Audit Committee that meets regularly throughout the year has been established comprised of four non-executive Board members chaired by Mr Cedric Fullwood.

A management structure has been put in place that sets clear responsibilities for the delivery of business objectives, compliance with defined expenditure authorisation limits and proper segregation of duties.

The Chief Executive and Senior Management Team regularly compare performance against business targets and actual expenditure with approved budgets requiring explanations of significant variances from managers.

The Board appointed the Home Office internal audit unit as its internal auditors. Arrangements for external audit are provided under Schedule 2 (paragraph 9 (4)) of the Act which requires the Comptroller and Auditor General to examine, certify and report on the statement of accounts and lay copies of it together with his report before each House of Parliament.

7. Business Review

The year saw much work taking forward the changes in the Youth Justice System heralded in the Act, including preparing for the 154 Youth Offending Teams (Yots) which assumed their full roles in April 2000 and for taking over the responsibility for purchasing places in the juvenile secure estate.

Youth Justice Plans

In December all the new Yots submitted youth justice plans to the Board showing how they would tackle the new agenda. Across England and Wales Yots plan to spend £140m in 2000-2001 with funding from Social Services, police, probation, education and health.

The Board has committed £55m over three years to fund about 450 schemes to prevent offending behaviour, covering parenting, reparation, restorative justice, mentoring, bail supervision, education and training, substance misuse and new innovative preventive measures. The Board is also helping Yots with training and acquiring information systems and IT.

Tackling Delays

The Board has responsibility for delivering the Government pledge to halve the time from arrest to sentence for persistent young offenders from 142 days to 71 days. Substantive progress was made during the year with the average time down to 96 days by 31 March 2000, following the Board's work in providing support to agencies, demonstrating best practise and providing hands-on consultancy advice to individual youth court areas.

The bail supervision schemes funded by the Board have focused on reducing re-offending while on bail and making sure offenders turn up to court on time removing the need for unnecessary adjournments and use of secure accommodation.

Information Systems and Assessment

The Board has developed and published a specification for a youth offending teams information system and encouraged private firms to produce systems to meet that specification. It also helped Yots purchase IT hardware and software. The Board developed an assessment tool, ASSET, to help Yots systematically assess offenders against risk factors. This helps to plan intervention

programmes and produces a risk score, which acts as a benchmark against which progress can be measured.

Collating and disseminating information on what works is a central aim of the Board. The Board has launched a bi-monthly newsletter which has over 10,000 subscribers, developed a website (youth-justice-board.gov.uk) with dedicated sections on tackling delays, Youth Inclusion and Yot management, and is starting to collect best practise evidence from the many schemes funded with a view to publishing in 2001.

Final Warnings

Preparations were made for the introduction of the Final Warning Scheme that will replace the discredited repeat cautioning scheme. First or second time offender will be subject to an earlier intervention programme to divert them from crime by demonstrating the consequences of their behaviour and giving them a last chance to stop.

Innovation

The Board has supported different projects throughout England and Wales to prevent offending by children and young people. National supporters have been appointed to help these projects succeed. Each project is subject to local evaluation and the Board has appointed national evaluators to bring the results together. These grants and consultancy payments are summarised at note 8 to the financial statements.

One of the Board's priorities is to reduce the need for custodial remands for children and young people without jeopardising public safety. In a search for alternatives to custody the Board has funded trials of new electronic tracking systems for young offenders involving voice verification. It is also exploring extended use of tagging and other measures.

The Board has contributed to the planning of seven pilot areas where the court may issue a Referral Order requiring attendance at a Youth Offender Panel. The Panel will challenge the offender to take responsibility for their actions, undertake reparations for harm they have caused and participate in a programme to reform their behaviour.

Prevention

As well as having responsibility for preventing re-offending, Yots also have a responsibility to prevent young people becoming involved in anti-social and pre-criminal activity in the first place. The Board has allocated about £13m over three years to Youth Inclusion programmes, targeted at children at risk in high crime neighbourhoods. Alternatives to anti-social lifestyles are being explored in conjunction with Sport England and the UK Anti-Drugs Unit.

Secure Accommodation

The Board prepared to commission secure accommodation for children and young people sentenced and remanded by the courts to secure facilities from 1 April 2000. The costs incurred by the Board during 1999-2000 included preparations for this new role.

8. Financial Review

In accordance with Schedule 2 paragraph 10 of the Act, the Board's second statement of account covers the period 1 April 1999 to 31 March 2000. For the first time the Board's statement of accounts is prepared on an accruals basis in accordance with the Accounts Direction issued to the Board by the Secretary of State with the consent of the Treasury.

The accounting statements are set out on pages 13 to 16 and the notes on pages 17 to 26 form part of the accounts.

The Board received £36.7m in grant in aid in the period ending 31 March 2000 and spent £3.7m on its own running costs and £30.3 on programme expenditure. Approval was obtained from the Home Office to carry forward the unexpended balance of £2.7m into 2001/2002 to continue to meet outstanding commitments.

The profile of expenditure during the year was heavily weighted towards the end of the year, reflecting a progressive build up of staff towards a full complement and time lag in programmes and schemes being established.

9 Research and Development

The Board commissioned £0.2m of research into Youth Justice including a poll of young people's experience of crime.

10 Post Balance Sheet Events

The Youth Justice Board became responsible for the purchasing and commissioning of secure facilities for juveniles sentenced or remanded by the courts in April 2000. As part of the arrangements a liability of £5.1m was transferred to the Youth Justice Board from the Home Office in respect of the placement of juveniles in secure Local Authority establishments. The existing and foreseeable cash balances of the Board are sufficient to discharge this liability as it falls due.

11. Year 2000 Compliance

The Youth Justice Board had appropriate arrangements in place to safeguard the organisation against year 2000 failures of IT or other equipment and no instances of difficulty were recorded.

12. Equal opportunities

The Board is committed to equality of opportunity in employment for all, on the basis of ability, qualifications and fitness for work, irrespective of race, age, gender, marital status, disability, sexual orientation or any other irrelevant factor.

13. Employment Policies

The Board aims to follow best practice in the management of staff, including giving proper attention to communication, consultation, motivation and management of staff, seeking to create an environment in which all employees contribute their best to their own and the Board's success.

14. The Environment

The Board is fully committed to playing its part both in the preservation of natural resources and the prevention of environmental pollution. The principal elements of this policy are:

- improving the efficiency of energy usage;
- reducing wastage in the use of goods and products and increasing the recycling of waste materials; and
- reducing the use and release of pollutant substances.

15. Creditor payment policy

The Board supports the CBI prompt payment code, and endeavours to pay all invoices within 30 days of receipt or within the agreed terms. A review of invoices paid in the period showed that 86 per cent were paid as stated.

Signed on behalf of the Youth Justice Board

Mark Perfect

Chief Executive and Accounting Officer. Date 27 April 2001.

Youth Justice Board for England and Wales

Statement of the Board's and Chief Executive's responsibilities for the Statement of Accounts

The Board's Responsibilities.

Under Section 41 of, and Schedule 2 to, the Crime and Disorder Act 1998, the Youth Justice Board for England and Wales is required to prepare a statement of accounts in respect of each financial year in the form and on the basis directed by the Secretary of State for the Home Office, with the consent of the Treasury. The accounts are to be prepared on an accruals basis and must give a true and fair view of the Board's state of affairs at the year end and of its income and expenditure, total recognised gains and losses and cash flows for the financial year.

In preparing the accounts the Youth Justice Board is required to:

- observe the accounts direction issued by the Secretary of State, with the consent of the Treasury, 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 have been followed, and disclose and explain any material departures in the financial statements; and
- prepare the statements on the going concern basis unless it is inappropriate to presume that the Youth Justice Board will continue in operation.

The Chief Executives's Responsibilities

As the senior full time official of the Board, the Chief Executive carries the responsibilities of an Accounting Officer. His relevant role and duties as Accounting Officer, including his responsibility for the propriety and regularity of the public finances and for keeping proper records, are set out in the non-departmental public bodies Accounting Officer's Memorandum issued by Treasury and published in **Government Accounting**.

Youth Justice Board for England and Wales

Statement on the System of Internal Financial Control

This statement is given in respect of the expenditure of the Youth Justice Board. As Accounting Officer for these resources, I acknowledge my responsibility for ensuring that an effective system of internal financial control is established, maintained and operated.

The system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, transactions authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

The system of internal financial control is based on a framework of regular management information, financial regulation, administrative procedures including segregation of duties, and a system of delegation and accountability. In particular, it includes:

- comprehensive budgeting systems including an annual grant from the Home Office;
- a business plan and corporate plan including performance targets approved by the Board and the Home Secretary;
- regular reviews by the senior management of progress reports which indicate financial and other performance;
- regular reports on progress against key performance targets to members of the Youth Justice Board.

The Youth Justice Board has an internal audit service, contracted from the Home Office's Internal Audit division, which operates to standards defined in the Government's Internal Audit manual. The work on internal audit is informed by an analysis of the risk to which the Youth Justice Board is exposed, and annual internal audit plans are based on this analysis. The analysis

of risk and the internal audit plans are endorsed by the Youth Justice Board's Audit Committee and approved by me. At least annually, the Head of Internal Audit (HIA) provides me with a report on internal audit activity in the Youth Justice Board. The report includes the HIA's independent opinion on the adequacy and effectiveness of the Youth Justice Board's system of internal financial control.

My review of the effectiveness of the system of internal control is informed by the review of the internal auditors and the executive managers within the Office who have responsibility for the development and maintenance of the financial control framework, and comments made by the external auditors in their management letter and other reports.

Recommendations made by External and Internal Auditors to enhance Internal Financial Controls have been addressed, and will continue to be implemented as the business develops.

As Accounting Officer, I am aware of the recommendations of the Turnbull Committee and I have elected to take reasonable steps to meet with the Treasury's requirement for a statement of internal control to be prepared for the year ended 31 March 2002, in accordance with guidance to be issued by them.

Mark Perfect
Chief Executive and Accounting Officer. Date 27 April 2001.

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

I have audited the financial statements on pages 13 to 26 under the Crime and Disorder Act 1998. These financial statements have been prepared under the historical cost convention as modified by the revaluation of certain fixed assets and the accounting policies set out on pages 17 and 18.

Respective responsibilities of the Youth Justice Board, the Chief Executive and Auditors

As described on page 9, the Youth Justice Board for England and Wales is responsible for the preparation of the financial statements and the Chief Executive is responsible for ensuring the regularity of financial transactions. The Board and the Chief Executive are also responsible for the preparation of the Foreword. My responsibilities, as independent auditor, are guided by the Auditing Practices Board and the auditing profession's ethical guidance.

I report my opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Crime and Disorder Act 1998 and the directions issued by the Secretary of State, with the consent of the Treasury, and whether in all material respects the income and expenditure have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them. I also report if, in my opinion, the Foreword is not consistent with the financial statements, if the Board has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I review whether the statement on pages 10 and 11 reflect the Board's compliance with Treasury's guidance 'Corporate Governance: statement on the system of internal financial control.' I report if it does not meet the requirements specified by Treasury, or if the statement is misleading or inconsistent with other information I am aware of from my audit of the financial statements.

Basis of Opinion

I conducted my audit in accordance with Auditing Standards issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements. It also includes an assessment of the significant estimates and judgements made by the Board and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Board's circumstances, consistently applied and adequately disclosed.

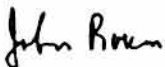
I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by error, or by fraud or other irregularity and that, in all material respects, the income and expenditure 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 have also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In my opinion:

- the financial statements give a true and fair view of the state of affairs of the Youth Justice Board at 31 March 2000 and of the surplus, total recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with the Crime and Disorder Act 1998 and the directions made by the Secretary of State with the consent of the Treasury; and
- in all material respects the income and expenditure have been applied to the purposes intended by Parliament and the financial transactions conform to the authorities which govern them.

I have no observations to make on these financial statements.



JOHN BOURN
Comptroller and Auditor General

24th May 2001

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

Income and Expenditure Account for the year ended 31 March 2000

	Notes	1999/2000 £	Restated 6 mths 1998/99 £
Grant in Aid	2	<u>33,924,099</u>	<u>877,748</u>
Employment Costs	3	(960,870)	(283,796)
Running Costs	4	(2,614,883)	(692,429)
Youth Justice Programme Expenditure	8	<u>(30,323,420)</u>	<u>-</u>
Total Operating Expenditure		<u>(33,899,173)</u>	<u>(976,225)</u>
Operating Surplus/(Deficit)		24,926	(98,477)
Interest Received	6	310,586	5,100
Other Income	7	182	100
Interest Payable to Home Office	6	(310,586)	(5,100)
Notional Cost of Capital		<u>(6,242)</u>	<u>0</u>
Retained Surplus/(Deficit)		18,866	(98,377)
Notional Cost of Capital Reversal		<u>6,242</u>	<u>-</u>
Retained Surplus/(Deficit) for the Financial Year		<u>25,108</u>	<u>(98,377)</u>

**Statement of Total Recognised Gains and Losses for
the year ended 31 March 2000**

	Notes	1999/2000 £	1998/99 £
Retained Surplus/(Deficit) for the Financial Year		25,108	(98,377)
Total Recognised Gains/(Losses) for the Financial Year		<u>25,108</u>	<u>(98,377)</u>

There were no unrealised gains or losses in the financial year

The notes on pages 17 to 26 form part of these accounts.

Balance Sheet as at 31 March 2000

	Notes	1999/2000 £	1998/99 £
Fixed Assets			
Tangible Assets	5	362,354	36,269
Current Assets			
Debtors and Prepayments	9/11	2,620,777	3,537
Cash at bank and in hand	10	276,586	50,879
Creditors due within one year	12	(2,970,632)	(152,793)
Net Current Liabilities		(73,269)	(98,377)
Total Assets Less Current Liabilities		289,085	(62,108)
Income and Expenditure Account	13	(73,269)	(98,377)
Reserves	14	362,354	36,269
Capital and Reserves		289,085	(62,108)

The notes on page 17 to 26 form part of these accounts.

Signed on behalf of the Youth Justice Board

Mark Perfect
Chief Executive and Accounting Officer 27 April 2001

**Cash Flow Statement for the year
ended 31 March 2000**

	Notes	1999/2000 £	1998/99 £
Operating Activities			
Net Cash Inflow from Operating Activities	15	86,897	45,679
Returns on Investments and Servicing of Finance			
Interest Received	6	310,586	5,100
Interest Paid		(171,958)	-
Other income	7	182	100
Capital Expenditure and Financial Investment			
Payment to acquire tangible fixed assets	5	<u>(431,500)</u>	<u>(29,090)</u>
Net Cash (Outflow)/Inflow before Financing		(205,793)	21,789
Financing			
Grant in Aid for Capital Expenditure	2	<u>431,500</u>	<u>29,090</u>
Increase in Cash	16	<u>225,707</u>	<u>50,879</u>

The notes on pages 17 to 26 form part of these accounts

Notes to the Accounts

1. Basis of Accounts

The accounts have been prepared for the first time on an accruals basis as opposed to on a cash basis. The statement of accounts set out on pages 13 to 16 together with the notes on pages 17 to 26 have been prepared on an accruals basis in accordance with the Accounts Direction given by the Secretary of State with the consent of the Treasury in accordance with section 41 of, and schedule 2 to the Crime and Disorder Act 1998.

Comparative figures from the previous year are for a period of six months only. Originally prepared on a cash basis, the prior year figures have been restated on an accruals basis.

Accounting Conventions

The accounts meet:

- (i) the accounting and disclosure requirements of the Companies Act 1985 to the extent that such appropriate to the Board and are in line with the requirements of the Accounts Direction;
- (ii) standards issued by the Accounting Standards Board;
- (iii) disclosure and accounting requirements of HM Treasury;
- (iv) the requirements of the Accounts Direction and the Financial Memorandum issued to the Board by the Secretary of State for the Home Office.

Turnover

The Board is principally funded by Grant in Aid received from the Home Office. Other small amounts of Miscellaneous Income are recorded inclusive of VAT.

Grant Income

Grant in Aid received for running costs is accounted for on a receipts basis.

Grant in Aid for YJB programme expenditure is accounted for on a receivable basis. Unspent Grant in Aid is treated as Deferred Income.

Grant in Aid for capital expenditure is credited to a Government Grant Reserve. Each year an amount equal to the depreciation charge on the Fixed Assets acquired through Grant in Aid will be released from the Government Grant Reserve to the Income and Expenditure Account.

Grant Expenditure

Grants paid are accounted for on a cash basis. Grants repayable to the Board are thus accounted for when received.

Value Added Tax

The Board is not eligible to register for VAT and all costs are shown inclusive of VAT.

Fixed Assets

Assets are capitalised as fixed assets if they are intended for use on a continuous basis and their original cost, on an individual or grouped basis is £1,000 or more. Fixed assets are valued at current replacement cost by using the Price Index Numbers for Current Cost Accounting published by the Office for National Statistics, except in the year of acquisition when their current and historical cost will not be materially different or in subsequent years when the difference is immaterial.

Depreciation

Depreciation is provided on all fixed assets on a straight-line basis to write off the cost or valuation evenly over the asset's anticipated life as follows:

Computer equipment	three years
Office equipment	five years
Leasehold improvements	ten years

Donated assets

On formation a number of assets were transferred at no cost from the Home Office to the Board.

Donated tangible fixed assets are capitalised at their fair valuation on receipt. Their value is credited to a Donated Asset Reserve. Each year, an amount equal to the depreciation charge on donated assets, and any deficit on their revaluation in excess of the balance on the Revaluation Reserve, will be released from the Donated Asset Reserve to the Income and Expenditure Account.

Cost of Capital

In accordance with the Treasury booklet, Executive Non-Department Public Bodies: Annual Reports and Accounts a notional charge for the cost of capital employed in the period is included in the Income and Expenditure Account along with an equivalent reversing notional income to finance the charge. The charge for the period is calculated using the Treasury's discount rate of 6 per cent applied to the mean value of capital employed during the period. The value of capital employed excludes the value of assets donated to the Board.

Research

Research expenditure incurred into the evaluation of good practice within the Youth Justice System is written off fully in the period.

Operating Leases

Operating Lease expenditure is written off in the period in which it is incurred.

2. Grant in aid	1999/2000	1998/99
	£	£
Total Grant Received from Vote 1 Class IV	36,700,000	900,000
Transfer to Deferred Revenue	(2,449,816)	-
Transfer to Deferred Government Reserve in respect of Fixed Asset acquisitions	(431,500)	(29,090)
Transfer from Deferred Government Reserve in Respect of depreciation charged	100,743	4,502
Transfer from Donated Asset Reserve in respect of depreciation charged	<u>4,672</u>	<u>2,336</u>
Grant Received for Revenue Expenditure	<u>33,924,099</u>	<u>877,748</u>

3.(a) Employment Costs	1999/2000	1998/99
	£	£
Board Members		
Salaries and emoluments	104,784	50,928
Social Security Contributions	5,933	3,143
Pension Contributions	<u>7,895</u>	<u>3,861</u>
	<u>118,612</u>	<u>57,932</u>
Staff		
Salaries and emoluments	679,398	190,867
Social Security Contributions	62,787	12,693
Pension Contributions	<u>100,073</u>	<u>22,304</u>
	<u>842,258</u>	<u>225,864</u>
Total Employment Costs		
Salaries and emoluments	784,182	241,795
Social Security Contributions	68,720	15,836
Pension Contributions	<u>107,968</u>	<u>26,165</u>
	<u>960,870</u>	<u>283,796</u>

(b)

The Chair, who is the highest paid Board Member is employed on a five year fixed term, part time contract and for the period ending 31 March 2000 including contributions to his personal pension scheme received emoluments of £57,239. The Chairman's personal pension scheme provides benefits analagous with the PCSPS.

In the year ending 31 March 2000 the Board members, excluding the Chairman received fees in the following band.

Band	Number	
	1999/2000	1998/99
£5,000-£9,999	11	-
0-£4,999	-	11

Four Board members, Rob Allen, Jonathan Black, Charles Pollard and Lorna Whyte elected to have the amount that would have been paid to them, paid to their employers instead.

(c) The salary and pension entitlements of the most senior employees of the Board were as follows:

	Salary at 31/3/2000 £'000	Real Increase in Pension at 60 £'000	Total Accrued Pension at 31/3/00 £'000
Mr Mark Perfect - Chief Executive	60-65	0-2.5	15-20
Mrs J Dalrymple MD Secure Facilities (6 months)	25-30	0-2.5	0-5

The Chief Executive's remuneration including employers pension contributions of £11,619 was £74,422 for the period. The Chief Executive is an ordinary member of the Principal Civil Service Pension Scheme (PCSPS) and is engaged by the Board under a three year fixed term contract ending December 2001.

The Managing Director is an ordinary member of the Principal Civil Service Pension Scheme and is employed by the Board under a three year fixed term contract ending October 2002.

The average number of whole time equivalent employees including seconded and agency staff employed by the Youth Justice Board was as follows:

	1999/2000	1998/99
Administration	9	7
Policy	27	15
Total	36	22

Pension Contributions

Staff may choose to join the PCSPS which is a defined benefit scheme.

The cost of the Board's pension contributions to the PCSPS, and to the by-analogy schemes, is included in employment costs. For the year ending 31 March 2000 contributions of £107,968 (1999 - £26,165), were payable to the PCSPS and to the by-analogy schemes at rates determined by the Government Actuary and advised by the Treasury. For the same period these rates were in the range of 12.0 per cent to 18.5 per cent of pensionable pay, (1999 -12.0 to 18.5 per cent).

4. Running costs	1999/2000	1998/99
	£	£
Accommodation Costs	314,535	86,719
Audit Fee-External	27,800	-
Audit Fee-Internal	21,000	-
Board Meetings	19,111	11,908
Communications	343,016	97,873
Conferences	99,250	29,876
Consultancy	268,996	331,528
Depreciation	105,415	6,838
General Administration	99,956	14,799
IT Costs	365,025	10,231
Legal Costs	19,275	-
Operating Lease Payments	19,052	-
Professional Fees	144,346	-
Secure Facilities	84,969	-
Staff Costs	530,859	89,199
Travel and Subsistence	45,154	13,458
YOT database	107,124	-
	2,614,883	692,429

5. Tangible Fixed Assets

	<u>Computer Equipment</u>	<u>Office Equipment</u>	<u>Leasehold Improvements</u>	<u>Total</u>
	£	£	£	£
Historic Cost as at 1 April 1999	37,909	5,198	-	43,107
Additions	<u>198,812</u>	<u>21,999</u>	<u>210,689</u>	<u>431,500</u>
Historic Cost at 31 March 2000	<u>236,721</u>	<u>27,197</u>	<u>210,689</u>	<u>474,607</u>
Depreciation at 1 April 1999	6,318	520	-	6,838
Provided during the year	<u>78,906</u>	<u>5,440</u>	<u>21,069</u>	<u>105,415</u>
Depreciation at 31 March 2000	<u>85,224</u>	<u>5,960</u>	<u>21,069</u>	<u>112,253</u>
Net Book Value at 31 March 2000	<u>151,497</u>	<u>21,237</u>	<u>189,620</u>	<u>362,354</u>
Net Book Value at 31 March 1999	<u>31,591</u>	<u>4,678</u>	<u>-</u>	<u>36,269</u>

The Home Office provided the Board with its initial office and computer equipment at a historic cost of £14,017. The Board had the use of these assets during 1998/99 and they were transferred to the Board at no cost on 1 April 1999 at their net book value of £11,681. As shown in Note 14 the carrying value of these assets £11,681 is reflected in the balance on the Donated Asset Reserve at 1 April 1999.

6. Interest Received

The Board earned interest of £310,586 on funds deposited at the Bank. Under the terms of the Board's financial memorandum this interest is repayable to the Home Office.

7. Other Income

Other income of £182 relates to speakers fees (1999 - £100).

8. Youth Justice Programme Expenditure

Most of this expenditure was used to help local areas set-up and develop bail supervision and community intervention projects. This has resulted in the establishment of 390 different projects throughout England and Wales. These are now underway, helping to prevent offending by children and young people.

Substantial grants were also made to youth offending teams to procure I.T. systems in order to meet new monitoring requirements.

Funding was also given to a variety of research & development projects and training initiatives for those responsible for delivering youth justice reforms, in order to ensure that they are adequately equipped to do so.

The Youth Inclusion Programme is an interdepartmental initiative managed by the Youth Justice Board. Youth Inclusion projects around England and Wales are based in deprived neighbourhoods and work with 13-16 year olds to reduce offending, truancy and school exclusion. Youth Inclusion funds were given to Youth Offending Teams for setting up costs, and spent on project support, monitoring and evaluation.

Expenditure was allocated to programmes as shown below:

£

Grants to Youth Offending Teams (working with voluntary sector partners) for bail supervision and support projects.	5,963,639
Grants to Youth Offending Teams and the Voluntary Sector for Intervention projects	8,898,538
Payments to national supporters and evaluators of bail supervision and community intervention projects	1,092,727
Grants to YOTs for I.T. parenting, through care and minor equipment	10,111,332
Remand Review Programme	209,642
Professional Management development training for YOT managers and training for YOT practitioners	591,853
Research into Youth Justice System	201,889
Tackling Delays Consultancy	1,485,053
Final warning training	599,193
Training and Development of assessment/I.T. systems	305,360
Youth Inclusion Programmes	864,194
Total	30,323,420

9. Debtors	1999/2000	1998/99
	£	£
Youth Inclusion Programme Grant payable by Home Office	2,500,000	-
Trade Debtors	24,408	-
Other	2,717	-
Prepayments	93,652	3,537
	<u>2,620,777</u>	<u>3,537</u>

The Board expects to recover approximately £0.6m where recipient organisations were unable to spend their allocation during the year.

10. Cash	1999/2000	1998/99
	£	£
Cash at bank	276,513	50,806
Cash held at office	73	73
	<u>276,586</u>	<u>50,879</u>

11. Prepayments	1999/2000	1998/99
	£	£
Prepayments	<u>93,652</u>	<u>3,537</u>

12. Creditors	1999/2000	1998/99
	£	£
Trade Creditors	377,088	147,693
Interest Payable to Home Office	143,728	5,100
Deferred Revenue	<u>2,449,816</u>	-
	<u>2,970,632</u>	<u>152,793</u>

13. Income and Expenditure Account	1999/2000	1998/99
	£	£
Income and Expenditure Account at 1 April 1999	(98,377)	-
Retaines Surplus/(Deficit) for financial year	<u>25,108</u>	<u>(98,377)</u>
	<u>(73,269)</u>	<u>(98,377)</u>

14. Reserves	1999/2000	1998/99
	£	£
(a) Deferred Government Grant Reserve		
Balance at 1 April 1999	24,588	-
Assets at Cost	431,500	29,090
Depreciation Transferred to Income & Expenditure Account	<u>(100,743)</u>	<u>(4,502)</u>
Balance at 31 March 2000	<u>355,345</u>	<u>24,588</u>
(b) Donated Asset Reserve		
Balance at 1 April 1999	11,681	-
Assets at Cost	-	14,017
Depreciation Transferred to Income & Expenditure Account	<u>(4,672)</u>	<u>(2,336)</u>
Balance at 31 March 2000	<u>7,009</u>	<u>11,681</u>
Total	<u>362,354</u>	<u>36,269</u>

Between 31 March 1999 and 31 March 2000 additions to Reserves totalled £326,085, this being the difference between the balances on each date.

	1999/2000	1998/99
	£	£
(c) Transferred to Income and Expenditure Account		
Depreciation		
Transferred from Government Grant Reserve	100,743	4,502
Transferred from Donated Asset Reserve	<u>4,672</u>	<u>2,336</u>
	<u>105,415</u>	<u>6,838</u>

This note satisfies the requirement to show a reconciliation in the movement of Government Funds.

15. Reconciliation Operating Surplus to Net Cash Inflow	1999/2000	1998/99
	£	£
Net Cash Inflow/(Outflow) from Operating Activities		
Operating Surplus/Deficit	24,926	(98,477)
(Increase) in Debtors	(2,617,240)	(3,537)
Increase in Creditors (excluding Interest Payable)	<u>2,679,211</u>	<u>147,693</u>
Net Cash Inflow from Operating Activities	<u>86,897</u>	<u>45,679</u>

16. Analysis of changes in cash	1999/2000	1998/99
	£	£
Balance at 1 April 1999	50,879	-
Increase in Cash	<u>225,707</u>	<u>50,879</u>
Balance at 31 March 2000	<u>276,586</u>	<u>50,879</u>

17. Related party transactions

The Home Office is a related party to the Board. During the year ending 31 March 2000 no related party transactions, with the exception of the Home Office providing the Board with Grant in Aid, were entered into.

During the year ending 31 March 2000 the Board entered into a number of transactions with organisations with which Board members were related parties. These transactions are detailed below.

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

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

Youth Justice Board Members and related parties
£

Rob Allen Employed on a full-time basis by NACRO as Director of Research & Development	Payment in respect of grants towards the cost of running programmes and Board Fees.	629,848
Martin Stephenson Employed on a full-time basis as Chief Executive of INCLUDE, a charity dedicated to the inclusion of all in education, training and employment.	Payment in respect of grants towards the cost of running "Bridge Courses".	575,811
Norman Warner Chairman of the charity INCLUDE	See above	
Norman Warner Trustee of RPS RAINER, a provider of a range of services to young offenders and at risk groups.	Payment in respect of contributions to Bail Support and Remand Management Scheme.	48,050
Joyce Moseley Chief Executive of RPS RAINER	See above	
Charles Pollard Chief Constable of the Thames Valley Police, one of the leading organisations in the UK to develop Restorative Justice applications for dealing with young offenders; in education and schools to reduce truancy and exclusion; and for dealing internally with grievances and complaints against the police.	Payment in respect of grants towards the cost of running Restorative Justice training programmes and Board Fees.	624,340
Lorna Whyte Member of The Police Complaints Authority	Payment in respect of Board Fees only.	6,936
Jonathan Black Director of Legal Services for Hampshire County Council	Payment in respect of grants and Board Fees.	492,212
Charles Wilson Board Member of ADDACTION, a charity helping individuals and communities manage effects of drugs and alcohol abuse.	Payment in respect of grants	41,180

18. Capital Commitments

At 31 March 2000 no capital commitments were contracted for.

Premises
£

Operating leases which expire:-

After five years	334,875
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The operating lease relating to occupancy of the premises commenced on March 25 2000.

The accounts prepared to 31 March 2000 thus include rental charges for one week amounting to £6,440. A payment of £107,369 was made during the year to the Home Office for the use of accommodation prior to relocation to the Board's new Carteret Street offices.

The Board have no other leases that expire within one year or the one to five year period.

20. Post Balance Sheet Events

The Board became responsible for the purchasing and commissioning of secure facilities for juveniles sentenced or remanded by the courts in April 2000. As part of the arrangements the Board assumed a liability of £5.1m from the Home Office for placement of juveniles in secure Local Authority establishments. The existing and foreseeable cash balances are sufficient to discharge this liability as it falls due.

ACCOUNTS DIRECTION

YOUTH JUSTICE BOARD FOR ENGLAND AND WALES

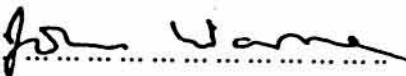
ACCOUNTS DIRECTION GIVEN BY THE SECRETARY OF STATE FOR THE HOME DEPARTMENT, WITH THE APPROVAL OF THE TREASURY, IN ACCORDANCE WITH SECTION 41 OF, AND SCHEDULE 2 TO, THE CRIME AND DISORDER ACT 1998:

The annual accounts shall give a true and fair view of the income and expenditure and cash flows for the financial year, and the state of affairs as at the year end. Subject to this requirement the Youth Justice Board for England and Wales shall prepare accounts for the financial year ended 31 March 2000 and subsequent financial years in accordance with:

1. Executive Non-Departmental Public Bodies Annual Reports and Accounts Guidance;
2. other guidance which the Treasury may issue from time to time in respect of accounts which are required to give a true and fair view;

except where agreed otherwise with the Treasury, in which case the exception shall be described in the notes to the accounts.

Signed by authority of the Secretary of State for the Home Department

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Dated 18 Jan. 2001



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for England and Wales**

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