

Crown Prosecution Service

Resource Accounts 2000–01

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(For the year ended 31 March 2001)

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Foreword

Introduction

The Accounts report the resources that have been consumed working to deliver the Department's objectives. This Foreword has been prepared in accordance with the guidance set out in the Treasury's Resource Accounting Manual.

Nature of the Department's business

The Crown Prosecution Service (CPS) is a Government Department funded by Vote from Parliament and was set up in 1986. It is a national prosecution service dealing with criminal cases investigated by the police in England and Wales. The CPS is headed by the Director of Public Prosecutions and employs over 5,800 staff. The Director is superintended by the Attorney General, Lord Williams of Mostyn QC, who is accountable to Parliament for the Service. The CPS is organised into geographical Areas each headed by a Chief Crown Prosecutor with a direct line of accountability to the Director of Public Prosecutions.

Aim and Objectives

The CPS aim is:

To contribute to the reduction both of crime and the fear of crime and to increased public confidence in the criminal justice system by fair and independent review of cases and by firm, fair, and effective prosecution at court.

The objectives are:

- to deal with prosecution cases in a timely and efficient manner in partnership with other agencies;
- to ensure that the charges proceeded with are appropriate to the evidence and to the seriousness of the offending by the consistent, fair and independent review of cases in accordance with the Code for Crown Prosecutors;
- to enable the courts to reach just decisions by fairly, thoroughly and firmly presenting prosecution cases, rigorously testing defence cases, and scrupulously complying with the duties of disclosure;
- to meet the needs of victims and witnesses within the criminal justice system, in co-operation with other criminal justice agencies.

The objectives and their associated costs for 2000–01 are set out in Schedule 5 of the Accounts.

Principal Activities

The Crown Prosecution Service is the principal prosecution authority in England and Wales. We advise the police on possible prosecutions and take over prosecutions begun by them. We work closely with the police, the courts and other agencies throughout the criminal justice system. In 2000–01 we dealt with more than 1.35 million cases in the magistrates' courts and around 116,000 cases in the Crown Court.

The role of the CPS is to prosecute criminal cases fairly and effectively by:

- advising the police on cases for possible prosecution;
- reviewing cases submitted by the police;
- preparing cases for the magistrates' courts and the Crown Court;
- presenting cases at court and instructing private sector advocates where appropriate;
- working with others to improve the effectiveness and efficiency of the criminal justice system.

Before proceeding with a prosecution, Crown Prosecutors must first review each case against the Code for Crown Prosecutors. The Code is designed to make sure everyone knows the principles the CPS applies when carrying out its work and the tests used to determine whether there should be a prosecution. The tests are:

- whether there is enough evidence to provide a realistic prospect of conviction against each defendant on each charge and, if so,
- whether a prosecution is needed in the public interest.

The Director is under a statutory duty to publish the Code for Crown Prosecutors. During the year, the Code was revised in the light of the Human Rights Act 1998 and other key criminal justice developments. The fourth edition of the Code was published in October 2000.

Events since the end of the financial year

The Glidewell report contained recommendations that there should be a stronger independent element in the Crown Prosecution Service Inspectorate and that it should have a wider remit. The Government, in its response to Glidewell, decided to place Her Majesty's Crown Prosecution Service Inspectorate on an independent statutory basis on 1 October 2000. From April 2001 funding for the Inspectorate no longer formed part of CPS provision.

Following the General Election in July 2001 Lord Goldsmith QC was appointed as the Attorney General.

As part of the departmental modernisation programme the CPS is pursuing the Compass project, which will provide an essential strategic component of the joined up approach to the criminal justice system. Compass will provide case management support through an electronic prosecution case file. The Compass project will be a new partnership between the Service and a private sector supplier. The award of the contract is expected by late 2001, with the development of the case management system during 2002 and subsequent rollout starting in 2003.

The CPS is committed, together with our criminal justice partners to provide the fullest possible support to victims and witnesses. The CPS has accepted the responsibility for communicating decisions direct to victims, rather than through the police.

A pilot scheme has been completed during which, in seven Areas, we wrote to victims explaining why we had decided to discontinue their case, or alter the charges substantially. The scheme involved offering to meet the victim in cases involving child abuse, sexual offences or racially aggravated offences, giving as much detail as was permissible within legal constraints and confidentiality.

A phased national rollout of the scheme began on 1 April 2001, with full national rollout due by October 2002.

The CPS' Chief Executive Officer, Mark Addison, left the department in July 2001. The post is being covered on a short term part-time basis by John Halliday until a permanent replacement is appointed.

Departmental Report

The CPS departmental report is presented to Parliament as part of the Law Officers' Departments–Departmental Report. The latest report was published in March 2001.

The coverage of the report includes the following main elements:

- progress on delivering public services, including departmental objectives, Public Service Agreements, modernising government and the departmental investment strategy;
- recent developments in the CPS, including reorganisation and other new legislative and working practice initiatives;
- an analysis of cash expenditure over the previous five years and sets out the cash plans for the next three years;
- CPS performance and achievements.

Pensions

The pension liabilities arising from the Department's employees membership of the Principal Civil Service Pension Scheme (PCSPS) are not provided for in these accounts in accordance with Treasury instructions and as described in Note 1.9 of the financial statements.

Management

The Head of the Crown Prosecution Service is the Director of Public Prosecutions whose appointment is made by the Cabinet Office for a five year period and may be terminated by giving 6 months' notice in writing. David Calvert-Smith was appointed the Director of Public Prosecutions in November 1998. A new post of Chief Executive was created in June 1998 to allow the Director to concentrate largely on the prosecution and legal process. Mark Addison was appointed as Chief Executive in June 1998 under a permanent contract that may only be terminated as laid down in the Civil Service Management Code.

CPS Board

The members of the CPS Board were as follows:

David Calvert-Smith	Director of Public Prosecutions
Mark Addison	Chief Executive
John Graham	Director, Finance
Chris Newell	Director, Casework
Garry Patten	Director, Policy
Lonny Carey	Director, Business Information Systems
Indi Seehra	Director, Human Resources
Rohan Collier	Diversity Manager
Lyn Salisbury	Head of Communication Division
Jackie Wilson	Head of Strategic Planning Unit
Stephen Wooler	Chief Inspector
Peter Boeuf	Chief Crown Prosecutor, London
David Blundell	Chief Crown Prosecutor, West Midlands
Andrew Cresswell	Chief Crown Prosecutor, Devon and Cornwall
Dicky Dickenson	Chief Crown Prosecutor, Lancashire
Sandie Hebblethwaite	Chief Crown Prosecutor, Surrey
Bob Marshall	Chief Crown Prosecutor, Humberside
Simon Rowlands	Chief Crown Prosecutor, Dyfed-Powys
Peter Lewis	Chief Crown Prosecutor, Nottinghamshire
Nicola Reasbeck	Chief Crown Prosecutor, Northumbria
Monica Townsend	Chief Crown Prosecutor, Bedfordshire
Mike Pitt	Non-executive Director
Sukhvinder Stubbs	Non-executive Director

Membership of the Board comprises The Director, Chief Executive, the five Headquarters functional Directors, the Chief Inspectors, Chief Crown Prosecutor for London, and nine other Chief Crown Prosecutors, each representing a group of Areas based on the Government Offices for Regions, and Wales, known as family groups. The Heads of Communication, Diversity and Strategic Planning also sit on the Board. There are also two non-executive Directors. The nine Chief Crown Prosecutors are appointed on a rotation basis.

The appointment and termination of staff who are members of the CPS Board, excluding the two non-executive Directors who are not employed by the CPS, is undertaken in accordance with the Civil Service Management Code. Where appropriate, their remuneration is determined by reference to the Senior Salaries Review Body, details of which can be found in Note 2 to the Accounts.

Equal Opportunities

The CPS has a policy of equal opportunities in which employment and advancement are on the basis of ability and qualification for the work. There must be no discrimination on the grounds of sex or marital status, sexual orientation, gender reassignment, colour, race, religion, ethnic or national origin, work pattern ie part-time working, age or disability.

Under the terms of the CPS general equal opportunities policy there must be no discrimination on the grounds of disability in recruitment, training, appraisal, promotion, selection for jobs, or in the treatment of people generally in the CPS. It is CPS policy that all eligible people shall have equal opportunities in employment and advancement on the basis of ability and qualification. Disability is not of itself a bar to recruitment or advancement within the department, which is an accredited Employment Service disability symbol user.

The CPS issued an equality statement in August 1999 which outlined its commitment: "the CPS values everybody's contribution and believes that the CPS' success and its future depend on the quality of service that we provide and on gaining the trust of the community we serve. If everyone is to feel valued and we are to help individuals give their best, our goal must be to create and sustain a working environment that is fair to all and free from discrimination, harassment, victimisation and bullying". The CPS is also committed to ensuring that prosecution decisions are free from bias or discrimination and that all defendants, victims and witnesses are treated fairly and with respect.

Since the statement was issued, the Equality Committee has since met on a regular basis and continued to act as an advisory body to the Board. The Committee has drawn up a Diversity and Racial Equality Action plan which is now being implemented. In January 2001 the CPS started a training programme on diversity, with the main emphasis on race. By March 2002 all staff will have been through the programme. Monitoring by ethnicity, gender and disability for all grades was conducted in 2000 and national targets for improvement in the numbers of under-represented groups were set for the next three years.

The CPS has accepted the recommendations of the report of an Inquiry into race relations in the Service commissioned by the department and will be acting on those recommendations in the spheres of both employment and service delivery.

Payment of Suppliers and Witnesses

The CPS has adopted the British Standard for Achieving Good Payment Performance in Commercial Transactions (BS 7890) and remains committed to paying bills in accordance with agreed contractual conditions, or, where no such conditions exist, within 30 days of receipt of goods or services or the presentation of a valid invoice, whichever is the later. The CPS also seeks to pay all expenses to prosecution witnesses within 10 working days of receipt of a correctly completed claim form.

In 2000–01 the CPS settled 96% of undisputed invoices within 30 days of receipt and 98% of witness claims within 10 days.

Auditors

This year's Resource Accounts have been audited by the National Audit Office on behalf of the Comptroller and Auditor General.

David Calvert-Smith QC
Accounting Officer

11 December 2001

Statement of Accounting Officer's Responsibilities

Under section 5 of the Exchequer and Audit Departments Act 1921, the Department is required to prepare resource accounts for each financial year, in conformity with a Treasury direction, detailing the resources acquired, held, or disposed of during the year and the use of resources by the department during the year.

The resource accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the department, the net resource outturn, resources applied to objectives, recognised gains and losses, and cash flows for the financial year.

HM Treasury has appointed the Director of Public Prosecutions as Accounting Officer of the department, and the Chief Executive as an Additional Accounting Officer, with responsibility for preparing the department's accounts and for transmitting them to the Comptroller and Auditor General.

In preparing the accounts, the Accounting Officer is required to comply with the Resource Accounting Manual prepared by HM Treasury, and in particular to:

- observe all relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards, as set out in the Resource Accounting Manual, have been followed, and disclose and explain any material departures in the accounts;
- prepare the accounts on the going concern basis.

The relevant responsibilities of the Accounting Officers, including their responsibility for the propriety and regularity of the public finances for which an Accounting Officer is answerable, for keeping proper records and for safeguarding the department's assets, are set out in the Accounting Officers' Memorandum issued by HM Treasury and published in "Government Accounting".

Statement on the System of Internal Financial Control

This statement is given in respect of the Resource Accounts for the Crown Prosecution Service for the year ending 31 March 2001. As Accounting Officer for the department, I acknowledge my responsibility for ensuring that an effective system of internal financial control is maintained and operated in connection with the resources concerned.

The system of internal financial control can provide only reasonable and not absolute assurance that assets are safeguarded, that transactions are 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 currently prepared on a cash basis, financial regulations, administrative procedures (including segregation of duties), management supervision and a system of delegation and accountability. Development and maintenance of the system is undertaken by executive managers within the department. In particular, the system includes:

- comprehensive budgeting systems currently based on cash, not accruals, with an annual budget which is reviewed and agreed by the CPS Board;
- regular reviews by the CPS Board of periodic and annual financial reports which indicate financial performance against the forecasts;
- setting targets to measure financial and other performance;
- the preparation of regular financial reports which indicate actual cash expenditure against forecasts;
- clearly defined capital investment control guidelines;
- as appropriate, formal project management disciplines.

The department has managed resource budgets centrally since 1 April 2001 and plans to move to using resource based management information and financial reports at a local level with effect from 1 April 2002.

The department has an internal audit unit, which operates to standards defined in the Government Internal Audit Manual. The work of the internal audit unit is informed by an analysis of the risk to which the department 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 department's Audit Committee, which is chaired by the Additional Accounting Officer. At least annually, the Head of Internal Audit (HIA) provides me with a report on internal audit activity in the department. The report includes the HIA's independent opinion on the adequacy and effectiveness of the department's system of internal financial control.

My review of the effectiveness of the system of internal financial control is informed by:

- executive managers within the department;
- the work of the internal auditors as described above;
- the external auditors in their management letter and other reports.

In addition, accountable managers within CPS provide specific assurance that there is an effective system of internal control to ensure propriety and regularity, and that there is effective and efficient management and proper accounting for resources.

Costs Awards

The CPS receives awards of costs made against convicted defendants at the discretion of the judge or magistrates. This year some 522 courts made over 447,000 cost award orders. Magistrates' courts are responsible for recording, enforcing and collecting these costs, forwarding collected monies to the CPS and, under delegated authority, for writing off awards where the amount outstanding is less than £100.

The CPS therefore relies on Magistrates' courts internal financial controls and the monitoring of those controls by the LCD's internal audit, external audit and the Magistrate's Court Service Inspectorate.

We have achieved significant improvements in the management of accounting for the collection of cost awards and will be striving for further improvements through our continuing work with the Magistrates' courts who are responsible for collection of cost awards to the CPS.

Counsel Fees

I recognise the need to improve CPS quality assurance systems to ensure that existing financial controls on fees paid to counsel are properly exercised and recorded. With effect from 1 October 2001 we are introducing a revised fee structure for payments to counsel that will greatly simplify the negotiation and payment process and thereby substantially reduce risk in this area.

Implementation of the Turnbull Report

As Accounting Officer, I am aware of the recommendations of the Turnbull Committee and have taken steps to comply with the Treasury's requirement for a statement of internal control to be prepared for the year ended 31 March 2002, in accordance with DAO (GEN) 13/2000. I will continue to develop the CPS risk management arrangements by introducing all the necessary elements in 2001–02.

David Calvert-Smith QC
Accounting Officer

11 December 2001

The Certificate and Report of the Comptroller and Auditor General to the House of Commons

I certify that I have audited the financial statements on pages 11 to 27 under the Exchequer and Audit Departments Act 1921. 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 16 to 17.

Respective responsibilities of the Accounting Officer and Auditor

As described on page 7, the Accounting Officer is responsible for the preparation of the financial statements in accordance with the Exchequer and Audit Departments Act 1921 and Treasury directions made thereunder and for ensuring the regularity of financial transactions. The Accounting Officer is also responsible for the preparation of the other contents of the Accounts. My responsibilities, as independent auditor, are established by statute and 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 Exchequer and Audit Departments Act 1921 and Treasury directions made thereunder, 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 Department has not kept proper accounting records, or if I have not received all the information and explanations I require for my audit.

I read the other information contained in the Accounts, and consider whether it is consistent with the audited financial statements. I consider the implications for my certificate if I become aware of any apparent misstatements or material inconsistencies with the financial statements.

I review whether the statement on pages 7-8 reflects the Department'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 the 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 United Kingdom 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 Department in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Department'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 conformed 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 Crown Prosecution Service at 31 March 2001 and of the net resource outturn, resources applied to objectives, recognised gains and losses and cash flows for the year then ended and have been properly prepared in accordance with the Exchequer and Audit Departments Act 1921 and directions made thereunder by 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

17 January 2002

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SCHEDULE 1

Summary Of Resource Outturn 2000–01

For the year ended 31 March 2001

	Estimate			Outturn			1999–2000	
	<i>Gross Expenditure</i>	<i>A in A*</i>	<i>Net Total</i>	<i>Gross Expenditure</i>	<i>A in A*</i>	<i>Net Total</i>	<i>Net Total Outturn compared with Estimated saving/ (excess)</i>	<i>Prior-year Outturn</i>
	1	2	3	4	5	6	7	8
	£000	£000	£000	£000	£000	£000	£000	£000
Request for Resources 1	363,871	24,930	338,941	366,252	24,930	341,322	(2,381)	314,366
TOTAL RESOURCES	363,871	24,930	338,941	366,252	24,930	341,322	(2,381)	314,366
NON OPERATING COST A in A	—	—	—	—	—	—	—	—
NET CASH REQUIREMENT	—	—	349,036	—	—	330,045	18,991	322,316

Reconciliation of resources to cash requirement

	Note	£000	£000	£000
Net Total Resources		338,941	341,322	(2,381)
Capital:				
Purchase of fixed assets	8	15,656	12,984	2,672
Accruals adjustments:				
Non cash items	3, 4	(6,699)	(9,498)	2,799
Movements in working capital other than cash	9	—	(16,122)	16,122
Decrease in early retirement provision	13	1,138	1,359	(221)
Net Cash Requirement (Schedule 4)		349,036	330,045	18,991

Analysis of income payable to the Consolidated Fund

In addition to appropriations-in-aid the following income relates to the department and is payable to the Consolidated Fund: (cash receipts shown in italics)

	Note	2000–01 Forecast		2000–01 Outturn	
		<i>Income</i>	<i>Receipts</i>	<i>Income</i>	<i>Receipts</i>
		£000	£000	£000	£000
Income not classified as A in A	5	—	—	8,562	982
Income from sale of assets not classified as A in A	8	—	—	—	—
		—	—	8,562	982

* Note: All Estimate figures are illustrative and have no Parliamentary status. In consequence, treatments of income as Appropriations in Aid and Excess Appropriations in Aid also have no Parliamentary significance. The information disclosed in Schedule 1 is to illustrate the functioning of the Schedule, including the Reconciliation from Schedule 2, in advance of resource-based Supply being introduced from 2001–02.

The amount of cash receipts which a department may apply towards its outturn net cash requirement and those which must be surrendered to the Consolidated Fund are not necessarily the same in Resource Accounts as in the department's Appropriation Accounts.

SCHEDULE 2**Operating Cost Statement**
for the year ended 31 March 2001

	Note	2000–01		1999–2000	
		£000	£000	£000	£000
Administration Costs:					
Staff costs	2		167,749		160,031
Other administration costs	3		84,777		76,496
Gross Administration Costs			252,526		236,527
Less: income	5		(4,112)		(4,398)
Net Administration Costs			248,414		232,129
Programme Costs:					
Expenditure		113,726		100,769	
Less: income	5	(29,380)		(27,981)	
Net Programme Costs	4		84,346		72,788
Net Operating Cost	7		332,760		304,917
Net Resource Outturn	6		341,322		314,366

Statement of Recognised Gains and Losses
for the year ended 31 March 2001

	Note	2000–01	1999–2000
		£000	£000
Net gain on revaluation of tangible fixed assets	14	94	851
Receipt of donated assets	8	—	175
Prior-period adjustments		—	20,814
Total recognised gains and losses for the financial year		94	21,840

SCHEDULE 3**Balance Sheet**

as at 31 March 2001

	Note	31 March 2001		31 March 2000	
		£000	£000	£000	£000
Fixed Assets:					
Tangible assets	8		19,874		13,005
Current Assets:					
Debtors	10	35,754		47,165	
Cash at bank and in hand	11	4,669		(14,632)	
		<u>40,423</u>		<u>32,533</u>	
Creditors (amounts falling due within one year)	12	<u>(30,627)</u>		<u>(27,002)</u>	
Net Current Assets			9,796		5,531
Total Assets less Current Liabilities			<u>29,670</u>		<u>18,536</u>
Creditors (amounts falling due after more than one year)			—		—
Provisions for liabilities and charges	13	(8,460)		(8,446)	
			<u>(8,460)</u>		<u>(8,446)</u>
			<u>21,210</u>		<u>10,090</u>
Taxpayers' Equity					
General fund	16		20,157		9,044
Revaluation reserve	14		978		915
Donated asset reserve	14		75		131
			<u>21,210</u>		<u>10,090</u>

David Calvert-Smith QC
Accounting Officer

11 December 2001

SCHEDULE 4**Cash Flow Statement**

for the year ended 31 March 2001

	<u>2000–01</u>	<u>1999–2000</u>
	£000	£000
Net cash outflow from operating activities (a)	(316,079)	(316,629)
Capital expenditure and financial investment (b)	(12,984)	(3,285)
Payments to the Consolidated Fund (c)	(4,963)	(4,372)
Financing from Consolidated Fund (d)	353,327	306,197
Increase/(Decrease) in cash in the period	<u>19,301</u>	<u>(18,089)</u>

Notes:

- (a) See the table below giving a reconciliation of operating cost to operation cash flows.
(b) See the table below giving an analysis of capital expenditure and financial investment.
(c) See the table below giving an analysis of payments to the consolidated fund.
(d) See the table below giving an analysis of financing and a reconciliation to the net cash requirement.

Reconciliation of operating cost to operating cash flows

		<u>2000–01</u>	<u>1999–2000</u>
	Note	£000	£000
Net Operating Cost		332,760	304,917
Adjustments for:			
Non cash items	3, 4	(9,498)	(5,932)
Decrease in early retirement provision	13	1,359	1,395
Movements in working capital other than cash	9	(8,542)	16,249
Net cash outflow from operating activities		<u>316,079</u>	<u>316,629</u>

Analysis of capital expenditure and financial investment

		<u>2000–01</u>	<u>1999–2000</u>
	Note	£000	£000
Purchase of fixed assets	8	12,984	3,287
Proceeds of disposal of fixed assets		—	(2)
Net cash outflow from investing activities		<u>12,984</u>	<u>3,285</u>

Payments to Consolidated Fund

		<u>2000–01</u>	<u>1999–2000</u>
	Note	£000	£000
Surrender of prior year Surplus A in A	12	2,271	3,587
Surrender of prior year CFER	12	7	11
Surrender of current year CFER		163	124
Net surplus surrendered for the year ended 31 March 2000	10	2,522	650
		<u>4,963</u>	<u>4,372</u>

Analysis of Financing, and reconciliation to the net cash requirement

		<u>2000–01</u>	<u>1999–2000</u>
	Note	£000	£000
Funding from Consolidated Fund (Class V, Vote 4)		348,228	311,296
Add: prior year undrawn grant, net of surplus to be surrendered		5,099	—
Less: current year undrawn grant	10	—	(5,099)
		<u>353,327</u>	<u>306,197</u>
Add: current year CFER not paid over	12	7	7
current Surplus A in A not paid over	12	812	2,271
Less: prior year CFER paid over	12	(7)	(11)
prior year Surplus A in A paid over	12	(2,271)	(3,587)
prior year surplus paid over	10	(2,522)	(650)
Add: (increase)/decrease in cash	11	(19,301)	18,089
Net cash requirement (Schedule 1)		<u>330,045</u>	<u>322,316</u>

SCHEDULE 5**Resources by Departmental Aim and Objectives**

for the year ended 31 March 2001

Aim

To contribute to the reduction both of crime and the fear of crime and to increased public confidence in the criminal justice system by fair and independent review of cases and by firm, fair and effective prosecution at court.

The aim is consistent with the wider aims of the criminal justice system.

Objectives

Dealing with prosecution cases in a timely and efficient manner in partnership with other agencies:

	2000–01			1999–2000		
	<u>Gross</u> £000	<u>Income</u> £000	<u>Net</u> £000	<u>Gross</u> £000	<u>Income</u> £000	<u>Net</u> £000
Objective 1 To ensure that the charges proceeded with are appropriate to the evidence and to the seriousness of the offending by the consistent, fair and independent review of cases in accordance with the Code for Crown Prosecutors	69,099	(8,942)	60,157	46,597	(6,281)	40,316
Objective 2 To enable the courts to reach just decisions by fairly, thoroughly and firmly presenting prosecution cases, rigorously testing defence cases, and scrupulously complying with the duties of disclosure	277,019	(22,842)	254,177	275,269	(24,932)	250,337
Objective 3 To meet the needs of victims and witnesses within the criminal justice system, in co-operation with other criminal justice agencies	20,134	(1,708)	18,426	15,430	(1,166)	14,264
Net Operating Cost	<u>366,252</u>	<u>(33,492)</u>	<u>332,760</u>	<u>337,296</u>	<u>(32,379)</u>	<u>304,917</u>

See Note 22

Notes to the Departmental Resource Accounts

1. Statement of Accounting Policies

The financial statements have been prepared in accordance with the Resource Accounting Manual issued by HM Treasury. The particular accounting policies adopted by the department are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

1.1 Accounting Convention

These accounts have been prepared under the historical cost convention modified to account for the revaluation of fixed assets at their value to the business by reference to their current costs.

1.2 Basis of Consolidation

The CPS has no agencies or other bodies that may form part of a CPS departmental group.

1.3 Tangible Fixed Assets

Title to the freehold land and buildings shown in the accounts is held as follows:

- (a) property on the departmental estate, title to which is held by the CPS;
- (b) property held by the Department of Environment in the name of the Secretary of State.

Freehold land and buildings are revalued using professional valuations every five years, and during intervening years, by annual indexation up to the year-end. The indices used are supplied by the Investment Property Databank.

Other tangible assets are revalued annually by indexation up to the year-end using Price Index Numbers for Current Cost Accounting, published by the Office of National Statistics. Previously, these were revalued annually using mid-year price indices, and as a result of the change in accounting policy prior year figures have been restated accordingly (note 8).

Costs of bought-in services incurred in preparation for the implementation of IT projects are capitalised. Internal costs incurred on the same projects are not capitalised where the work can only be carried out by in-house staff.

The minimum level for capitalisation of a tangible fixed asset is £3,000. However, as the CPS has a significant volume of computer hardware and furniture and fittings that individually fall below this value, the expenditure on these types of asset is capitalised on a pooled basis and written off over the relevant standard life.

1.4 Depreciation

Freehold land is not depreciated.

Depreciation is provided at rates calculated to write off the valuation of freehold buildings and other tangible fixed assets by equal instalments over their estimated useful lives. Lives are normally in the following ranges:

Freehold buildings	20 to 60 years
Equipment and computers	4 to 8 years
Furniture and fittings	10 years

1.5 Donated Assets

Donated tangible fixed assets are capitalised at their valuation on receipt, and this value is credited to the donated assets reserve. Subsequent revaluations are also taken to this reserve. Each year, an amount equal to the depreciation charge on the asset is released from the donated asset reserve to the operating cost statement. Donated assets are revalued, depreciated and impaired in the same way as other fixed assets.

1.6 Operating Income

Operating income is income, which relates directly to the operating activities of the department, and consists of administration and programme income. The Treasury permits a defined level of receipts to be appropriated in aid each year. Surplus receipts are surrendered to the Consolidated Fund.

Administration Income

Administration income principally comprises of rental income from other Government Departments in jointly occupied buildings, commercial sub-tenants and Non Departmental Public Bodies.

Notes to the Departmental Resource Accounts (*continued*)

Programme Income

The CPS receives awards of costs made against convicted defendants at the discretion of the judge or magistrates. This year some 522 courts made over 447,000 cost award orders. Magistrates' courts are responsible for recording, enforcing and collecting these costs; forwarding collected monies to the CPS and, under delegated authority, for writing-off awards where the amount outstanding is less than £100.

A provision for bad debts has been introduced for 2000–01. No provision was made in previous financial years. The provision is based on an average write off for each court weighted on past debt collection performance.

In order to account for cost awards, the CPS uses returns submitted by the courts in respect of cash collected, transfers to and from other courts, amounts written off and cost awards outstanding. The costs reflect the cost of the prosecution but for administrative purposes are recorded against programme costs only. Cost award receipts are apportioned across each of the objectives in Schedule 5.

1.7 Administration and Programme Expenditure

The operating cost statement is analysed between administration and programme costs. Administration costs reflect the accruals effect of expenditure recorded as running costs, together with associated operating income. Programme costs reflect the external cost of prosecution, on an accruals basis, including the employment of counsel and compensation paid to witnesses for costs incurred through their attendance at court.

1.8 Capital Charge

A charge, reflecting the cost of capital utilised by the department, is included in operating costs. The charge is calculated at the Government's standard rate of 6% in real terms on all assets less liabilities, except for:

- (a) cash balances with the Office of the Paymaster General and donated assets where the charge is nil; and
- (b) liabilities for amounts surrendered to the Consolidated Fund for which no credit against the charge is allowed.

1.9 Pensions

Present and past employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) which is non-contributory and unfunded. Although the Scheme is a defined benefit scheme, liability for payment of future benefits is a charge to the PCSPS. Departments, agencies and other bodies covered by the PCSPS meet the cost of pension cover provided for the staff they employ by payment of charges calculated on an accruing basis. There is a separate scheme statement for the PCSPS as a whole.

1.10 Early Departure Costs

The department is required to meet the additional cost of benefits beyond the normal PCSPS benefits in respect of employees who retire early. The department provides in full for this cost when the early retirement programme has been announced and is binding on the department. The department may, in certain circumstances, settle some or all of its liability in advance by making a payment to the Paymaster General's account at the Bank of England for the credit of the Civil Superannuation Vote. The amount provided is shown net of any such payment. The provision for early retirement costs is to be adjusted each year to take account of the proportion of the financial benefit (i.e. the interest receivable) derived by the department from making payment in advance see note 13. The department is required to fund only 20% (the 80:20 scheme) of the early departure costs for staff whose employment ceased between 1 October 1994 to 31 March 1997 and only applied to employees who were members of the PCSPS.

1.11 Operating Leases

Rentals due under operating leases are charged to the Operating cost statement over the lease term on a straight line basis, or on the basis of actual rentals payable where this fairly reflects the usage. Future payments, disclosed at note 18, "Commitments under Operating Leases", are not discounted.

2. Staff Numbers and Costs

(a) Staff costs consists of:

	Note	2000–01		1999–2000	
		£000	£000	£000	£000
Wages and salaries			137,700		130,538
Social security costs			10,242		10,128
Other pension costs			19,522		18,620
Early retirement costs in year		1,511		2,076	
Less: provision used in year	13	(1,359)		(1,395)	
			152		681
Staff welfare and other personnel costs			133		64
			167,749		160,031

For the 2000–01 contributions of £19,521,698 were paid to the PCSPS (1999–2000: £18,619,982) at rates determined by the Government Actuary and advised by Treasury. These rates were in the range 12–20.5% of pensionable pay.

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

	2000–01	1999–2000
	Number	Number
Objective 1 work	1,572	1,100
Objective 2 work	3,959	4,460
Objective 3 work	291	232
Total	5,822	5,792

(c) The salary and pension entitlements of members of the CPS Board were as follows:

Name and title	Age	Salary (as defined below)	Real increase in pension at age 60	Total accrued pension at age 60 at 31 March 2001	Date started	Date left
Mr David Calvert-Smith <i>Director of Public Prosecutions</i>	55	125–130	(See note overleaf)			
Mark Addison <i>Chief Executive</i>	50	100–105	2.5–5.0	25–30		
Stephen Wooler <i>Chief Inspector</i>	53	80–85	0.0–2.5	25–30		
Lonney Carey <i>Director BIS</i>	42	50–55	0.0–2.5	00–05		
John Graham <i>Director of Finance</i>	49	65–70	0.0–2.5	20–25		
Chris Newell <i>Director Casework</i>	50	80–85	0.0–2.5	25–30		
Garry Patten <i>Director Policy</i>	51	75–80	0.0–2.5	15–20		
Indi Seehra <i>Director, Human Resources</i>	38	80–85	0.0–2.5	00–05		
Dr Rohan Collier <i>Diversity Manager</i>	55	60–65	0.0–2.5	00–05	01/08/00	
Lyn Salisbury <i>Communication Division</i>	53	50–55	0.0–2.5	15–20		
Jackie Wilson <i>Strategic Planning Unit</i>	58	55–60	0.0–2.5	15–20	01/04/00	
Peter Boeuf <i>CCP London</i>	53	75–80	0.0–2.5	20–25		
Andrew Cresswell <i>CCP, Devon and Cornwall</i>	47	55–60	0.0–2.5	15–20		
Sandie Hebblethwaite <i>CCP, Surrey</i>	37	45–50	0.0–2.5	5–10		

Notes to the Departmental Resource Accounts (*continued*)

Peter Lewis <i>CCP, Nottinghamshire</i>	44	60–65	0.0–2.5	15–20	
Nicola Reasbeck <i>CCP, Northamptonshire</i>	45	65–70	0.0–2.5	15–20	
Monica Townsend <i>CCP, Bedfordshire</i>	39	50–55	0.0–2.5	5–10	
David Blundell <i>CCP, West Midlands</i>	55	60–65	0.0–2.5	20–25	01/04/00
Dicky Dickenson <i>CCP, Lancashire</i>	57	65–70	0.0–2.5	30–35	01/04/00
Bob Marshall <i>CCP, Humberside</i>	47	55–60	0.0–2.5	15–20	01/04/00
Simon Rowlands <i>CCP, Dyfed-Powys</i>	49	50–55	0.0–2.5	15–20	01/04/00
Mike Pitt <i>Non-executive Director</i>	52	*0–5	N/a	N/a	
Sukhvinder Stubbs <i>Non-executive Director</i>	39	*0–5	N/a	N/a	
Tony Taylor <i>CCP, Greater Manchester</i>	N/a	N/a	N/a	N/a	01/04/00
Harry Ireland <i>CCP, Staffordshire</i>	N/a	N/a	N/a	N/a	01/04/00
Huw Heycock <i>CCP, Gwent</i>	N/a	N/a	N/a	N/a	01/04/00
Neil Franklin <i>CCP, West Yorkshire</i>	N/a	N/a	N/a	N/a	01/04/00
Baljit Ubhey <i>Diversity Manager</i>	N/a	N/a	N/a	N/a	01/04/00

* Non-executive Directors receive an annual fee of £5,000 as remuneration for sitting on the board.

Pension benefits are provided through the Principal Civil Service Pension Scheme (PCSPS). This is a statutory scheme which provides benefits on a “final salary” basis at a normal retirement age of 60. Benefits accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to 3 years’ pension is payable on retirement. Members pay contributions of 1.5 per cent of pensionable earnings. Pension increase in payment in line with the Retail Prices Index. On death, pensions are payable to the surviving spouse at a rate of half the member’s pension. On death in service the scheme pays a lump sum benefit of twice pensionable pay and also provides a service enhancement on computing the spouse’s pension. The enhancement depends on the length of service and cannot exceed 10 years. Medical retirement is possible in the event of serious ill health. In this case, pensions are brought into payment immediately without actuarial reduction and with service enhanced as for widow(er) pensions.

The Director of Public Prosecutions is expected to have an individually tailored contributory pension which has yet to be finalised.

Salaries include gross salaries, reserved rights to London Weighting or London allowances, recruitment and retention allowances. It does not include estimated monetary value of benefits in kind.

3. Other administration costs

	Note	2000–01		1999–2000	
		£000	£000	£000	£000
Rental under operating leases:					
Hire of office equipment		1,354		1,375	
Accommodation leases		<u>24,229</u>		<u>23,243</u>	
			25,583		24,618
Non cash items:					
Auditor's remuneration		80		52	
Depreciation		4,954		3,837	
Loss on revaluation of equipment and computers		1,286		—	
Transfer from donated asset reserve		(31)		(44)	
Cost of capital charge (Administration)		1,351		993	
Profit on disposal of fixed assets		—		(2)	
Early retirement provision	13	372		324	
Unwinding of discount in early retirement provision	13	417		448	
Interest receivable, net of annual offset	13	<u>(12)</u>		<u>(48)</u>	
			8,417		5,560
Travel and subsistence			4,698		3,906
Professional charges			3,267		2,852
Temporary staff			6,822		5,611
Other expenditure			<u>35,990</u>		<u>33,949</u>
			<u>84,777</u>		<u>76,496</u>

(a) There has been no auditor's remuneration for non-audit work.

4. Net Programme Costs

	Note	2000–01		1999–2000	
		£000	£000	£000	£000
Advocacy fees		94,196		84,623	
Witness expenses		11,726		11,214	
Costs awarded against CPS		311		313	
Other external programme costs		1,531		1,267	
Costs awarded to CPS written off	23	<u>4,881</u>		<u>2,980</u>	
			112,645		100,397
Non cash items:					
Costs awarded to CPS bad debt provision	13	596		—	
Cost of capital charge (Programme)		<u>485</u>		<u>372</u>	
			1,081		372
			<u>113,726</u>		<u>100,769</u>
Less: income			(29,380)		(27,981)
			<u>84,346</u>		<u>72,788</u>

Notes to the Departmental Resource Accounts (*continued*)

5. Operating Income

	2000–01		Total £000
	Appropriated-in-aid £000	Payable to Consolidated Fund £000	
Operating income analysed by classification and activity, as follows:			
Administration income:			
Rental receivable from external tenants	830	734	1,564
Rental receivable from other departments	2,371	—	2,371
Consolidated Fund Extra Receipts	—	170	170
Other	7	—	7
	3,208	904	4,112
Programme income:			
Costs awarded to the CPS	21,722	7,658	29,380
	24,930	8,562	33,492

	1999–2000		Total £000
	Appropriated-in-aid £000	Payable to Consolidated Fund £000	
Operating income analysed by classification and activity, as follows:			
Administration income:			
Rental receivable from external tenants	800	721	1,521
Rental receivable from other departments	2,736	—	2,736
Consolidated Fund Extra Receipts	—	129	129
Other	12	—	12
	3,548	850	4,398
Programme income:			
Costs awarded to the CPS	19,382	8,599	27,981
	22,930	9,449	32,379

6. Reconciliation of Net Operating Cost to Net Resource Outturn

	Note	2000–01 £000	1999–2000 £000
Net Operating Cost		332,760	304,917
Add: operating income not classified as A in A but within public expenditure	5	8,562	9,449
Net Resource Outturn		341,322	314,366

Net operating cost is the total of expenditure and income appearing in the operating cost statement (Schedule 2). Net resource outturn is the total of those elements of expenditure and income that are subject to parliamentary approval and included in the departments' Supply Estimate. The outturn against the Estimate is shown in the summary of resource outturn (Schedule 1). Schedule 1 will not be fully relevant until after the introduction, subject to parliamentary approval, of resource-based Supply.

7. Analysis of Net Resource Outturn and Net Operating Cost by function

	2000–01						<i>Net Total Outturn Compared with Estimate</i>
	<i>Admin</i>	<i>Programme</i>	<i>Other Current</i>	<i>A-in-A</i>	<i>Net Total</i>	<i>Estimate</i>	
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	
Request for Resources 1							
Administration	252,526	—	—	(3,208)	249,318	255,003	5,685
Crown prosecutions and legal services	—	113,726	—	(21,722)	92,004	83,938	(8,066)
Total	252,526	113,726	—	(24,930)	341,322	338,941	(2,381)
Resource Outturn Non-A in A operating income	252,526	113,726	—	(24,930)	341,322	338,941	(2,381)
Net Operating Cost					332,760		

	1999–2000						<i>Net Total Outturn Compared with Estimate</i>
	<i>Admin</i>	<i>Programme</i>	<i>Other Current</i>	<i>A-in-A</i>	<i>Net Total</i>	<i>Estimate</i>	
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>	
Request for Resources 1							
Administration	236,527	—	—	(3,548)	232,979	230,848	(2,131)
Crown prosecutions and legal services	—	100,769	—	(19,382)	81,387	78,689	(2,698)
Total	236,527	100,769	—	(22,930)	314,366	309,537	(4,829)
Resource Outturn Non-A in A operating income	236,527	100,769	—	(22,930)	314,366	309,537	(4,829)
Net Operating Cost					304,917		

Functions represent the disaggregation of requests for control purposes and parliamentary approval. They may not correspond to departmental objectives, which in turn reflect a disaggregation of departmental aims for the management of activities. (For analysis of A in A, see Note 5)

8. Tangible fixed assets

	Freehold Land and Buildings	Equipment and Computers	Total
	<u>£000</u>	<u>£000</u>	<u>£000</u>
Cost or Valuation			
At 1 April 2000	3,845	14,625	18,470
Additions	—	12,984	12,984
Donations	—	—	—
Disposals	—	—	—
Revaluation	141	(1,235)	(1,094)
At 31 March 2001	3,986	26,374	30,360
Depreciation			
At 1 April 2000	—	5,465	5,465
Charged for the year	85	4,869	4,954
Disposals	—	—	—
Revaluation	—	67	67
At 31 March 2001	85	10,401	10,486
Net Book Value:			
At 31 March 2001	3,901	15,973	19,874
At 1 April 2000	3,845	9,160	13,005

Notes to the Departmental Resource Accounts (*continued*)

Freehold land and buildings were valued on 31 March 2000 at £3,845,000 on the basis of existing use value by an external firm of Chartered Surveyors, Donaldsons. The valuations were carried out in accordance with Statement of Asset Valuation Practice no 4. This is equivalent to the Royal Institute of Chartered Surveyors (RICS) Practice Standard no 4.

The Accounting Officer is not aware of any material changes in the carrying value of freehold land and buildings and therefore there have been no interim valuations, other than indexation, since 31 March 2000.

9. Movements in Working Capital other than Cash

		2000-01	1999-2000
	Note	£000	£000
(Decrease)/Increase in debtors*	10	(8,834)	13,011
Decrease in creditors	12	292	3,238
		(8,542)	16,249

These figures exclude amounts due to and from the Consolidated Fund.

* In Schedule 1 the figure for movements in working capital other than cash, ie £16,122k includes those debtors arising from accrued income, ie £7,580k.

10. Debtors

	2000-01		1999-2000	
	£000	£000	£000	£000
Amounts falling due within one year:				
Trade debtors		23,973		23,116
Deposits and advances		239		13,683
Other debtors		131		—
Prepayments		11,411		7,789
Undrawn grant	—		5,099	
Less: surplus to be surrendered	—		(2,522)	
Balance to be drawn		—		2,577
		35,754		47,165
Amounts falling due after more than one year:				
Trade debtors		—		—
Deposits and advances		—		—
Other debtors		—		—
Prepayments		—		—
		35,754		47,165

11. Cash at Bank and in Hand

	2000-01	1999-2000
	£000	£000
Balance at 1 April 2000	(14,632)	3,457
Net cash inflow/(outflow)	19,301	(18,089)
Balance at 31 March 2001	4,669	(14,632)

The office of HM Paymaster General (OPG) provides a current account banking service.

The following are held at 31 March:

Balances at OPG	4,545	(14,679)
Commercial banks and cash in hand	124	47
	4,669	(14,632)

12. Creditors: amounts falling due within one year

	2000–01		1999–2000	
	£000	£000	£000	£000
VAT		63		59
Other taxation and social security		—		—
Trade creditors		3,970		5,767
Accruals and deferred income		13,349		11,849
Cash balances payable to Consolidated Fund:				
Surplus to be surrendered, net of undrawn grant**	4,846		—	
Surplus appropriations in aid*	812		2,271	
Surplus Accrued income*	7,580		7,049	
Consolidated Fund Extra Receipts**	7		7	
		13,245		9,327
		30,627		27,002

* See footnote at bottom of Schedule 1.

** This amount is based on the accounting conventions adopted for Resource based Supply.

13. Provisions for liabilities and charges

	Note	Early retirement and pension commitments		Other	Total
		£000	£000	£000	£000
Balance at 1 April 2000			8,446	—	8,446
New provision	3,4	372		596	968
Unwinding of discount	3	417		—	417
Interest receivable	3	(33)		—	(33)
Annual offset	3	21		—	21
Provision used in year	2	(1,359)		—	(1,359)
Decrease in provision			(582)		
Balance at 31 March 2001			7,864	596	8,460

See note 1

Other provisions relates to the provision for bad debts introduced in 2000–01.

14. Reserves

	Revaluation Reserve
	£000
Balance at 1 April 2000	915
Transferred to general fund in respect of realised element of revaluation reserve	(31)
Arising on revaluation during the year	94
Balance at 31 March 2001	978
	Donated Assets Reserve
	£000
Balance at 1 April 2000	131
Realised during the year	(56)
Balance at 31 March 2001	75

The donated assets reserve reflects the net book value of assets donated to the department. These comprise £175,000 assets donated to the CPS in 1999–2000. £56k realised during 2000–01 is made up of £25k revaluation and £31k depreciation.

Notes to the Departmental Resource Accounts (*continued*)

15. Reconciliation of Net Operating Cost to the Appropriation Account

	Note	2000–01 £000	1999–2000 £000
Net Operating Cost (Schedule 2)		332,760	304,917
Operating income not classified as Appropriations in Aid	5	8,562	9,449
Purchase of fixed assets	8	12,984	3,287
Adjustments for:			
Non cash items	3, 4	(9,498)	(5,932)
Accrued Income	9	(7,580)	(7,049)
Early retirement provision used in year	13	1,359	1,395
Movements in working capital other than cash	9	(8,542)	16,249
Movements in vote assets and liabilities other than cash		13,337	(13,542)
Class V, Vote 4 net outturn		343,382	308,774

16. Reconciliation of Net Operating Cost to changes in General Fund (Schedule 2)

	Note	2000–01 £000	1999–2000 £000
Net Operating Cost		(332,760)	(304,917)
Surplus appropriations in aid payable to Consolidated Fund*	5	(8,392)	(9,320)
Income not appropriated in aid payable to Consolidated Fund	5	(170)	(131)
		(341,322)	(314,368)
Net vote funding		348,228	306,197
Surplus on Vote (net of undrawn grant) repayable to Consolidated Fund	12	(4,846)	2,577
Transferred to general fund of realised element of revaluation reserve	14	31	38
Notional charges:			
Cost of capital charge (net)	3, 4	1,836	1,365
Auditor's remuneration	3	80	52
		1,916	1,417
Net Increase in General Fund		4,007	(4,139)
General Fund at 1 April 2000		9,044	13,183
		13,051	9,044
* Surplus accrued income not surrendered		7,049	—
Adjustment to assets in 2000–01		57	—
General Fund at 31 March 2001 (Schedule 3)		20,157	9,044

* See footnote at bottom of Schedule 1.

17. Capital Commitments

	<u>2000–01</u>	<u>1999–2000</u>
	£000	£000
Contracted capital commitments at 31 March 2001 for which no provision has been made which relate to costs to be incurred in relation to the Connect 42 & HQ projects—the provision of IT infrastructure throughout the CPS	2,235	—

18. Commitments under operating leases

	2000–01		1999–2000	
	Land and Buildings	Other	Land and Buildings	Other
	<u>£000</u>	<u>£000</u>	<u>£000</u>	<u>£000</u>
At 31 March 2001 the department was committed to making the following payments in the next year in respect of operating leases expiring:				
within one year	1,300	37	828	198
between two to five years	2,374	235	1,556	1,077
after five years	16,085	2,718	17,390	2,782
	<u>19,759</u>	<u>2,990</u>	<u>19,774</u>	<u>4,057</u>

19. Financial commitments

There were no financial commitments as at 31 March 2001.

20. Contingent Liabilities

As at 31 March 2001 the CPS are involved in 11 Employment Tribunal cases. One of these cases may possibly result in a settlement payment totalling £24,500 during 2001–02. The CPS was also involved in a number of personal injury claims. 13 cases are still in the process of negotiation; these may result in settlements totalling £461,641 including costs. It is not possible to estimate the financial effect of the remaining personal injury claims.

21. Related party transactions

The CPS has close working relationships with all agencies within the criminal justice system, and particularly the Courts (see note 1.6). The Courts are regarded as related parties with which the Department has had material transactions, being mainly costs awarded by the courts to the CPS (see notes 5 and 10) less amounts written off (see note 4).

In addition the CPS has had a number of transactions with other Government bodies.

None of the Board members, key managerial staff or other related parties has undertaken any material transactions with the CPS during the year.

22. Notes to Schedule 5

Salary costs, administration costs, costs awards against the CPS and income are allocated to the objectives based on timings derived from the CPS Activity Based Cost system. Expenditure relating to Advocacy fees has been attributed to objective 2. Witness expenses have been attributed to objectives 2 and 3.

The CPS's capital is employed exclusively for administration purposes. Its distribution amongst objectives is therefore not markedly different from the proportion of the related gross administration cost.

Notes to the Departmental Resource Accounts (*continued*)**23. Losses and Special Payments**

Included within the Operating Cost Statement are losses and special payments as follows:

	<u>2000–01</u>	<u>1999–2000</u>
	£000	£000
Losses		
Total (114,041 cases)	4,918	3,054
<p>These losses include 113,879 cases relating to costs awarded to the CPS totalling £4.9 million (Note 4) of which the Magistrates' Courts who are responsible for collecting costs awarded to the CPS, wrote off 110,252 cases with a value of £4.2 million under their delegated powers, and the CPS authorised a further write off of £0.7 million comprising 3,627 cases.</p>		
Special Payments		
Total (38 cases)	262	267

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