

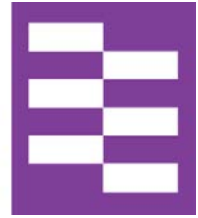
**Wiltshire  
Probation Trust**



# **Wiltshire Probation Trust**

**Annual Report and Accounts  
2013–2014**

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Probation Trust**



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Annual Report and Accounts  
2013–2014**

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# Vision, Mission & Values

## National Offender Management Service Statement of Purpose, Vision and Values

### Statement of Purpose

The National Offender Management Service (NOMS) is an Executive Agency of the Ministry of Justice. NOMS role is to commission and provide offender management services in the community and in custody ensuring best value for money from public resources. NOMS work to protect the public and reduce reoffending by delivering the punishment and orders of the courts and supporting rehabilitation by helping offenders to reform their lives.

### Vision

NOMS will work collaboratively with providers and partners to achieve a transformed Justice system to make communities safer, prevent victims and cut crime.

### Values

In delivering offender management services, NOMS will:

- Be objective and take full account of public protection when assessing risk
- Be open, honest and transparent
- Incorporate equality and diversity in all it does
- Value, empower staff and support staff and work collaboratively with others
- Treat offenders with decency and respect
- Embrace change, innovation and local empowerment
- Use our resources in the most effective way, focusing on outcomes and delivering value for money for the taxpayer.

## Wiltshire Probation Trust Vision and Mission Statement

### Vision

“Managing and Changing Lives to keep our communities safer”

### Mission Statement

- “Wiltshire Probation Trust is committed to reducing crime and protecting the public in order to prevent the next victim. In partnership with others, we take pride in bringing creative local solutions to national problems, serving the needs of the diverse communities of Wiltshire and Swindon, and ensuring that the punitive and rehabilitative elements of orders/licences being supervised reduce re-offending.
- We believe in the importance of working creatively with individuals to facilitate life changes and in building joint partnerships with the private and voluntary sectors as providers and commissioners of effective services that deliver changed lives.”

In delivering the requirements of the Government’s Transforming Rehabilitation (TR) Programme, the Trust has used its Mission statement as a key driver in ensuring that it maintains “business as usual” whilst in parallel preparing for the transition in service to the new National Probation Service (NPS) and the Bristol, Gloucestershire, Somerset and Wiltshire (BGSW) Community Rehabilitation Company (CRC). The BGSW CRC constitutes the Company’s formal business name, in day to day terms it will be known as the West of England CRC. The Trust has invested heavily in maintaining strong and productive links with its partners, key stakeholders and staff in preparing for the fundamental changes in the way the probation service is delivered within the Criminal Justice System.

### **Principal activities**

Wiltshire Probation Trust (WPT) operates two Local Delivery Units which cover the two Unitary Authorities (Wiltshire and Swindon). Wiltshire has a population of 470,981 (at March 2011), the overall recorded crime rate between October 2012 and September 2013 was 20,089 which equates to 42.65 per 1,000 people. Swindon has a population of 209,156 (at March 2011), the overall recorded crime rate between October 2012 and September 2013 was 13,023 which equates to 62.26 per 1,000 people.

The Trust provides advice to the Courts to assist in determining the appropriate sentences to impose. It also provides advice on other decisions in respect of persons charged with or convicted of offences, including bail information, enforcement and interventions to assist in the supervision and rehabilitation of such persons.

The CE is the Accountable Officer (AO) for the Trust and is accountable to the NOMS Accounting Officer for the efficient and effective delivering of contractually agreed targets and safeguarding public funds.

## Foreword

It is with great pride and a degree of sadness that I present the Wiltshire Probation Trust Annual Report and Accounts 2013/14 as this constitutes the Trust's last full year of operation in providing economic efficient and effective services to our users.

During the year the Trust has maintained its focus upon providing business as usual and has delivered a high standard of service to all stakeholders. The Trust has enhanced existing service provision through targeting resources towards the Swindon five wards project which has supported people to lead crime free lives. Additional investment has been directed to providing service users with a voice in influencing service design and we have worked with partner agencies to introduce a Women's Community Project, in line with NOMS strategy and practice guidance for service delivery to women offenders.

Whilst concentrating upon delivering business as usual in 2013/14, the Trust has prepared for the fundamental changes in service provision associated with the Justice Secretary's Transforming Rehabilitation (TR) Programme which will redesign the structure of service provision by creating a newly formed National Probation Service and newly formed West of England Community Rehabilitation Company (Bristol, Gloucestershire, Somerset and Wiltshire).

This has been a particularly demanding and challenging time for the Trust's employees in moving to this new operating model. I recognise that the demands of training and testing procedures, as well as maintaining 'business as usual' is a massive challenge. As I prepare to leave the Trust I want to convey my thanks to all staff for the goodwill and cooperation which they have demonstrated in relation to the TR programme. They are an incredibly flexible and capable group of individuals and I know that the culture of WPT will be a powerful force within the new NPS Division and the West of England CRC. During my two years here I have seen that the interests of offenders, victims and local communities are always at the heart of practice and decision making and this is a very worthy legacy to take forward to the two new organisations.

Liz Rijnenberg  
Chief Executive Officer  
10th June 2014

# 1. Operational & Performance Review 2013–14

Wiltshire Probation Trust continues to perform strongly throughout the 2013/14 financial year with all of its contract performance targets either met or exceeded together with targets relating to “Getting to Know You”, “Positive Steps to Change” and “Opening Doors” with one exception. This relates to the historical reducing re-offending measure which indicates that the Trust has a negatively statistical significant re-offending rate i.e. where the actual rate is higher than predicted. NOMS will no longer be including this measure within its reporting suite from May 2014.

The Trust has taken action to better understand the “cause and effect” relationship in improving performance in reducing re-offending and in doing so has targeted resources towards specific offenders that have been statistically assessed as most likely to re-offend. Analysis of the type of offences indicate this relates to relatively low level crime e.g. shoplifting and as such we have developed a focus on this in our One Swindon Five Wards project.

In respect of programmes’ performance, despite difficulties encountered during the year, the Trust has achieved all its contract performance targets in part due to its ability to identify issues early and expediently putting in place appropriate corrective action through redeployment of staff, reconfiguring programme delivery options and improving the service user environment to encourage take up and participation. This has also included commissioning “User Voice”, (an organisation specialising in engaging with service users), in partnership with neighbouring Trusts to better understand what will be most productive and effective in facilitating service user life changes.

In terms of progress regarding the Trust’s exit and transition planning, NOMS Senior Community Manager and MoJ Transition Manager have indicated that they are very satisfied with the progress the Trust has made in putting in place the changes required to effect a seamless transition in service delivery and in extending probation service responsibility to include under 12 month service user supervision.

In terms of resources, financial management continues to remain strong within the Trust enabling £230,000 of its originally approved budget to be returned to NOMS as a consequence of the successful implementation of its efficiencies programme including the implementation of a number of invest to save initiatives. Regarding human resource management, the Trust is an accredited gold award Investor in People.

## Complaints

The Trust considers it is following best practice guidance in investigating complaints in an open, thorough and constructive manner.

The complaints’ database indicates that twelve complaints were received in 2013/14 of which ten were dealt with through the internal complaints’ procedure. We have one complaint which is progressing via the appeal process. Two complaints received were diverted as they were deemed to be the business of the Ministry of Justice (MoJ) HM Prison Service.

## Staffing

The Trust’s full time equivalent staffing numbers has increased year on year from 147.08 (12/13) to 162.78 (13/14) primarily due to introducing an apprentice scheme, the extension of service provision relating to women’s services and strengthening the IOM team. Gender and race/ethnicity analysis remains a relative constant.



Staffing profile by grade, gender and race/ethnicity

		White W1	White: Other W9	White: Irish W2	Black Caribbean M1	Black African M2	Mixed White and Asian M3	Black British Caribbean B1	Black Other B9	Indian A1	Pakistani A2	Bangladeshi A3	Asian A9	Chinese O1	Refusal NS	Total FTE:	Total FTE:
<b>Senior Executive Team / Board</b>	Male	1.39														1.39	4.85
	Female	3.46														3.46	
<b>Senior Team Managers</b>	Male	2.00														2.00	2.84
	Female	0.84														0.84	
<b>Administrators</b>	Male															0	19.42
	Female	19.42														19.42	
<b>Team Co-ordinators</b>	Male															0	2.36
	Female	2.36														2.36	
<b>Community Payback Team</b>	Male	6.00														6.00	10.94
	Female	3.94	1.00													4.94	
<b>Pathways Delivery Team</b>	Male	1.00														1.00	11.00
	Female	10.00														10.00	
<b>Finance</b>	Male	1.00														1.00	2.00
	Female	1.00														1.00	
<b>HR and H&amp;S</b>	Male	1.00														1.00	4.00
	Female	3.00														3.00	
<b>PAs</b>	Male															0	2.00
	Female	2.00														2.00	
<b>Performance and Information MAPPA</b>	Male	3.80														3.80	3.80
	Female															0	
	Male															0	3.60
	Female	3.60														3.60	
<b>Effective Practice</b>	Male															0	1.00
	Female	1.00														1.00	
<b>Probation LDU Managers</b>	Male	3.00														3.00	4.81
	Female	1.81														1.81	
<b>Offender Managers Tier 1–3 (PSO)</b>	Male	2.00														2.00	24.10
	Female	20.10	1.00						1.00							22.10	
<b>Offender Managers Tier 3–4 (PO)</b>	Male	7.50														7.50	25.15
	Female	17.65														17.65	
<b>Victim Liaison</b>	Male															0	1.59
	Female	1.59														1.59	
<b>Programmes Team</b>	Male	3.00							1.00							4.00	9.46
	Female	5.46														5.46	
<b>HMP Erlestoke</b>	Male	2.00														2.00	4.00
	Female	2.00														2.00	
<b>IOM</b>	Male	5.60														5.60	10.99
	Female	5.39														5.39	
<b>Youth Offending Team</b>	Male		1.00													1.00	4.00
	Female	3.00														3.00	
<b>Other</b>	Male	0.5					1.00									1.50	2.50
	Female	1.00														1.00	
<b>Health Trainers</b>	Male	1.60														1.60	2.52
	Female	0.92														0.92	
<b>Apprentices</b>	Male	1.00														1.00	3.00
	Female	1.00					1.00									2.00	
<b>Nelson Trust – Keyworkers</b>	Male															0	2.85
	Female	1.90	0.95													2.85	
<b>TOTAL as at 31<sup>st</sup> March 2014</b>		<b>154.83</b>	<b>3.00</b>	<b>0.95</b>			<b>2.00</b>		<b>2.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>162.78</b>

## Sickness Absence

Sickness is monitored on a monthly basis through the NOMS Performance Hub and reported to the Trust Board and to the Senior Executive team as a standing agenda item. As at March 2014, Wiltshire Probation Trust sickness absence has increased from 2012/13 level of 6.6 days with an average of 10.2 days exceeding the Trust target of 9 days. This is attributable to a significant increase in the number of long term sickness absences which has the effect of increasing the overall average. It is worthy of note that in terms of short term sickness absence this has remained relatively constant with 2012/13.

The Sickness Management Practice Standard is being implemented fairly, appropriately and in accordance with defined timescales. Staff Side, the employee trade union representative group, is fully engaged as part of the sickness absence process in ensuring proper and full support is provided to employees whilst balancing this with the requirement to deliver an economic, efficient and effective service.

## Performance

In 2013/14, the Trust achieved all the contract performance targets it was set with the exception of the local adult re-offending measure.

For the majority of these indicators, performance levels represent uplift on the previous year, reflecting the Trust's commitment to continuous improvement and delivering more for less.

A summary of 2013/14 performance is:

## Key Performance Results

Ref	Description of target / measure	Target	Actual March 14	% against Target	2012/13 Values	Direction of travel from 2012/13
<b>Reducing Re-offending</b>						
OM21	Reduce re-offending (PSA 23) – 10% reduction on 2005 levels by 2011. Areas/Trusts are held to account for the local interpretation of PSA 23 (NI18). [PTRS]	Non Significant Results	Actual 10.41% Pred 9.01%	<b>Stat. Significant</b>	Negatively Significant Results	-
<b>Offender Management</b>						
OM04	90% of licence recall requests to reach NOMS Post Release Section within 24 hours of the decision by the Offender Manager	90%	99%	<b>99%</b>	<b>99%</b>	↓
OM05	90% of cases in which initiation of breach proceedings takes place within 10 working days of the relevant failure to comply	90%	93%	<b>93%</b>	<b>100%</b>	↓
OM39	90% of Tier 2, Tier 3 and Tier 4 cases in which OASys termination reviews were completed or updated within the appropriate timescales	90%	93%	<b>93%</b>	<b>93%</b>	↑
OM20	73% of orders or licences successfully completed [PTRS]	73%	81%	<b>81%</b>	<b>78%</b>	↑
OM26	90% of OASys assessments that are assessed as either "Satisfactory" or "Good" on the OASys QA [PTRS]	90%	99%	<b>99%</b>	<b>99%</b>	↑
OM27	80% of Indeterminate Sentenced Prisoner (IPP and Lifer) assessment reports completed & returned to prison within 8 weeks of 'parole review commencement date'	80%	97%	<b>97%</b>	<b>96%</b>	↑

Ref	Description of target / measure	Target	Actual March 14	% against Target	2012/13 Values	Direction of travel from 2012/13
OM29	67% of offenders surveyed have an overall positive perception of engagement [PTRS]	67%	80%	80%	79%	↑
OM40	90% of PSRs are completed within timescales set by court (including RIC reports)	90%	99%	99%	99%	↑
<b>Bail, Court and Victims</b>						
OM32	90% of victims responding to survey are satisfied or very satisfied with service received [PTRS]	90%	No Cases	100%	92%	↑
<b>Interventions</b>						
INT01	The number of accredited sex offender treatment programme completions to be at least 25	25	25	100%	120%	↓
INT02	The number of accredited domestic violence programme completions to be at least 25	25	25	100%	100%	↔
INT03	The number of accredited offender behaviour programme completions (exc SOTP & DV) to be at least 64	64	64	100%	100%	↔
INT05	The number of unpaid work requirement completions to be at least 400	400	400	100%	112%	↓
INT08	The number of offenders under supervision who find and sustain employment to be at least 110	110	131	119%	128%	↓
INT09	The percentage of offenders in employment at termination of their order or licence to be at least 43% [PTRS]	43%	62%	62%	53%	↑
OM17	78% of offenders in settled and suitable accommodation at the end of their order or licence [PTRS]	78%	88%	88%	90%	↓
<b>Non Contract Interventions</b>						
INT06	The number of drug treatment requirement completions to be at least 50	50	64	128%	142%	↓
INT07	The number of alcohol treatment requirement completions to be at least 60	60	87	145%	175%	↓
<b>MAPPA / ViSOR</b>						
OM41a	MAPPA SMB meeting attendance at 75% [PTRS]	75%	100%	100%	100%	↔
OM41b	MAPPA L2 and L3 meeting attendance at 90% [PTRS]	90%	100%	100%	100%	↔
OM46	90% ViSOR Effectiveness [PTRS]	90%	100%	100%	100%	↔

Liz Rijnenberg  
 Chief Executive Officer  
 10th June 2014

## 2. Management Commentary

### Statutory background

The Probation Trusts were established under the Offender Management Act 2007 (OM Act). Each Trust is a corporate body under the OM Act and a Non-Departmental Public Body (NDPB) which reports to the National Offender Management Service (NOMS). This Trust came into existence on 1 April 2010 following transition from Wiltshire Probation Area which was established in 2001.

These accounts have been prepared in accordance with the Government Financial Reporting Manual (FReM) issued by HM Treasury (HMT) and in accordance with the accounts direction, (following the notes to the Accounts within this report), issued by the Secretary of State under the OM Act.

### Results for the year

The Statement of Comprehensive Net Expenditure (SoCNE) for the year is shown on page 28 and indicates an operating deficit of £691,000 (£131,000 deficit 2012/13) after the financial implications associated with pension fund assets and liabilities attributable to 2013/14 have been taken into consideration. The Statement of Changes in Taxpayers' Equity is shown on page 31 and reveals that the net liability underwritten by the taxpayer has increased by £1,664,000 to £10,675,000 (£9,011,000 2012/13). It is important to recognise that the Trust cannot control assessed pension assets and liabilities as they are based on a calculation undertaken by the pension fund actuary.

### Operating costs

The Statement of Operating costs on page 37 reflects Trust spend underpinned by NOMS Contract income. The table indicates that the Trust spent to budget in 2013/14. The format of the table reflects in summary form the budget monitor reports reviewed by the Board in year. Significantly, this schedule contains all costs and income that the Trust can directly control.

### Statement of Financial Position and Statement of Cash Flows

The Statement of Financial Position and Statement of Cash Flows are on pages 29 and 30.

The Trust's Statement of Financial Position, which constitutes the Trust's balance sheet, reflects the actuarially assessed net long term financial liability of Wiltshire Probation Trust's employee pension liabilities as £11,627,000 (2012/13: £9,951,000). The net increase in pension liability £1,676,000 masks an increase in assessed long term liabilities of £3,733,000 offset in part by a projected increase of Fund assets of £2,057,000.

### Payment of creditors

In the year to 31 March 2014, the Trust paid 1,778 trade invoices with a value of £4,121,391. The percentage of undisputed invoices paid within 30 days by the Trust was 82% compared to 83% in 2012–13. (Target was 100% of undisputed invoices.)

### Treatment of Pension Liabilities

Past and present employees of the Trust are covered by the provisions of the Local Government Pension Scheme (LGPS). This is a funded defined benefit scheme meaning that retirement benefits are determined independently of the investments of the scheme, and employers are obliged to make additional contributions where assets are insufficient to meet retirement benefits.

On 1 June 2014 the Trust's existing pension liabilities and corresponding assets will be the responsibility of the Greater Manchester Pension Fund (GMPF). The Trust is not required to pay employer contributions to the GMPF but will continue to pay employer contributions to the Wiltshire Pension Fund up to the point of transition i.e. 31<sup>st</sup> May 2014.

The responsibility for funding the past service liabilities and all future contributions associated with those original employees who are active members of the LGPS transfer with the employee to the new employer i.e. the Bristol, Gloucestershire, Somerset and Wiltshire Community Rehabilitation Company (CRC) or the National Probation Service (NPS). The MoJ will ensure that the past service liabilities are 100% funded on an ongoing basis from the date the employees transferred to the CRC i.e. 1<sup>st</sup> June 2014.

The Secretary of State for Justice has provided a guarantee to the GMPF in respect of the CRCs' participation in the GMPF for pension liabilities that transfer to the CRCs.

The responsibility for funding the past service liabilities associated with the original employees who are deferred or pensioner members of the LGPS transfer to the NPS under the Secretary of State for Justice.

Further information can be found in **Note 4** to the Accounts.

### Personal data related incidents

The Trust has submitted a Nil Return in respect of significant personal data related incidents in 2013–14 which was formally reported to the Information Commissioner's Office (ICO).

Some minor personal data related incidents occurred during the year however none of these met the criteria for reporting to NOMS and/or the Information Commissioner. All were resolved internally and measures put in place to prevent recurrence of the incident.

All staff undertake a compulsory Information Assurance training course when joining the Trust and an annual refresher course, the most recent of which occurred in December 2013.

During the course of the year, one complaint was made to the Information Commissioner's Office (ICO) about the way the Trust had handled a series of data subject access requests relating to an individual service user. Following a detailed Trust response to the Information Commissioners request for further information, the ICO stated that they were satisfied the Trust had complied with the requirements of the Data Protection Act and that no further action would be taken.

### Events after the reporting period

In accordance with the requirements of IAS 10, events after the reporting period are considered up to the date on which the accounts are authorised for issue. This is interpreted as the date of the Audit Certificate of the Comptroller and Auditor General.

As at the date of the Audit Certificate, the following reportable events had occurred.

The Probation Trust ceased trading on 1 June 2014. The operations of the Trust have been divided between the National Probation Service (NPS) and the BGSW Community Rehabilitation Company(CRC), both public sector bodies. The assets and liabilities of the Trust have been split on a practical basis that reflects the future use of assets, services provided and the allocation of employees. Refer to **Note 27** of the Accounts for further details. Trust staff have been allocated to either the NPS or CRC in accordance with the MoJ specified Resource Allocation Tool taking into consideration workload and, (as far as practically possible), preference. The proportion of staff transferring to the CRC/NPS is approximately 64:36.

### Sustainable development

The Trust falls within the scope of reporting under the Greening Government commitment. As such a separate sustainability report has been prepared showing performance against sustainability targets for greenhouse gas emissions, waste minimisation and management and the use of finite resources and their related expenditure. The Sustainability Report is shown on pages 61 to 63.

The Ministry of Justice (MoJ) as landlord to the Wiltshire Probation Trust (WPT) estate, own and manage all land and property that is utilised by the Trust. MoJ is responsible for managing and monitoring all energy contracts together with ancillary services that impact upon the Trust's carbon footprint in respect of waste collection and disposal together with water consumption.

The Trust sustainability report on pages 61 to 63 is based upon MoJ data. It is important to recognise that MoJ is in the process of continuing to improve the accuracy of this data and as such it should be regarded as indicative rather than absolute. It has been assumed prior to the commencement of the 2013/14 financial year that resource consumption should improve significantly as a consequence of the full year effect of the significant investment made in replacing a number of dilapidated properties with high energy efficient premises.

Specific initiatives and activities undertaken in year relate to:

- The Trust promotes car sharing and cycling to work at all its premises.
- The Trust continues to actively promote the use of video and teleconferencing to reduce carbon emissions associated with travel; reduce cost and improve efficiency and effectiveness and has invested in new video conferencing equipment.
- Facilities Management contractors have undertaken energy audits of our sites.
- The Carbon Trust has provided information and awareness stickers and posters.
- Sustainability and environmental policy and practice have been reviewed in year by the Trust Board.
- The Trust has participated fully in NOMS/MoJ surveys and data provision.
- The Trust uses recycled paper and consumables on all sites
- To offset the carbon footprints the Community Payback Project Site at County Road in conjunction with the World Wildlife Trust is growing vegetables for use in food banks, developing rain water harvesting solutions to reduce the use of water and providing a composting depositing facility for local residents. Where possible electricity usage is linked to solar panels
- The Health and Safety Advisor has achieved a recognised Environmental Qualification this year.

In addition, the Trust's Westinghouse premises constructed at 34 Marshfield Road Chippenham, (that replaced the former Parkfields Probation office and that also serve as the Trust's headquarters), has achieved a Building Research Establishment Environmental Assessment Method (BREEAM) excellent rating and a conservation award from Chippenham Civic society.

### Future developments

The Trust will continue for a two month period into 2014/15 during which it will continue preparing for the orderly and managed transfer of its responsibilities to the NPS and CRC. The focus of activity will be on testing new practices and procedures associated with this fundamental change in the delivery of probation service. In parallel with this transformational change the Trust will ensure that it continues to deliver a high quality "business as usual" service in the delivery of NOMS Contract targets for this period.

In preparing for the sale of the publically owned BGSW CRC, a number of Wiltshire Probation Trust and Gloucestershire Probation Trust employees are working with Prospects Group (a mutual organisation) in accordance with MoJ defined ethical parameters and have signed a declaration of compliance. The names of all employees involved with the bid have been communicated to MoJ and are published on the Trust intranet together with associated "whistleblowing" procedures in the event that any member of staff perceives that the ethical declaration has been breached.

### Going Concern

In March 2012 the Secretary of State announced the start of consultation exercises on the future of probation services in England and Wales and on planned reforms to community sentences. The results of these consultations, that ended on 13 February 2013, were published in "Transforming Rehabilitation: A strategy for Reform", on 9 May 2013 by the Secretary of State for Justice. This outlined plans to contract out probation services more widely and increase the use of Payment by Results.

As part of the transformation all Probation Trusts ceased trading from 1 June 2014. A Statutory Instrument to dissolve the Probation Trust, under section 5(1) (c) of the Offender Management Act 2007, will be made by the Secretary of State for Justice subject to the negative resolution procedure.

On 1 June 2014, a National Probation Service (NPS) was created to protect the public from the most dangerous offenders and manage the provision of probation services across England and Wales. The NPS remains part of the public sector.

The remaining services are divided into 21 contract areas, which align closely with local authorities and Police and Crime Commissioner Areas. They are served by 21 new Community Rehabilitation Companies (CRCs). They are fully owned by the Secretary of State for Justice on behalf of the Ministry of Justice up to the point of share sale when they transfer to the successful bidder.

On 1 June 2014 a Transfer Order effected the transfer of the existing assets, liabilities and staff of the Trust to the NPS and CRC public sector bodies in a practical way that reflects the services that each provides. Some assets and liabilities remain in the Trust to be settled as soon as practically possible.

MoJ/NOMS has committed to fund and ensure all current services will continue under the new structure, including the CRC in private ownership, using the same assets and resources, for the foreseeable future.

A tender process is currently under way and it is planned that a successful bidder(s) will take ownership of the CRCs starting from winter 2014–15. As part of the sale, the contracts will influence the operations of the CRCs ensuring continuity of services beyond this date. Services will continue to be commissioned by MoJ/NOMS under this arrangement.

As the functions previously provided by the Trust will continue to be provided by public sector entities and commissioned by the public sector when the CRC is in private ownership, the Accountable Officer with the support of senior management has concluded therefore that within the context of the Financial Reporting Manual (FReM), it is appropriate for the Trust to prepare the 2013–14 Annual Report and Accounts on a going concern basis.

### **Communications and employee involvement**

Throughout the process of transition the Trust has communicated extensively and regularly with all of its employees, partners and key stakeholders in ensuring there exists a clear and common understanding of the fundamental change in the probation service and the impact this will have on the wider criminal justice system and public sector partnership provision within the Wiltshire county area. Communication has taken many and varied forms including email, letter, weekly updates, workshops, staff briefings, intranet and internet. Internal audit have undertaken a review of the Trust's approach to communication and change management during 2013/14 and concluded that the former is satisfactory with only minor areas for improvement and the latter no recommendations for improvement. Critically, the Trust recognises and values the role of its strategic partners in the delivery of joined-up service provision and has worked hard to ensure that post transition established networks and relationships are maintained.

### **Audit**

In accordance with the direction given by the Secretary of State, these accounts have been prepared in accordance with the FReM. The Comptroller and Auditor General is appointed by statute to audit the Trust and reports on the truth and fairness of the annual financial statements and the regularity of income and expenditure. The Audit Certificate of the Comptroller and Auditor General is attached to the Accounts on page 26.

- Total audit fees reported in the Accounts are £20,589, (2012/13 £20,589).

As Accountable Officer, I have taken all steps to ensure that:

- I am aware of any relevant audit information,
- the Auditor is aware of that information, and
- there is no relevant audit information of which the Auditor is unaware.

### **The Wiltshire Probation Trust Management Board and Official Contact Addresses**

The governance arrangements within the Trust for the period April 2013 to March 2014 included the following:

#### **Members of Wiltshire Probation Trust Board for 2013/14**

Mr P Aviss	Chair
Ms Liz Rijnenberg	Chief Executive
Mrs C Baynes	
Mrs J Charge	Resigned 31 <sup>st</sup> December 2013
Dr G Findlay	
Mr P Humphris	

#### **Officers of the Board**

Secretary	Mr J Patience
Director of Corporate Services (Treasurer)	Mr P Nash

#### **Official contact addresses**

Trowbridge Probation Office  
Rothermere, Bythesea Road, Trowbridge, Wiltshire BA14 8JQ  
01225 781950

Chippenham Probation Office and Headquarters  
Westinghouse, 34 Marshfield Road, Chippenham, Wiltshire SN15 1JT  
01249 461577

Salisbury Probation Office  
The Boulter Centre, Avon Approach, Salisbury, Wiltshire SP1 3SL  
01722 327716

Swindon Probation Office  
Centenary House, 150 Victoria Road, Old Town, Swindon, Wiltshire SN1 3UZ  
01793 536612

The Chair and other members of the Board were all appointed by the Secretary of State.

There have been no declarations from either the Trust Board or its Senior Executive Team indicating that there are conflicts between personal interest and Trust business.

Details of the remuneration of the Management Board are set out in the Remuneration Report on pages 14 to 16.

My thanks and appreciation is extended to all past and present members of the Board for their hard work and effort during this reporting year.

Liz Rijnenberg  
Chief Executive and Accountable Officer  
10th June 2014



## 3. Remuneration Report

### Appointments

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

Name	Role	Start Date of Contract
Ms Liz Rijnenberg	Chief Executive	5 March 2012
Mr P Aviss	Chair	1 March 2008 (re-appointed)

The salary and pension entitlements of the senior managers and non-executive directors of the Wiltshire Probation Trust were as follows:

### A) REMUNERATION – AUDITED

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value of pensions.

Officials	Salary (£000)		Bonus payments (£000)		Benefits in kind (to nearest £100)		Pension benefits (£000)		Total (£000)	
	2013–14	2012–13	2013–14	2012–13	2013–14	2012–13	2013–14	2012–13	2013–14	2012–13
Ms L Rijnenberg Chief Executive	80–85	75–80	-	-	-	-	20–25	20–25	100–110	95–105
Mr P Aviss Chair	15–20	15–20	-	-	-	-	-	-	15–20	15–20
Mr P Humphris Board Member	0–5	0–5	-	-	-	-	-	-	0–5	0–5
Dr G Findlay Board Member	0–5	0–5	-	-	-	-	-	-	0–5	0–5
Mrs J Charge Board Member	0–5	0–5	-	-	-	-	-	-	0–5	0–5
Mrs C Baynes Board Member	0–5	0–5	-	-	-	-	-	-	0–5	0–5

All appointed Trust Board members receive non-pensionable remuneration of £15.40 per hour from 1 April 2008, with the exception of the Chief Executive and the Chair. The Trust at its discretion may pay a travelling allowance and any other relevant expenses incurred.

The total remuneration of the highest paid Director and the median total remuneration for other staff are shown in the table below.

	Total Full-time Equivalent Remuneration	
	2013–14	2012–13
Highest paid Director (pay band £000)	80–85	75–80
Median for other staff	25,899	27,586
Pay multiple ratio	3.2:1	2.8:1

The median remuneration is the total remuneration of the staff member(s) lying in the middle of the linear distribution of the total staff, excluding the highest paid Director. The pay multiple ratio is the ratio between the total remuneration of the highest paid Director and the median for other staff.

## Salary

'Salary' includes the gross salary; overtime; etc as applicable to Trusts.

## Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HM Revenue and Customs as a taxable emolument. The benefits received are in respect of costs for accommodation, travel and the pecuniary liability in respect of tax paid under the employer PAYE settlement agreement with HM Revenue and Customs.

## B) PENSION BENEFITS – AUDITED

	Total accrued pension at pension age as at 31 March 2014 & related lump sum £000s	Real increase/ (decrease) in pension and related lump sum at pension age £000s	CETV* at 31 March 2014 £000s	CETV at 31 March 2013 £000s	Real increase/ (decrease) in CETV after adjustment for inflation and changes in market investment factors £000s
Ms Liz Rijnenberg	63	n/a	402	20	382

\* Cash Equivalent Transfer Value

This scheme provides benefits on a 'final salary' basis at a normal retirement age of 65. Benefits accrue at the rate of 1/60th of pensionable salary for service from 1 April 2008 with no automatic lump sum. For pensionable service up to 31 March 2008, benefits accrue at the rate of 1/80th of pensionable salary for each year of service. In addition, a lump sum equivalent to 3/80ths of final pay of every year of total membership is payable on retirement. The scheme permits employees to take an increase in their lump sum payment on retirement in exchange for a reduction in their future annual pension. Members pay contributions of between 5.5% and 7.5% of pensionable earnings. Employers pay the balance of the cost of providing benefits, after taking into account investment returns.

## Cash Equivalent Transfer Value (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The CETV figures include the value of any pension benefit in another scheme or arrangement which the individual has transferred to the Civil Service Pension arrangements and for which the Civil Service Vote has received a transfer payment commensurate to the additional pension liabilities being assumed. They also include any additional pension benefit accrued to the member as a result of their purchasing additional years of pension service in the scheme at their own cost. CETVs are calculated within the guidelines and framework prescribed by the Institute and Faculty of Actuaries, and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are drawn.

### **Real increase in CETV**

This reflects the increase in CETV effectively funded by the employer. It takes account of the increase in accrued pension due to inflation, contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement) and uses current market valuation factors for the start and end of the period.

Liz Rijnenberg  
Chief Executive and Accountable Officer  
10th June 2014

## 4. Statement of Accountable Officer's Responsibilities

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

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

- Observe the Accounts Direction issued by the Secretary of State, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
- Make judgments and estimates on a reasonable basis;
- State whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain material departures in the financial statements; and
- Prepare the financial statements on a going concern basis, unless it is inappropriate to do so.

The Secretary of State has appointed the Chief Executive as the Accountable Officer of the Trust. The responsibilities of the Accountable Officer, including responsibility for the propriety and regularity of the public finances for which the Accountable Officer is answerable, for keeping proper records and for safeguarding the Trust's assets, are set out in Managing Public Money published by HM Treasury.

## 5. Governance Statement

### Scope of Responsibility

As Accountable Officer, and Chief Executive of the Board, I have personal responsibility for ensuring sound and proper governance arrangements within the Trust that support the achievement of organisational policies, aims and objectives through the economic, efficient and effective use of public resources. I have responsibility for safeguarding the public funds and the assets of the Trust for which I am personally responsible as set out in the Accountable Officer Letter of Financial Authority.

This statement sets out how my responsibilities have been discharged and the mechanisms I have used to assure myself of the adequacy of the governance arrangements within the Trust. It is intended to provide a clear understanding of the control structures in place to provide assurance. Essentially, it records the stewardship of the organisation and provides an overview of the organisation's vulnerabilities and resilience.

### Trust Contract

The organisation's budget is set annually and is based on a contract negotiated with the Ministry of Justice through the National Offender Management Service (NOMS) Agency.

The Ministry of Justice, through NOMS Agency, specifies the performance targets that Wiltshire Probation Trust (WPT) is required to achieve for 2013/14. These were set in the contract between WPT and the Senior Community Manager acting on behalf of NOMS. Wiltshire Probation Trust Board receives regular reports from the Accountable Officer, which cover financial and operational performance against the Trust's agreed business plan.

On a quarterly basis, a full business plan risk register is taken to the WPT Audit & Risk Committee and a summary risk register to the Board. The performance of the contract is also considered quarterly by the Senior Community Manager (SCM) at formal review meetings.

During the course of 2013/14, the Authority (NOMS) issued a notice of contract termination in accordance with Schedule 11 of the Trust Contract in preparation for existing Trust business being transferred to the new NPS and CRC. As a consequence, the Trust prepared an Exit Plan and Risk Register which has been reviewed and updated at least monthly and which is subject to scrutiny by the NOMS Senior Community Manager, MoJ Transition Manager and the Audit & Risk Committee.

### Partnerships

As Chief Executive, I am also a constituent member of a number of other multi-agency bodies/partnerships for which there is joint accountability for financial and target performance. This includes the two local Public Service Strategic Partnerships (Swindon and Wiltshire), the Local Safeguarding Children Board (Swindon and Wiltshire) and the combined Reducing Offending Strategy Board and Wiltshire Criminal Justice Board. I have delegated membership of the Youth Offender Service Management Board and a number of sub groups and associated Partnerships to designated senior and middle managers of the Trust. I have ensured a partnership schedule is in place which I regularly review that sets out the role and purpose of each forum together with nominated Trust attendee. As part of the transition to the new NPS and CRC, I have agreed with the SCM which of these new organisations will have individual or lead responsibility for maintaining these partnership arrangements. I also have oversight of and contribute to national and joint regional projects through routine links with other regional Chief Executive Officers and NOMS officials.

### Plans, Standing Orders and Financial Instructions

Underpinning the Trust's approach to good and effective governance is a comprehensive suite of plans which support the three year Business Plan. This includes a three year financial plan and workforce plan together with governance and control documentation including the Trust's Governance Handbook,

Standing Orders and Financial Instructions. The Probation Trust Board, through the Chief Executive, ensures that arrangements are in place to meet its accountabilities to the NOMS Agency and through the Agency to Parliament. The Trust's Business Plan for 2013/14 was approved by the Board in February 2013 and a copy sent to NOMS.

During the course of 2013/14, the Trust introduced a Guide to Procurement supplementing Standing Financial Instructions (SFIs) as part of its approach to securing value for money and continuously seeking improvement in financial management. The Trust's SFIs were also updated to incorporate minor revisions to EU contract tender thresholds.

## Board

The Board is led by its Chair who is responsible for ensuring the effectiveness of all aspects of Trust Business and setting its agenda, its effectiveness evidenced by achievement of business plan, level of attendance and external scrutiny. The Board consists of six Board members who are assigned individual portfolio responsibilities that directly link with those of the Senior Executive Team. The role of the Trust Board is to provide strategic leadership for the organisation and to fulfil the Trust's statutory responsibilities as employers. It includes such functions as health and safety and ensures that the Trust contract is met. Trust Board meetings are a statutory requirement and are held in accordance with standing orders. The Board has established an Audit & Risk Committee and a Joint Negotiation and Consultative Committee (JNCC). In addition, the Trust has established a Finance Advisory Group; an Employer Responsibility Group; a Property Group; a Quality Assurance Group and a Remuneration Committee. The Board also provides a representative to participate in the Health & Safety Committee and the Equality & Diversity Employment Steering Group.

Details below members of the Board and attendance of Board meetings held during the year:

Name	Role	Meetings Held / Meetings Attended
Paul Aviss	Chair	9/9
Liz Rijnenberg	Chief Executive	9/9
Caroline Baynes	Member	9/9
Janet Charge	Member	4/9 (Resigned w.e.f. 31/12/13)
Geoffrey Findlay	Member	8/9
Phil Humphris	Member	9/9

The Audit & Risk Committee is responsible for reviewing the financial management and probity of the Trust Board. It serves as a means of demonstrating the Board's commitment to the highest standards of probity, value for money and good governance in the conduct of the Board's business.

The Trust's Governance arrangements are based on an ongoing process designed to identify and prioritise the risks to the achievement of NOMS Agency, Wiltshire Probation Trust and departmental policies, aims and objectives. It evaluates the likelihood and impact of those risks being realised together with how to manage them economically, efficiently and effectively. These governance arrangements have been in place in Wiltshire Probation Trust for 2013/14. Whilst the Trust has not formally adopted the HM Treasury Corporate Governance Code, (as this refers explicitly to central government departments rather than non-departmental public bodies), it believes that it fully complies with its principles.

Governance arrangements have been effective during the year in identifying areas of potential risk and strategies to manage and mitigate those risks.

In December 2013, one member of the Board resigned due to relocation. The Board and Senior Executive Team (SET) have concluded, given the limited operational lifetime of the Trust, that an application to secure a replacement would not be pursued.

The Board Chair remains a constant which is of particular importance in maintaining continuity regarding the momentum of the Trust's development in achieving its business plan, improving its already high performance standards and fulfilling the requirements of the Transforming Rehabilitation programme in a progressive and well managed way.

### Senior Management restructure and associated changes

The senior management structure has remained a constant during 2013/14, although I will be taking up the position of Chief Executive Designate to Wales Community Rehabilitation Company on 1<sup>st</sup> April 2014 and will be replaced by John Wiseman, currently Chief Executive of Dorset Probation Trust and Chief Executive designate to the Bristol Gloucestershire Somerset and Wiltshire Community Rehabilitation Company (BGSW CRC) who will act as Accountable Officer to the Trust for 2014/15.

Whilst posts and structures have remained a relative constant, the TR programme has required senior and middle managers to take on additional responsibilities in managing the exit of the existing Trust and in preparation for transitioning to the new CRC and National Probation Service(NPS). In addition, in ensuring a proper ethical divide in respect of the CRC competition process and in accordance with MoJ requirements, I and a number of staff have signed a "Declaration A" statement which prohibits involvement in the development of any bid for the public sector owned CRC. Conversely, a number of employees have contributed to the development of a bid, working with the Prospects group of companies and have signed a "Declaration B" statement which prohibits any involvement in the client side of the competition process.

The completion of the TR programme Resource Allocation exercise at the end of January 2013 has allocated all Trust staff to either the CRC or NPS with effect from 1<sup>st</sup> June 2014.

### Risk

A detailed policy and a practice standard outlining the risk management process is in place. Risk management processes continue to be embedded within the organisation with teams taking responsibility for overseeing and managing their own risks. Managers have been trained in business risk management and produce team plans with a risk register attached that is congruent with the Trust register. As experience has grown and good practice has been identified, risk assessment and management has increasingly become integral to all decision making and practice. In addition a number of employees have participated in, "Projects in a Controlled Environment" (PRINCE 2) training to further strengthen programme and project management skills within which the identification and management of risk is a core requirement.

The Risk Register is drawn up by the Senior Executive Team, identifying the risks that may prevent the achievement of the Business Plan's objectives and areas of development. Risks are evaluated, scored and prioritised in accordance with a 5 x 5 evaluation of likelihood and impact. Mitigation measures are identified taking into consideration an analysis of controls already in place and additional measures identified by which to manage the risks. The risk register and controls are overseen and managed by the Senior Executive Team, who are the responsible owners.

Annually, the full Board discusses the Risk Register and approves it following consideration by the Audit & Risk Committee. The Audit & Risk Committee receive quarterly reports on the identified top ten risks which it reviews in depth; the minutes of this Committee then being reviewed by the Trust Board and specific risks highlighted as appropriate should the nature of the risk have changed or where new risks are identified. Where this occurs the Risk Register is amended accordingly in order to ensure risk management is a dynamic process. This is in addition to there being a standing agenda item on organisational risks at each Board meeting. It is understood that partner organisations have similar arrangements in place in respect of the identification and management of risk.

During the course of 2013/14, a separate Exit Plan risk register has been developed to support the Trust in exiting its current contract with NOMS and in supporting the transition of services to the CRC and NPS. The Exit Plan risk register is reviewed by the Audit & Risk Committee quarterly and by SET

monthly and, consistent with the Trust's business plan risk register, risks amended as required to ensure risk management is a dynamic process.

Leadership is provided to the risk management process by the Chief Executive, Senior Executive Team and Board.

Wiltshire Probation Trust has established these processes based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability.

For the 2013/14 Summary Risk Register, the most significant business risks were identified by the Senior Executive Team and included in the risk register for 2013/14. The nature of these risks have changed over the year and their descriptions revised accordingly. The risks are:

1. Staff moving to CRC are not able to reap benefits of being part of mutual due to ineffective alignment with partner trusts.
2. Unable to work effectively across the CPA to prepare for transition to the new NPS/CRC.
3. Loss of key staff either at senior level or key operational level.
4. Maintaining business as usual.
5. An increased risk to public protection as a result of the pace of the changes and that the implications may not be thought through properly.
6. Failure to protect the public and reduce re-offending rates.
7. Insufficient capacity and expertise within the Trust at both board and employee levels to effectively lead and support the change management process.
8. Managing financial resources.

In respect of Exit plan risks, these have been identified as:

1. External communications – inability to advise key stakeholders in a timely and accurate manner affecting confidence in the Trust.
2. Final Accounts process and governance not compliant with statutory requirements regarding closure and publication. Responsibility for residual Trust processing and costs to be determined. Recognition of requirement for 2014/2015 2 month budget. Budgetary allocations 14/15 for NPS and CRC may not be sufficient to cover cost base.
3. CRC or NPS case file ownership and processing requirements not defined resulting in inability to access case records in timely or efficient manner (including case files/finance/HR).
4. Potential breach of DPA during transition period as organisation must be a legal body to be registered with ICO. New information flows created with stakeholder organisations need to be covered by information sharing agreements (NPS to CRC, NPS to partnership agencies, CRC to partnership agencies). Risk event is delay in receiving guidance on information sharing and legal identity of CRCs.
5. Current HR processes that may not be resolved at point of transfer.
6. Warrants not being processed in a timely manner resulting in a further offence or somebody being unlawfully at large.
7. Service delivery is disrupted as result of ineffective case transfer procedures to the new organisations (i.e. offenders 'lost') and staff assignment process leaving gaps.
8. No Victim CRM system available for transfer from WPT to NPS.
9. MoJ ICT infrastructure for CRC and NPS not in place by required date.
10. Slippage in TR programme further compresses timetable without relaxation in end date (e.g. NPS/CRC staffing sign-off, Milestones (transition) plan template 09/12).
11. Development of CRC Plan required together with associated CRC programme and project management arrangements to dovetail with Trust Exit Plans.
12. Poor control of the information issued by the Programme creates a risk that key information may be missed. Documents need to be issued/stored in a more controlled manner, in line with a configuration management strategy.
13. Loss of key staff during transitional period.



I have received assurance from regular milestone reports from the MoJ Transition Manager and the MoJ Business Readiness assessment team as to the adequacy of the arrangements I have put in place to manage this transition and its associated risks to the Trust.

In addition to the corporate and exit plan risk registers, all projects have their own individual risk register and are monitored, updated periodically, reported on and, when material, fed into the corporate risk register. For example, there is a separate risk register for Health and Safety and a risk scoring system in place for the efficiency programme.

### Information Risk

Wiltshire Probation Trust places a high priority on ensuring that effective information security and data protection processes are in place.

All Information Technology staff have received specific training on the data protection standards consistent with the Government's Security Policy Framework. All staff have received training on information security and data protection.

Wiltshire Probation Trust operates an IT system that is network accredited to process information up to and including RESTRICTED. This requires WPT to sign up to a suite of policies that specify the requirements incumbent on WPT to use the network. These cover the use and protection of the systems and the information held therein. New security marking arrangements came into operation on 1<sup>st</sup> April 2014 and the Trust ensured that all staff were briefed in order to implement the new arrangements.

Some minor personal data related incidents occurred during the year however none of these met the criteria for reporting to NOMS and/or the Information Commissioner'. All were resolved internally and measures put in place to prevent recurrence of the incident. One complaint was received and satisfactorily resolved with the ICO with no issue for the Trust to address.

### Performance

Wiltshire Probation Trust has continued to deliver a high level of performance and based on the NOMS Probation Trust Rating System (PTRS). Wiltshire has continued to be one of the top performing Trusts in the country.

In 2013/14, the Trust achieved all the performance targets it was set with the exception of the local adult reoffending measure, and anticipates ending the year with at least a 'Good' rating against the national performance framework.

In addition to the standard measures of performance there has been further external scrutiny of the operations of Wiltshire Probation Trust:

- Criminal Justice Joint Inspectorate (CJII) thematic inspection regarding learning difficulties. Positive feedback from lead inspector in respect of staff professionalism and partnership working with a small number of areas identified for improvement.

During the year WPT realised efficiency savings of £230,000 which it returned to NOMS.

The Trust is an Investor in People (Gold Award).

### Governance and Management practice

The following list illustrates examples of good governance and management practice within the Trust.

- Procedures for identifying Wiltshire Probation Trust's objectives and key risks as demonstrated through the Trust Business Plan and Risk Register;
- The development of the control strategy contained within the risk management policy and related practice standards;
- The allocation of risk and action ownership within the risk register to named senior managers;

- The role of the Audit & Risk Committee through its oversight of the delivery of Internal Audit and External Audit Plans and the achievement of their recommendations, as well as of the Business Risk Register; any relevant reports/reviews from other assurance providers such as HMIP, NOMS or the Senior Community Manager;
- The involvement and role of Internal Audit through the delivery of its agreed plan which seeks to assess the effectiveness of key systems, both financial and non-financial;
- Procedures for ensuring that aspects of risk management and internal control are regularly reviewed;
- and reported on, for example the routine performance reporting to the Board, management reviews of serious further offences, reporting on HMIP Thematic Report recommendations where appropriate, and internal management processes such as supervision and appraisal;
- Systems including reporting mechanisms and inspections, used to ensure compliance with specific regulations or procedures laid down by central departments such as the Home Office, MoJ/NOMS and Treasury;
- Monitoring of progress with current initiatives and compliance with extant external requirements, for example the Race Relations Act, Disability Discrimination Act, Health and Safety, Information Security, Freedom of Information Act and Bribery Act;
- Within a performance management framework, the means of ensuring key operational processes are working effectively such as regular audits, both local and regional, and internal inspections;
- Specific reviews by management such as the learning points from serious further offence reports and issues raised through complaints;
- Routine self-audit processes such as the RADAR (Risk Audit Development & Research) group involving practitioners assessing the quality of risk practice;
- Confirmation to NOMS that information security arrangements are in place;
- The establishment of the Quality Assurance Group (QAG) to provide the Board with assurance against the key aims and objectives of the Business Plan. It ensures quality assurance mechanisms are able to demonstrate HMIP benchmarks have been met.
- The establishment of the “Economy, Efficiency and Effectiveness” groups. The remit includes broadening understanding in the organisation of our cost base through critical challenge of service outliers highlighted within the PREview unit cost mechanism, the on-going introduction of transactional improvements through invest to save type initiatives, greater partnership working, potential business development opportunities and re-modelling of services.

### Internal Audit

For 2013/14, Internal Audit at WPT has been provided by the NOMS Internal Audit and Assurance team. They operate in accordance with Government Internal Audit Standards. The annual internal audit plans are based on an analysis of the business risks to which WPT are exposed. NOMS Internal Audit and Assurance report regularly on the internal audit activity in WPT to the Audit & Risk Committee, which in turn is fed back to the main Board. Their reports include independent opinion on the adequacy and effectiveness of the system of internal control based on the work undertaken together with appropriate recommendations for improvement. They also complete regular follow up audits to review the implementation of agreed audit recommendations, and progress reports on audit recommendations are taken to each Audit & Risk Committee meeting.

The work of internal audit allows WPT to introduce to best practice, identify areas for improvement and systems and processes to be developed to maintain its performance and deliver high quality services.

I have ensured that the Trust participates with the Audit Commission's National Fraud Initiative in contributing to the detection of fraud, irregularity and error in the use of public money.

## Internal Audit Opinion

The Internal Auditor has provided his annual opinion within which he states that,  
 “This opinion is based primarily on the work conducted during the year but also takes into account our observations during attendance at Audit Committee meetings. It also takes into account our confidence in the extent to which agreed actions to remedy weaknesses are implemented by due dates. Our work only identified low rated findings and we do not consider it necessary for any of these weaknesses to be reported as significant control issues in the annual Governance Statement. Consequently we can give a high level of assurance on the adequacy and effectiveness of the system of governance, risk management and internal control.”

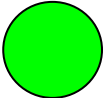
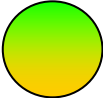

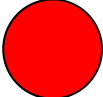
This opinion has assisted my review of the effectiveness of the governance arrangements within the Trust. The annual audit plan 2013/14 included the following reviews:

### Green Rating

- Strategic Partnerships
- Key Financial Controls
- Staff Supervision
- Change Management

### Amber/Green Rating

- Internal communications

Rating	Definition
<b>Green</b> 	Sound system of risk management and control likely to achieve system objectives. Controls are operating as intended and are proportionate to the risk.
<b>Amber/Green</b> 	Although there are some weaknesses in control design or operation of controls, they do not require significant improvement in order to manage risks to the achievement of system objectives.
<b>Amber/Red</b> 	Key weaknesses in risk management with significant improvement in the design and/or operation of control required; system objectives only partly achieved.
<b>Red</b> 	Weaknesses risk management and control is widespread and system objectives are not achieved.

The audit programme for 2013/14 has been completed within the year.

## External Audit

The 2013/14 External Audit Completion Report to those charged with governance concluded that the External Auditor would be able to issue an unqualified opinion on the financial statements as presented to the Audit & Risk Committee.

## **Review of Effectiveness**

As Accountable Officer, I have responsibility for reviewing the effectiveness of governance arrangements within the Trust. My opinion of the effectiveness of the Trust's governance arrangements is based on consideration of the comprehensive set of controls which are in place to manage organisational risk. My review of governance arrangements is informed by the work of the internal auditors and the executive managers within Wiltshire Probation Trust who have responsibility for the development and maintenance of the governance framework, including feedback from external audit in their management letter and other reports.

I have been advised on the implications of the result of my review of the effectiveness of the Trust's governance arrangements by the Board and Audit & Risk Committee, and a plan to address areas for improvement is in place.

I have considered the evidence provided with regard to the production of the annual Governance Statement. The conclusion of the review is that the Trust's overall governance and internal control structures during the year have been effective. I can also confirm there are no significant control issues to report.

**Liz Rijnenberg**  
**Chief Executive and Accountable Officer for Wiltshire Probation Trust**  
**10 June 2014**

## 6. The Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament

I certify that I have audited the financial statements of Wiltshire Probation Trust for the year ended 31 March 2014 under the Offender Management Act 2007. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Remuneration Report that is described in that report as having been audited.

### **Respective responsibilities of the Chief Executive and auditor**

As explained more fully in the Statement of Accountable Officer's Responsibilities, the Chief Executive is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Offender Management Act 2007. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Trust's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Trust; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

### **Opinion on regularity**

In my opinion, in all material respects the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

### **Opinion on financial statements**

In my opinion:

- the financial statements give a true and fair view of the state of Wiltshire Probation Trust's affairs as at 31 March 2014 and of the net operating cost after taxation for the year then ended; and
- the financial statements have been properly prepared in accordance with the Offender Management Act 2007 and Secretary of State directions issued thereunder.

**Opinion on other matters**

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with Secretary of State directions made under the Offender Management Act 2007; and
- the information given in the Operational and Performance Review and Management Commentary for the financial year for which the financial statements are prepared is consistent with the financial statements.

**Matters on which I report by exception**

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the part of the Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- The Governance Statement does not reflect compliance with HM Treasury's guidance.

**Report**

Without qualifying my opinion, I draw attention to the disclosures in **Note 1.4** to the financial statements regarding going concern. The Trust closed on 31 May 2014 with its functions, assets and liabilities being transferred to new public sector entities. In accordance with the Government Financial Reporting Manual the financial statements have been prepared on a going concern basis.

**Sir Amyas C E Morse**  
**Comptroller and Auditor General**

**1 July 2014**

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

## 7. Accounts

### Statement of Comprehensive Net Expenditure

For the year ended 31 March 2014

		2013–14	2012–13
	Notes	£000	<i>Restated</i> £000
<b>Expenditure</b>			
Staff costs	3(a)	5,265	4,856
Other expenditure	6	2,013	2,132
<b>Total Expenditure</b>		<b>7,278</b>	<b>6,988</b>
Income	7	(7,041)	(7,228)
<b>Net operating costs</b>		<b>237</b>	<b>(240)</b>
Net interest cost on pension scheme	4(c)	454	371
<b>Net operating costs before taxation</b>		<b>691</b>	<b>131</b>
Taxation	5	0	0
<b>Net operating costs after taxation</b>		<b>691</b>	<b>131</b>

### Other Comprehensive Expenditure

		2013–14	2012–13
	Notes	£000	<i>Restated</i> £000
<b>Items that will not be reclassified to net operating costs:</b>			
Net (gain)/loss on revaluation of property, plant and equipment	8	2	(5)
Remeasurement of post employment benefits	23	974	2,013
<b>Total comprehensive expenditure for 31 March 2014</b>		<b>1,667</b>	<b>2,139</b>

The notes on pages 32 to 58 form part of these accounts.

## Statement of Financial Position

As at 31 March 2014

	Notes	2013–14 £000	2012–13 £000
<b>Non-current assets</b>			
Property, plant and equipment	8	92	122
<b>Total non-current assets</b>		<b>92</b>	<b>122</b>
<b>Current assets</b>			
Trade and other receivables	12(a)	183	267
Cash and cash equivalents	13	1,455	1,577
<b>Total current assets</b>		<b>1,638</b>	<b>1,844</b>
<b>Total assets</b>		<b>1,730</b>	<b>1,966</b>
<b>Current liabilities</b>			
Trade and other payables	14(a)	(396)	(684)
Taxation payables	14(a)	(382)	(342)
<b>Total current liabilities</b>		<b>(778)</b>	<b>(1,026)</b>
<b>Non-current assets plus/less net current assets/(liabilities)</b>		<b>952</b>	<b>940</b>
<b>Non-current liabilities</b>			
Pension liability	4(c)	(11,627)	(9,951)
<b>Total non-current liabilities</b>		<b>(11,627)</b>	<b>(9,951)</b>
<b>Assets less liabilities</b>		<b>(10,675)</b>	<b>(9,011)</b>
<b>Taxpayers' equity</b>			
General fund	23	(10,683)	(9,021)
Revaluation reserve – property, plant and equipment	24(a)	8	10
		<b>(10,675)</b>	<b>(9,011)</b>

The financial statements on pages 28 to 31 were approved by the Board on 10<sup>th</sup> June 2014 and were signed on its behalf by

..... Accountable Officer

10<sup>th</sup> June 2014

The notes on pages 32 to 58 form part of these accounts.



## Statement of Cash Flows

For the year ended 31 March 2014

		2013–14	2012–13
	Notes	£000	£000
<b>Cash flows from operating activities</b>			
Net operating costs	23	(691)	(131)
Adjustments for non-cash transactions	6	31	36
Adjustments for pension cost	4(c)	702	148
(Increase)/decrease in receivables	12(a)	84	(201)
Increase/(decrease) in payables	14(a)	(248)	350
Utilisation of provisions	15	0	(5)
<b>Net cash outflow from operating activities</b>		<b>(122)</b>	<b>197</b>
<b>Net increase/(decrease) in cash and cash equivalents in the period</b>			
		<b>(122)</b>	<b>197</b>
Cash and cash equivalents at the beginning of the period	13	1,577	1,380
Cash and cash equivalents at the end of the period	13	1,455	1,577
<b>Increase/(decrease) in cash</b>		<b>(122)</b>	<b>197</b>

The notes on pages 32 to 58 form part of these accounts.

## Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2014

	Notes	General Fund £000	Revaluation Reserve £000	Total £000
<b>Balance as at 1 April 2012</b>		<b>(6,879)</b>	<b>5</b>	<b>(6,874)</b>
Net operating cost after taxation	SocNE	(131)	0	(131)
Net gain/(loss) on revaluation of property, plant and equipment	24(a)		7	7
Transferred to General Fund from property, plant and equipment revaluation reserve	24(a)		(2)	(2)
Transferred from revaluation reserve	23	2	0	2
Remeasurement of post employment benefits	23	(2,013)	0	(2,013)
<b>Balance as at 31 March 2013</b>		<b>(9,021)</b>	<b>10</b>	<b>(9,011)</b>
<b>Changes in taxpayers' equity for 2013–14</b>				
Net operating cost after taxation	SocNE	(691)	0	(691)
Net gain/(loss) on revaluation of property, plant and equipment	24(a)	0	1	1
Transferred to General Fund from property, plant and equipment revaluation reserve	24(a)	0	(3)	(3)
Transferred from revaluation reserve	23	3	0	3
Remeasurement of post employment benefits	23	(974)	0	(974)
<b>Balance as at 31 March 2014</b>		<b>(10,683)</b>	<b>8</b>	<b>(10,675)</b>

The notes on pages 32 to 58 form part of these accounts.

## Notes to the accounts

### 1. Statement of accounting policies

#### 1.1 Basis of preparation

The financial statements have been prepared in accordance with the 2013–14 Government Financial Reporting Manual (FRoM) issued by HM Treasury. The accounting policies contained in the FRoM follow International Financial Reporting Standards (IFRS) as at the reporting date to the extent that it is meaningful and appropriate to the public sector.

Where the FRoM permits a choice of accounting policy, the policy which has been judged to be the most appropriate to the particular circumstances of the Probation Trust for the purpose of giving a true and fair view has been selected. The Probation Trust's accounting policies have been applied consistently in dealing with items considered material in relation to the accounts.

The Trust has not adopted any Standards or Interpretations in advance of the required implementation dates. It is not expected that adoption of Standards or Interpretations which have been issued by the International Accounting Standards Board but have not been adopted will have a material impact on the financial statements.

The functional and presentation currency of the Trust is the British pound sterling (£).

#### 1.2 Accounting convention

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

#### 1.3 Changes in accounting policies and restatement of comparatives

**New and amended standards adopted**  
IAS 1 'Presentation of Financial Statements – Other Comprehensive Income' (effective for accounting periods beginning on or after 1 July 2012).

The impact on the Trust is that items presented in Other Comprehensive Expenditure will be grouped on the basis of whether they may subsequently be reclassified to net operating costs.

IAS 19 'Employee Benefits' was revised in June 2011 (effective for accounting periods beginning on or after 1 January 2013).

The changes have been made retrospectively in line with the transitional provisions of IAS 19 (revised 2011) and in accordance with IAS 8 'Accounting policies, changes in accounting estimates and errors'.

Those that impact on the Trust are:

- interest cost and expected return on plan assets are replaced with 'net interest', which is calculated by applying the same discount rate to the net defined benefit liability/(asset); and
- amended disclosures including the presentation of defined benefit costs, plan assets and reconciliation of net pension liability/(asset) as presented in **Note 4**.

The changes to IAS 19 apply retrospectively, giving rise to a prior period adjustment to net operating costs and other comprehensive expenditure. Net pension assets and liabilities are unchanged. The effect of the prior period adjustment on each line in the primary statements is set out in **Note 28**.

#### 1.4 Going concern

The Statement of Financial Position at 31 March 2014 shows negative Taxpayers' Equity, which largely reflects the accumulated movement of the pension liability falling due in future years. MoJ/NOMS has committed to funding the pension liabilities transferred to the CRCs, relating to past service, and the future financing of all other liabilities in the NPS and CRCs falling due past 31 March 2014.

On 1 June 2014, the Trust ceased trading.

On this date the operations of the Trust transferred to the Secretary of State for Justice on behalf of the Ministry of Justice. They are administered by a new National Probation Service (NPS) and 21 Community Rehabilitation Companies (CRCs).

The existing assets, liabilities and staff of the Trust were split between these entities in a practical way that reflects the services that each body provides. Some assets and liabilities remained in the Trust to be settled as soon as practically possible.

A Statutory Instrument to dissolve the Probation Trust, under section 5(1)(c) of the Offender

Management Act 2007, will be made by the Secretary of State for Justice subject to the negative resolution procedure.

A tender process is currently under way with a successful bidder(s) to take ownership of the CRCs starting from winter 2014–15. As part of the sale, the contracts will influence the operations of the CRCs ensuring continuity of services beyond this date. Services will continue to be commissioned by MoJ/NOMS under this arrangement.

As the functions previously provided by the Trust will continue to be provided by public sector entities and commissioned by the public sector when the CRC is in private ownership, the Accountable Officer with the support of senior management has concluded therefore that within the context of the Financial Reporting Manual (FRoM), it is appropriate for the Trust to prepare the 2013–14 Annual Report and Accounts on a going concern basis.

### 1.5 Property, plant and equipment

Property, plant and equipment, including subsequent expenditure on existing assets, is initially recognised at cost and is restated at each Statement of Financial Position date using the Price Index Numbers for Current Cost Accounting (Office for National Statistics). The minimum level for capitalisation of a tangible non-current asset is £10,000, inclusive of any irrecoverable VAT element, where appropriate.

Where significant purchases of individual assets which are separately beneath the capitalisation threshold arise in connection with a single project they are treated as a grouped asset.

All land and building assets used by the Probation Trust are managed and owned centrally by NOMS and are recorded on their Statement of Financial Position. The cost of using those assets is included within **Note 6**, other expenditure under “accommodation, maintenance & utilities”. The charge to the Probation Trust does not represent the full cost incurred by NOMS.

#### Revaluation

The revaluation reserve reflects the unrealised element of the cumulative balance of revaluation and indexation adjustments in non-current assets (excluding donated assets). Gains on revaluation are credited to the revaluation reserve and shown

in other comprehensive expenditure, unless they reverse a revaluation decrease on the same asset. Reversals are credited to net operating costs in the SoCNE to the extent of the amount previously expensed, and any excess is credited to the revaluation reverse.

### 1.6 Depreciation

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

Asset lives are currently in the following ranges:

Information technology	5 years depending on individual asset type
Plant & equipment	3 to 15 years depending on individual asset type
Vehicles	7 years depending on individual asset type
Furniture, fixtures & fittings	5 years depending on individual asset type

### 1.7 Impairment

All non-current assets are assessed annually for indications of impairment as at 31 March. Where indications of impairment exist, the asset value is tested for impairment by comparing the book value to the recoverable amount. In accordance with IAS 36 the recoverable amount is determined as the higher of the “fair value less costs to sell” and the “value in use”. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and written down to the recoverable amount and an impairment loss is recognised in the SoCNE. Any reversal of an impairment charge is recognised in the SoCNE to the extent that the original charge, adjusted for subsequent depreciation, was previously recognised in the SoCNE. The remaining amount is recognised in the Revaluation Reserve. Under IAS 36, Intangible Assets under construction should be tested for impairment annually.

### 1.8 Intangible non-current assets

The Trust recognises intangible non-current assets only if it is probable that future service potential will flow to the Trust and the cost of the asset can be measured reliably. Intangibles comprise internally developed software for internal use, software developed by third parties and licenses for purchased software.

The minimum level for capitalisation of an intangible non-current asset is £5,000, inclusive of any irrecoverable VAT element, where appropriate.

Expenditure is capitalised where it is directly attributable to bringing an asset into working condition. Internal staff costs are expensed to the SoCNE, as are those of contractors and interims undertaking ongoing roles that might otherwise be filled by civil servants. The costs of external consultants engaged on projects are capitalised where appropriate.

The useful lives of intangible assets are assessed to be finite. As there is no active market for these intangible assets, their fair value is assessed at re-valued amount less any accumulated amortisation and accumulated impairment losses.

The re-valued amount and indications of impairment are determined from an annual appraisal of the assets' underlying business case using discounted future economic benefits (cost savings). The net present value of the project is compared with the total current cost, and impaired accordingly.

Intangible assets are amortised using the straight-line method over their anticipated useful lives. The useful lives of the software range from 3 to 10 years. Licences are amortised over the length of the licence.

As there is no active market for these intangible assets, their fair value is assessed at the re-valued amount less any accumulated amortisation and accumulated.

Intangible assets are restated at each Statement of Financial Position date using Services Producer Price Index published by the Office for National Statistics.

### 1.9 Non-current assets held for sale

Non-current assets held for sale are identified as assets whose carrying amount will be recovered through sale rather than through continuing use. Depreciation on non-current assets held for sale ceases upon reclassification. Depreciation is re-instated and retrospectively applied to any assets which are subsequently not sold and re-classified as in-use.

### 1.10 Inventories

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

### 1.11 Operating income

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

Operating income is income that relates directly to the operating activities of the Probation Trust. This comprises income under the Trust's contract with NOMS for the provision of Probation Services, rent receivables, income from EU sources, income from other Trusts, from within the MoJ Group, from other Government Departments and miscellaneous income. Fees and charges for services are recovered on a full cost basis in accordance with the Treasury's Fees and Charges guide.

With effect from 1 April 2011, NOMS has confirmed that Trusts can now retain bank interest received. Trusts are no longer required to surrender this to HM Treasury via NOMS and MoJ.

### 1.12 Other Expenditure

In 2012–13 the SoCNE was analysed between administration and programme income and expenditure. The classification of expenditure and income for both Administration and Programme followed the definition set out in the FReM by HM Treasury. Administration costs reflect the costs of running the Probation Trust together with associated operating income. Programme costs are defined as projects which are fully or partially funded from outside the Ministry of Justice. However for 2013–14 all programme expenditure for both prior and current year is shown as Other Expenditures. All programme income for both prior and current year is shown within one classification. This change has been made for fairer presentation of the accounts. Further details are shown in **Note 3, Note 6, Note 7 and Note 28.**

On consolidation into NOMS Agency Accounts, all expenditure and income is classified as programme, except the audit fee which is administration expenditure.

### 1.13 Pensions

Past and present employees are covered by the provisions of the Local Government Pension Scheme (LGPS). This is a funded defined benefit

scheme. Retirement benefits are determined independently of the investments of the scheme and employers are obliged to make additional contributions where assets are insufficient to meet retirement benefits.

The pension fund is subject to an independent triennial actuarial valuation to determine each employer's contribution rate (Disclosure of Stakeholder Pensions Schemes is not included in these accounts). The last formal actuarial valuation was as at 31 March 2013.

The liability recognised in the SoFP in respect of defined benefit pension plans at the reporting date is the present value of the defined benefit obligation less the fair value of plan assets. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using discount rates as advised by the scheme actuary.

Remeasurement gains and losses are recognised within Other Comprehensive Expenditure in the period in which they arise.

Where a central government entity has a share of a local government (or other) pension scheme liability on its statement of financial position, then that entity will use a discount rate determined by the appropriate authority (for example CIPFA or a qualified independent actuary) in valuing its share and not the rate advised annually by HM Treasury. The pension fund actuary has used roll forward estimated asset value figures in producing the IAS 19 pension liability and other disclosures.

### 1.14 Leases

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

A distinction is made between finance leases and operating leases. Finance leases are leases where substantially all of the risks and rewards incidental

to ownership of leased non-current assets are transferred from the lessor to the lessee when assessed against the qualitative and quantitative criteria in IAS 17. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

### Finance leases

Finance lease rights and obligations are initially recognised at the commencement of the lease term as assets and liabilities equal in amount to the fair value of the leased item or, if lower, the present value of the minimum lease payments determined at the inception of the lease. Minimum lease payments are allocated between interest expense and reduction of the outstanding lease liability, according to the interest rate implicit in the lease or the HM Treasury rate where a rate could not extrapolated from the lease.

Finance lease liabilities are allocated between current and non-current components. The principal component of lease payments due on or before the end of the succeeding year is disclosed as a current liability, and the remainder of the lease liability is disclosed as a non-current liability.

### Operating leases

Leases other than finance leases are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the SoCNE on a straight-line basis.

### 1.15 Provisions

Provisions represent liabilities of uncertain timing or amount. Provisions are recognised when the Probation Trust has a present legal or constructive obligation, as a result of past events, for which it is probable or virtually certain that an outflow of economic benefits will be required to settle the obligation. Where the effect of the time value of money is significant, the estimated risk-adjusted cash flows are discounted using the real rate set by HM Treasury.

### 1.16 Value Added Tax

For the Probation Trust most of the activities are within the scope of VAT and, in general, output tax is charged and input tax on purchases is recoverable. Capitalised purchase cost of non-current assets are stated net of recoverable VAT. Where output tax is charged or input VAT is recoverable, the amounts are stated net of VAT.

### 1.17 Corporation Tax

The Trust is a “corporate body” in accordance with the Offender Management Act 2007 supplying court work and offender management services to NOMS and the Ministry of Justice, and as a result, HMRC has confirmed that it is subject to corporation tax. The Trust is therefore subject to Corporation Tax (CT) on its profits and ‘profit’ for this purpose means income and chargeable gains. These accounts include estimates of corporation tax liabilities.

### 1.18 Cash and Cash Equivalents

Cash and Cash Equivalents comprise cash in hand, that are readily convertible to a known amount of cash and are subject to insignificant risk of changes in value.

### 1.19 Financial instruments

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

### 1.20 Segmental analysis of spend as reported to the Management Board

The segmental analysis presents the financial information based on the structure reported to the Trust’s Management Board. The segments reflect the Trust’s own individual structure allowing the Board to have a clear view on the costs of front-line operations. This is in accordance with IFRS 8 Segmental Reporting. Further detail is shown in **Note 2**.

## 2. Statement of Operating Costs by Operating Segment

Operational Unit	2013–14	2012–13
	Net Expenditure £000	Net Expenditure £000
Offender Management	2,710	2,610
Interventions	1,344	1,300
Partnerships	249	337
Support Services	2,393	2,608
<b>Total Net Expenditure</b>	<b>6,696</b>	<b>6,855</b>
<b>Contract Income</b>	<b>(6,707)</b>	<b>(6,872)</b>
<b><i>Overspend/(Underspend) before Actuarial Adjustments and Taxation</i></b>	<b><i>(11)</i></b>	<b><i>(17)</i></b>
Actuarial Adjustments and Taxation	702	10
<b><i>Net Overspend/(Underspend)</i></b>	<b><i>691</i></b>	<b><i>(7)</i></b>



### 3. Staff numbers and related costs

#### 3a. Staff costs consist of:

	2013–14			2012–13
	Total	Permanently- employed staff	Others	Total
	£000	£000	£000	£000
Wages and salaries	4,460	4,202	258	4,169
Social security costs	324	306	18	318
Other pension costs	836	815	21	732
<b>Sub-total</b>	<b>5,620</b>	<b>5,323</b>	<b>297</b>	<b>5,219</b>
Less recoveries in respect of outward secondments	(355)	(355)	0	(363)
<b>Total staff costs</b>	<b>5,265</b>	<b>4,968</b>	<b>297</b>	<b>4,856</b>

#### Restatement of comparatives

In the prior year costs were split between administration and programme related costs. For 2013–14 all staff costs have been aggregated in to one classification. This has no impact on total staff costs. See also **Note 1.12**.

The Local Government Pension Scheme is a funded multi-employer defined benefit scheme. The Probation Trust's share of the underlying assets and liabilities are shown below in **Note 4**.

One persons (2012–13: Nil persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £Nil (2012–13: £Nil).

#### 3b. Average number of persons employed

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

	2013–14			2012–13
	Total	Permanently- employed staff	Others	Total
	157	138	19	138
	<b>157</b>	<b>138</b>	<b>19</b>	<b>138</b>

### 3c. Reporting of compensation schemes – exit packages

Exit packages cost band	2013–14			2012–13		
	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000	0	0	0	0	0	0
£10,000–£25,000	0	0	0	1	0	1
£25,000–£50,000	0	0	0	0	0	0
£50,000–£100,000	0	0	0	0	1	1
£100,000–£150,000	0	0	0	0	0	0
£150,000–£200,000	0	0	0	0	0	0
£200,000+	0	0	0	0	0	0
<b>Total number of exit packages by type</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>1</b>	<b>2</b>
<b>Total resource cost £000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>5</b>	<b>78</b>	<b>83</b>

Redundancy and other departure costs have been paid in accordance with the Trust compensation scheme. The additional costs of any early retirements are met from the Trust and not the pension scheme and are included in the above figures. Ill health retirement costs are met from the pension scheme and are excluded from the above table.

As a result of Voluntary Early Departure (VED) redundancy in 2012/13, the Trust has reduced its senior management costs in 2013/14.

## 4. Pensions costs

The Trust participates in the Local Government Pension Scheme administered by Wiltshire Council Pension Fund. The scheme is statutory and intended to be a fully funded scheme that provides benefits on a “final salary” basis at a normal retirement age of 65, but an employee is eligible to retire at 60 under the 85 year rule with no loss of pension retirement. This does not apply to new entrants to the scheme from 1st October 2006. From 1st April 2008 benefits accrue at the rate of 1/60th of pensionable pay with no automatic lump sum. Members’ contributions vary dependant on salary, contributions ranging from 5.5% to 7.5%. From 1st April 2010 the government stipulated that public sector employee pensions are to increase in line with the Consumer Prices Index (CPI) rather than the Retail Prices Index (RPI). From 1st April 2014 the benefits will move from final salary basis to a career average basis.

### 4a. Pension costs

A full actuarial valuation was carried out at 31 March 2013 by Hymans Robertson to set the employers contributions from April 2014 to March 2017. For 2013–14, employers’ contributions of £588,000 were payable to the LGPS (2012–13 £955,000). This was made up of a payment of £588,000 (2012–13 £955,000) which represented 14.9% of salary costs of staff in the scheme. An additional lump sum payment of £Nil (2012–13 £136,000) was made to offset the increase in future liabilities that are to be borne by WPT from 2011 to 2014 as a result of the triennial review held in 2010. This is one of a number of options provided to Wiltshire Probation Trust by the Pension Fund to accommodate the significant increases in future pension payments. The schemes’ Actuary reviews employer contributions every three years following a full scheme valuation. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Employer contributions from 1 June 2014 will not be required to be paid by the Probation Trust as they will have ceased trading and the Trust’s existing pension liabilities and corresponding assets transferred to the Greater Manchester Pension Fund (GMPF). Future contributions are referred to in **Note 27** Events occurring after the reporting period.

Partnership accounts are excluded under IAS19.

The approximate employer’s pension contributions for the three years are:

- Employer’s contributions for 2013–14 were 14.9% of salaries; and,
- Employer’s contributions for 2014–15 will be 35.1% of salaries; and
- Employer’s contributions for 2015–16 will be 35.1% of salaries.

### 4b. The major assumptions used by the actuary were:

	2013–14	2012–13
	%	%
Inflation assumption	3.6%	3.2%
Rate of increase in salaries	4.6%	5.1%
Rate of increase for pensions in payment and deferred pensions	2.8%	2.8%
Discount rate	4.3%	4.5%

Life expectancy is based on the Fund’s VitaCurves with improvements in line with the CMI 2010 model assuming the current rate of improvements has peaked and will converge to a long term rate of 1.25% per annum.

## 4c. Movements in the defined benefit obligation during the year

	2013–14		Total £000
	Present value of obligation £000	Fair value of plan assets £000	
Plan assets	0	22,151	22,151
Funded liabilities	(32,102)	0	(32,102)
<b>Opening balance at 1 April (restated)</b>	<b>(32,102)</b>	<b>22,151</b>	<b>(9,951)</b>
Current service costs	(836)	0	(836)
	<b>(836)</b>	<b>0</b>	<b>(836)</b>
Net Interest (cost)/income	<b>(1,445)</b>	<b>991</b>	<b>(454)</b>
Remeasurements			
Returns on plan assets, excluding amounts included in interest cost/(income)	0	1,267	1,267
Gain/(loss) from change in demographic assumptions	(774)	0	(800)
Gain/(loss) from change in financial assumptions	(745)	0	(7)
Experience gains/(losses)	(722)	0	(1,434)
	<b>(2,241)</b>	<b>1,267</b>	<b>(974)</b>
Contributions			
Employers	0	588	588
Plan participants	(244)	244	0
Payments from plans			
Benefit payments	1,033	(1,033)	0
<b>Closing balance at 31 March</b>	<b>(35,835)</b>	<b>24,208</b>	<b>(11,627)</b>
Plan assets	0	24,208	24,208
Funded liabilities	(35,835)	0	(35,835)
<b>Closing balance at 31 March</b>	<b>(35,835)</b>	<b>24,208</b>	<b>(11,627)</b>

	2012–13 (restated)		Total £000
	Present value of obligation £000	Fair value of plan assets £000	
Plan assets	0	19,742	19,742
Funded liabilities	(27,532)	0	(27,532)
<b>Opening balance at 1 April</b>	<b>(27,532)</b>	<b>19,742</b>	<b>(7,790)</b>
Current service costs	(652)	0	(652)
Past service costs (including curtailments)	(80)	0	(80)
	<b>(732)</b>	<b>0</b>	<b>(732)</b>
Net interest (cost)/income	<b>(1,318)</b>	<b>947</b>	<b>(371)</b>
Remeasurements			
Returns on plan assets, excluding amounts included in interest cost	0	1,375	1,375
Gain/(loss) from change in financial assumptions	(3,435)	0	(3,435)
Experience gains/(losses)	47	0	47
	<b>(3,388)</b>	<b>1,375</b>	<b>(2,013)</b>
Contributions			
Employers	0	955	955
Plan participants	(238)	238	0
Payments from plans			
Benefit payments	1,106	(1,106)	0
<b>Closing balance at 31 March</b>	<b>(32,102)</b>	<b>22,151</b>	<b>(9,951)</b>
Plan assets	0	22,151	22,151
Funded liabilities	(32,102)	0	(32,102)
<b>Closing balance at 31 March</b>	<b>(32,102)</b>	<b>22,151</b>	<b>(9,951)</b>

#### 4d. Plan assets are comprised as follows

	2013-14				2012-13			
	Quoted	Unquoted	Total	%	Quoted	Unquoted	Total	%
	£000	£000	£000		£000	£000	£000	
Equity instruments								
Consumer	721	0	721		704	0	704	
Financial institutions	281	0	281		0	0	0	
Health and care	143	10	153		165	23	188	
Information technology	2,619	0	2,619		1,777	0	1,777	
Manufacturing	439	0	439		614	0	614	
Other	103	0	103		90	0	90	
	<b>4,306</b>	<b>10</b>	<b>4,316</b>	18%	<b>3,350</b>	<b>23</b>	<b>3,373</b>	15%
Debt instruments								
UK Government	0	202	202		0	223	223	
Corporate bonds (investment grade)	35	1,760	1,795		10	1,857	1,867	
Corporate bonds (non-investment grade)	0	62	62		0	47	47	
Other	72	271	343		0	326	326	
	<b>107</b>	<b>2,295</b>	<b>2,402</b>	10%	<b>10</b>	<b>2,453</b>	<b>2,463</b>	11%
Property								
UK	0	2,097	2,097		0	2,074	2,074	
Overseas	0	127	127		0	164	164	
	<b>0</b>	<b>2,224</b>	<b>2,224</b>	9%	<b>0</b>	<b>2,238</b>	<b>2,238</b>	10%
Derivatives								
Foreign exchange	0	(69)	(69)		0	0	0	
Other	2	0	2		(6)	0	(6)	
	<b>2</b>	<b>(69)</b>	<b>(67)</b>	0%	<b>(6)</b>	<b>0</b>	<b>(6)</b>	0%
Cash and cash equivalents	766	0	766	3%	514	0	514	2%
Investment funds								
Equities	0	11,849	11,849		0	11,061	11,061	
Bonds	0	1,164	1,164		0	1,168	1,168	
Hedge funds	0	1,254	1,254		0	1,113	1,113	
Infrastructure	0	119	119		0	57	57	
Other	0	181	181		0	170	170	
	<b>0</b>	<b>14,567</b>	<b>14,567</b>	60%	<b>0</b>	<b>13,569</b>	<b>13,569</b>	62%
<b>Total</b>	<b>5,181</b>	<b>19,027</b>	<b>24,208</b>	100%	<b>3,868</b>	<b>18,283</b>	<b>22,151</b>	100%

#### 4e. Sensitivity analysis

The sensitivities regarding the principal assumptions used to measure the scheme Liabilities are set out below:

	Approximate increase to Employer Liability %	Approximate Monetary amount £000
<b>Change in assumptions at 31 March 2014</b>		
0.5% decrease in Real Discount Rate	9%	3,363
1 year increase in member life expectancy	3%	1,075
0.5% increase in the Salary Increase Rate	3%	926
0.5% increase in the Pension Increase Rate	7%	2,397

## 5. Taxation

	2013–14	2012–13
	£000	£000
UK corporation tax	0	0
<b>Total</b>	<b>0</b>	<b>0</b>

Probation Trusts are corporate bodies under the Offender Management Act 2007, supplying court work and offender management services to the Ministry of Justice. The Trust is therefore subject to Corporation Tax on its profits and 'profit' for this purpose means income and chargeable gains.

The Trust has made no profits liable to Corporation Tax within the Financial Year.

## 6. Other Expenditure

	2013–14		2012–13 <i>Restated</i>	
	£000	£000	£000	£000
Accommodation, maintenance and utilities	617		757	
Travel, subsistence and hospitality	159		152	
Professional services	0		1	
IT services	336		321	
Communications, office supplies and services	146		164	
Other staff related	200		158	
Offender costs	208		174	
Other expenditure	281		337	
External Auditors' remuneration – statutory accounts	21		21	
Internal Auditors' remuneration	14		11	
		<b>1,982</b>		<b>2,096</b>
<b>Non-cash items</b>				
Depreciation of tangible non-cash assets	31		36	
		31		36
<b>Total</b>		<b>2,013</b>		<b>2,132</b>

### Restatement of comparatives

In the prior year costs were split between administration and programme related costs. For 2013–14 all costs have been aggregated in to one classification. This has no impact on total costs. See also **Note 1.12**.



## 7. Income

	2013-14		2012-13 <i>Restated</i>	
	£000	£000	£000	£000
Income receivable from the sponsoring department – NOMS	6,707		6,872	
		<b>6,707</b>		<b>6,872</b>
Other income received from Probation Trusts		72		50
Other income from NOMS		4		6
Other income from rest of MoJ Group		6		6
Other income from other Government departments		102		65
Miscellaneous income		150		228
		<b>7,041</b>		<b>7,227</b>
Interest received:				
From bank	0		1	
<b>Total interest received</b>		<b>0</b>		<b>1</b>
<b>Total income</b>		<b>7,041</b>		<b>7,228</b>

### Restatement of comparatives

In the prior year income was split between administration and programme related income. For 2013-14 all income has been aggregated in to one classification. This has no impact on total income. See also **Note 1.12**.

## 8. Property, plant and equipment

	2013-14					
	Information technology	Plant and machinery	Transport equipment	Furniture, fixtures and fittings	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000	£000
<b>Cost or valuation</b>						
<b>As at 1 April 2013</b>	0	109	217	0	0	326
Additions	0	0	0	0	0	0
Disposals	0	(16)	0	0	0	(16)
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	0	1	1	0	0	2
<b>As at 31 March 2014</b>	<b>0</b>	<b>94</b>	<b>218</b>	<b>0</b>	<b>0</b>	<b>312</b>
<b>Depreciation</b>						
<b>As at 1 April 2013</b>	0	104	100	0	0	204
Charge in year	0	5	26	0	0	31
Disposals	0	(16)	0	0	0	(16)
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	0	0	1	0	0	1
<b>As at 31 March 2014</b>	<b>0</b>	<b>93</b>	<b>127</b>	<b>0</b>	<b>0</b>	<b>220</b>
<b>Carrying value as at 31 March 2014</b>	<b>0</b>	<b>1</b>	<b>91</b>	<b>0</b>	<b>0</b>	<b>92</b>
<b>Carrying value as at 31 March 2013</b>	<b>0</b>	<b>5</b>	<b>117</b>	<b>0</b>	<b>0</b>	<b>122</b>
<b>Asset financing</b>						
Owned	0	1	91	0	0	92
Finance leased	0	0	0	0	0	0
<b>Carrying value as at 31 March 2014</b>	<b>0</b>	<b>1</b>	<b>91</b>	<b>0</b>	<b>0</b>	<b>92</b>

## 8. (Continued)

	2012-13					
	Information technology	Plant and machinery	Transport equipment	Furniture, fixtures and fittings	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000	£000
<b>Cost or valuation</b>						
<b>As at 1 April 2012</b>	<b>0</b>	<b>114</b>	<b>205</b>	<b>0</b>	<b>0</b>	<b>319</b>
Additions	0	0	0	0	0	0
Disposals	0	(9)	0	0	0	(9)
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	0	4	12	0	0	16
<b>As at 31 March 2013</b>	<b>0</b>	<b>109</b>	<b>217</b>	<b>0</b>	<b>0</b>	<b>326</b>
<b>Depreciation</b>						
<b>As at 1 April 2012</b>	<b>0</b>	<b>99</b>	<b>69</b>	<b>0</b>	<b>0</b>	<b>168</b>
Charge in year	0	11	25	0	0	36
Disposals	0	(9)	0	0	0	(9)
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	0	3	6	0	0	9
<b>As at 31 March 2013</b>	<b>0</b>	<b>104</b>	<b>100</b>	<b>0</b>	<b>0</b>	<b>204</b>
<b>Carrying value as at 31 March 2013</b>	<b>0</b>	<b>5</b>	<b>117</b>	<b>0</b>	<b>0</b>	<b>122</b>
<b>Carrying value as at 31 March 2012</b>	<b>0</b>	<b>15</b>	<b>136</b>	<b>0</b>	<b>0</b>	<b>151</b>
<b>Asset financing</b>						
Owned	0	5	117	0	0	122
Finance leased	0	0	0	0	0	0
<b>Carrying value as at 31 March 2013</b>	<b>0</b>	<b>5</b>	<b>117</b>	<b>0</b>	<b>0</b>	<b>122</b>

## 9. Intangible assets

There are no Intangible Assets held by the Trust in the year (2012–13 £nil).

## 10. Impairments

There were no impairments in the year (2012–13 £nil).

## 11. Assets held for sale

There were no assets held for sale at the reporting date (2012–13 £nil).

## 12. Trade receivables and other current assets

### 12a. Analysis by type

	2013–14 £000	2012–13 £000
<b>Amounts falling due within one year</b>		
Trade receivables	43	70
Receivables due from Trusts	10	9
Receivables, Accrued Income and Prepayments due from NOMS Agency	25	114
Receivables, Accrued Income and Prepayments due from other Government departments	87	28
Other receivables	0	18
Prepayments	18	27
Accrued income	0	1
	<b>183</b>	<b>267</b>
<b>Amounts falling due after more than one year</b>		
Trade receivables	0	0
	<b>0</b>	<b>0</b>
<b>Total</b>	<b>183</b>	<b>267</b>

### 12b. Intra-Government receivables

	Amounts falling due within one year		Amounts falling due after more than one year	
	2013–14 £000	2012–13 £000	2013–14 £000	2012–13 £000
Balances with other central Government bodies (inc. parent department)	35	123	0	0
Balances with local authorities	87	28	0	0
	<b>122</b>	<b>151</b>	<b>0</b>	<b>0</b>
Balances with bodies external to Government	61	116	0	0
<b>Total</b>	<b>183</b>	<b>267</b>	<b>0</b>	<b>0</b>

## 13. Cash and cash equivalents

	2013–14 £000	2012–13 £000
Balance at 1 April	1,577	1,380
Net change in cash and cash equivalents	(122)	197
<b>Balance at 31 March</b>	<b>1,455</b>	<b>1,577</b>
The following balances at 31 March are held at:		
Government Banking Service	1,249	1,100
Commercial banks and cash in hand	206	477
<b>Balance at 31 March</b>	<b>1,455</b>	<b>1,577</b>

## 14. Trade payables and other current liabilities

### 14a. Analysis by type

	2013–14	2012–13
	£000	£000
<b>Amounts falling due within one year (excluding taxation)</b>		
Trade payables	205	66
Accruals	121	118
Deferred income	0	40
Payables due to Probation Trusts	0	28
Payables, Accruals and Deferred Income due to NOMS Agency	0	361
Payables, Accruals and Deferred Income due to other Government departments	70	71
	<b>396</b>	<b>684</b>
<b>Tax falling due within one year</b>		
VAT	281	342
Other taxation and social security	101	0
	<b>382</b>	<b>342</b>
<b>Total amounts falling due within one year</b>	<b>778</b>	<b>1,026</b>
<b>Amounts falling due after more than one year</b>		
Other payables	0	0
	<b>0</b>	<b>0</b>
<b>Total</b>	<b>778</b>	<b>1,026</b>

### 14b. Intra-Government payables

	Amounts falling due within one year		Amounts falling due after more than one year	
	2013–14	2012–13	2013–14	2012–13
	£000	£000	£000	£000
Balances with other central Government bodies (inc. parent department)	382	731	0	0
Balances with local authorities	70	71	0	0
Balances with NHS bodies	0	40	0	0
	<b>452</b>	<b>842</b>	<b>0</b>	<b>0</b>
Balances with bodies external to Government	326	184	0	0
<b>Total</b>	<b>778</b>	<b>1,026</b>	<b>0</b>	<b>0</b>

## 15. Provisions for liabilities and charges

	2013–14	2012–13
	£000	£000
Balance at 1 April	0	5
Provided in year	0	0
Provision utilised in the year	0	(5)
<b>Balance as at 31 March</b>	<b>0</b>	<b>0</b>

	2013–14	2012–13
	£000	£000
<b>Analysis of expected timing of discount flows</b>		
Not later than one year	0	0
<b>Current liability</b>	<b>0</b>	<b>0</b>
Later than one year and not later than five years	0	0
Later than five years	0	0
<b>Non-current liability</b>	<b>0</b>	<b>0</b>
<b>Balance as at 31 March</b>	<b>0</b>	<b>0</b>

There were no provisions at the reporting date (2012–13 £nil).

## 16. Capital commitments

There were no capital commitments at the reporting date (2012–13 £nil).

## 17. Commitments under leases

### 17a. Operating leases

There are no commitments under operating leases (2012–13 £nil).

### 17b. Finance leases

There are no commitments under finance leases (2012–13 £nil).

## 18. Other financial commitments

There are no financial commitments (2012–13 £nil).

## 19. Deferred tax asset

There are no deferred tax assets (2012–13 £nil).

## 20. Financial instruments

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

The Trust does not hold financial instruments that are complex or that play a significant medium to long term role in the financial risk profile of the trust.

## 21. Contingent liabilities

There are no contingent liabilities (2012–13 £nil).

## 22. Losses and special payments

### 22a. Losses statement

There were no losses in the year (2012–13 £nil).

### 22b. Special payments schedule

There were no special payments in the year (2012–13 £nil).

## 23. General fund

	2013–14	2012–13
	£000	£000
Balance at 1 April	(9,021)	(6,879)
Net transfers from Operating Activities:		
Statement of Comprehensive Net Expenditure	(691)	(131)
Transferred from revaluation reserve	3	2
Remeasurement of post employment benefits	(974)	(2,013)
<b>Balance at 31 March</b>	<b>(10,683)</b>	<b>(9,021)</b>



## 24. Revaluation reserve

### Property, plant and equipment

	2013–14	2012–13
	£000	£000
Balance at 1 April	10	5
Arising on revaluations of PPE during the year (net)	1	7
Transferred to General Fund	(3)	(2)
<b>Balance at 31 March</b>	<b>8</b>	<b>10</b>

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

## 25. Related party transactions

NOMS and the Ministry of Justice are regarded as a related party. During the year, the Trust had various material transactions with the Ministry of Justice. Additionally, the Trust had transactions with other Trusts', other government bodies and third party organisations.

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

In preparing for the sale of the publically owned BGSW CRC, a number of Wiltshire Probation Trust and Gloucestershire Probation Trust employees are working with Prospects Group (a mutual organisation) in accordance with MoJ defined ethical parameters and have signed a declaration of compliance.

## 26. Third-party assets

There are no third-party assets (2012–13 £nil).

## 27. Events occurring after the reporting period

In accordance with the requirements of IAS 10, events after the reporting period are considered up to the date on which the accounts are authorised for issue. This is interpreted as the date of the Audit Certificate of the Comptroller and Auditor General.

As at the date of the Audit Certificate, the following reportable events had occurred.

### **Dissolution of the Trust**

The Trust ceased trading on 1 June 2014. A Statutory Instrument to dissolve the Trust, under section 5(1) (c) of the Offender Management Act 2007, will be made by the Secretary of State for Justice subject to the negative resolution procedure.

The operations of the Trust have been divided between the National Probation Service and a Community Rehabilitation Company, both public sector entities. MoJ/NOMS has committed to ensuring all services will continue under the new structure, using the same assets and resources, for the foreseeable future.

On 1 June 2014 a Transfer Order effected the transfer of existing assets, liabilities and staff of the Trust to the NPS and CRC public sector bodies in a practical way that reflects the services that each provides. Some assets and liabilities remained in the Trust to be settled as soon as practically possible.

A tender process is currently under way with a successful bidder to take ownership of the CRC in winter 2014–15.

The Accountable Officer with the support of senior management has concluded that there is no further impact on the financial statements other than those referred to in **Note 1.4**.

### **Basis of allocation of balances after the Trust ceased trading on 1 June 2014**

On 1 June 2014, the assets and liabilities of the Probation Trust were allocated between the NPS and CRC as follows:

#### **Pensions**

On 1 June 2014 the Trust's existing pension liabilities and corresponding assets were transferred to the Greater Manchester Pension Fund (GMPF).

The Trust is no longer required to pay employer contributions to the fund.

The responsibility for funding the past service liabilities and all future contributions associated with those original employees who are active members of the LGPS have transferred with the employee to the new employer (the CRC or the NPS) as referred to in **Note 1.4**. The MoJ ensures that the past service liabilities are 100% funded on an ongoing basis from the date the employees transferred to the CRC.

The Secretary of State for Justice has provided a guarantee to the GMPF in respect of the CRCs' participation in the GMPF for pension liabilities that transfer to the CRCs.

The responsibility for funding the past service liabilities associated with the original employees who are deferred or pensioner members of the LGPS have transferred to the NPS under the Secretary of State for Justice.

#### **Leases and service contracts**

Property and IT leases remain within the Ministry of Justice.

All other service contracts have been novated to the relevant entity based on where the services of that contract will be provided. Where the services are shared by both entities, the contract will in most cases be novated to the majority user.

**Staff related balances**

All staff related balances, not settled by the Trust shortly after 1 June 2014, have been allocated to the relevant entity each member is transferred.

**All other balances**

Existing debtors and creditors that remain within the Trust are to be settled from existing funds.

All other balances have been allocated on a practical basis taking in to account future use, staff member allocation and services provided by that entity.

Where an asset, liability or service is utilised by both entities it will likely remain within the NPS/NOMS.

The finalisation of the split of assets and liabilities has not been completed as at the date of this report. Therefore financial information is not available.

## 28. Prior period adjustments

### IAS 19 *Employee Benefits* (Revised 2011)

In the current year, the Trust has applied the 2011 amendments to IAS 19 *Employee Benefits* (revised 2011), which are mandatory for accounting periods beginning on or after 1 January 2013. The standard requires retrospective application, which has resulted in a prior period adjustment. The prior period comparatives have been restated accordingly.

The amendments relevant to the Trust are:

The interest cost and expected return on plan assets are replaced with 'net interest', which is calculated by applying the same discount rate to the net defined benefit liability/(asset). Retrospective application has had an impact on the amounts recognised in profit or loss and other comprehensive income in 2012–13. The net assets and liabilities are unchanged.

Specific transitional provisions are applied to first time application of IAS 19 (revised 2011). The Trust has applied the relevant transitional provisions and restated the comparative figures.

### Impact on total comprehensive expenditure for the year of application of IAS 19 Extract from the statement of comprehensive net expenditure

	<b>2012–13</b>
Extract from the 2012–13 accounts before restatement:	<b>£000</b>
Net operating expenditure after taxation	(7)
Other comprehensive expenditure	2,146
Total comprehensive expenditure	<b>2,139</b>
Restatement:	
Increase in programme expenditure (interest costs)	138
Decrease in remeasurement of defined benefit obligation (previously actuarial loss)	(138)
	<b>0</b>
Extract from the 2012–13 accounts after restatement:	
Net operating expenditure after taxation	131
Other comprehensive expenditure	2,008
Total comprehensive expenditure	<b>2,139</b>

### Extract from the statement of changes in taxpayers' equity

	<b>2012–13</b>
Extract from the 2012–13 accounts before restatement:	<b>£000</b>
General fund balance as at 31 March 2013	<b>(9,021)</b>
Restatement:	
Increase in net operating expenditure	138
Decrease in remeasurement of defined benefit obligation (previously actuarial loss)	(138)
General fund balance as at 31 March 2013 after restatement	<b>(9,021)</b>

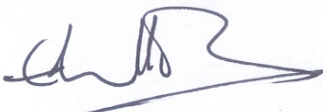
### Administration and programme income and expenditure

In 2012–13 the SoCNE was analysed between administration and programme income and expenditure. The classification of expenditure and income for both Administration and Programme followed the definition set out in the FReM by HM Treasury. Administration costs reflect the costs of running the Probation Trust together with associated operating income. Programme costs are defined as projects which are fully or partially funded from outside the Ministry of Justice. However for 2013–14 all programme expenditure for both prior and current year is shown as Other Expenditures. All programme income for both prior and current year is shown within one classification. This change has been made for fairer presentation of the accounts. Further details are shown in **Note 3**, **Note 6** and **Note 7**.

## Accounts Direction

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

1. This direction applies to the Local Probation Trusts (the Trusts) listed in the attached Appendix 1.
2. Each Trust shall prepare a statement of accounts for the financial year ended 31 March 2014 and subsequent financial years, in compliance with the accounting principles and disclosure requirements of the Government Financial reporting Manual (“the FReM”) issued by HM Treasury and which is in force for the relevant financial year.
3. The accounts shall be prepared so as to:
  - give a true and fair view of the state of affairs of the Trust as at the financial year-end and of the comprehensive net expenditure, changes in taxpayers’ equity and cash flows for the financial year and have been properly prepared in accordance with the Offender Management Act 2007;
  - provide disclosure of any material expenditure or income that has not been applied to the purposes intended by Parliament or material transactions that have not conformed to the authorities which govern them.
4. Compliance with the requirements of the FReM will, in all but exceptional circumstances, be necessary for the accounts to give a true and fair view. If, in these exceptional circumstances, compliance with the requirements of the FReM is inconsistent with the requirement to give a true and fair view, the requirements of the FReM should be departed from only to the extent necessary to give a true and fair view. In such cases, informed and unbiased judgement should be used to devise an appropriate alternative treatment which should be consistent with both the economic characteristics of the circumstances concerned and the spirit of the FReM. Any material departure from the FReM should be discussed in the first instance with NOMS Agency finance team and HM Treasury.
5. Additionally the Trusts shall be required to comply with all Probation Communication Notices to the extent that they build on the requirement of the FReM subject to the directions in paragraph 4.
6. This direction supersedes that provided by the Secretary of State to Probation Trusts dated 6 March 2013.



Edward Kirby

On behalf of the Secretary of State for the Ministry of Justice  
 18 February 2014

## Appendix 1

35 Probation Trusts:

Avon and Somerset  
Bedfordshire  
Cambridgeshire and Peterborough  
Cheshire  
Cumbria  
Derbyshire  
Devon and Cornwall  
Dorset  
Durham Tees Valley  
Essex  
Gloucestershire  
Greater Manchester  
Hampshire  
Hertfordshire  
Humberside  
Kent  
Lancashire  
Leicestershire and Rutland  
Lincolnshire  
London  
Merseyside  
Norfolk and Suffolk  
Northamptonshire  
Northumbria  
Nottinghamshire  
South Yorkshire  
Staffordshire and West Midlands  
Surrey and Sussex  
Thames Valley  
Wales  
Warwickshire  
West Mercia  
West Yorkshire  
Wiltshire  
York and North Yorkshire

## 8. Sustainability Report

(Not subject to audit)

### Introduction

This Sustainability Report for Wiltshire Probation Trust, has been prepared in accordance with 2011–2012 guidelines laid down by HM Treasury in ‘Public Sector Annual Reports: Sustainability Reporting’ published at: [www.hm-treasury.gov.uk/frem\\_sustainability.htm](http://www.hm-treasury.gov.uk/frem_sustainability.htm). Sustainability focus is on achieving government targets, reducing environmental impact and reducing costs. Priorities include reducing carbon emissions, water consumption and waste to landfill.

Shared occupations are not accounted for due to the limitations of extrapolating reliable sustainability data from service charges supplied by landlords. In addition, HM Courts & Tribunals Service is obliged to supply office space free of charge to probation trusts. As these are modest in size there is little, if any, benefit from isolating their sustainability data. We do not consider that the exclusion of these areas has a material impact on sustainability reporting for the Trust as a whole.

### Governance, responsibilities and internal assurance

Overall governance and assurance is managed by the Ministry of Justice Sustainable Development Team (MoJ SDT). The probation estate is managed by facilities contractors, acting on behalf of MoJ, who manage day to day estate operations including voluntary and mandated sustainability reporting. There are some limitations to the accuracy of our financial and non-financial sustainability data and we continue to improve the quality of our internal controls, for example through internal audit.

### Greening Government Commitments

The Greening Government Commitments launched on 1 April 2011 require Departments, including probation trusts, to take action to significantly reduce environmental impact by 2014–2015 (compared to a 2009–2010 baseline). These commitments can be found at: <http://sd.defra.gov.uk/gov/green-government/commitments/>.

### Climate change adaption and mitigation

The MoJ SDT has drafted a Statement for Climate Change Adaptation and set their built and non-built estate challenging objectives as follows:

- To enable the MoJ estate to evaluate risks to its strategy for programme delivery on vulnerable flood plains and evaluate its baseline for future adaptation of its targets and actions against climate change
- To enable the MoJ estate to prioritise its management of high risk sites and where necessary divert and recalculate important and fragile resources where they are vital to operational delivery
- To identify where stakeholders and central partners need to act to facilitate further or additional actions to protect against climate change
- To establish a strategic process by which MoJ can put in place measures necessary to adapt to future climate change.

### Carbon Reduction Commitment (CRC)

CRC is managed by MoJ and associated carbon allowances are accrued by MoJ Corporate Estates.

### Carbon Management Plan (CMP)

A CMP is a systematic approach to reducing greenhouse gas emissions; integrating technical, financial, corporate governance and communications within an overarching strategy. A CMP covers the entire probation estate across 35 Trusts and was developed in partnership with the Carbon Trust. MoJ SDT is working to consolidate all CMPs, including those in place in the Prison Service and Courts & Tribunals to deliver a single cohesive approach with costed projects for each unit to provide an overarching framework to tackle climate change.



Our vision is to:

- be a low carbon business in which carbon management and sustainability are embedded within decision making,
- engage stakeholders and demonstrate best practice in meeting corporate sustainability targets.

The plan and statements will be kept under review and open to amendment in order to facilitate a continued improvement in meeting statutory obligations for climate change adaptation and reporting.

### Environmental Management System (EMS)

MoJ SDT has an ongoing EMS implementation programme, and is looking to develop a more streamlined EMS that fully meets the requirements while reducing resource impacts on front line services.

### Sustainable procurement

Wiltshire Probation Trust has access to purchasing agreements for commodities from suppliers that make available recycled and low carbon products where appropriate.

### Performance summary

#### Greenhouse gas (GHG) emissions

		2009–10	2010–11	2011–12	2012–13	2013–14
Non-financial indicators (tCO <sub>2</sub> e)	Scope 1 (direct): Site-based emissions & owned transport	65.2	62.3	73.3	96.5	67.1
	Scope 2 (indirect): Supplied energy (electricity and heat)	115.4	104.5	124.2	86.2	81.1
	Scope 3 (other indirect): Business travel & transmission losses from supplied energy	136.7	118.5	116.6	109.9	113
	<b>Total gross GHG emissions</b>	<b>317.3</b>	<b>285.3</b>	<b>314.1</b>	<b>292.6</b>	<b>261.2</b>
	Electricity: green/renewable	28.9	26.1	31.1	21.6	20.3
	<b>Total net GHG emissions</b>	<b>288.4</b>	<b>259.2</b>	<b>283.0</b>	<b>271.0</b>	<b>240.9</b>
Non-financial indicators (kWh)	Electricity: Grid, CHP & non-renewable	175,309	175,982	209,121	145,181	136,566
	Electricity: renewable	58,436	58,661	69,707	48,394	45,522
	Gas	354,543	338,578	398,022	524,392	364,759
	Other energy sources	0	0	0	0	0
	<b>Total energy</b>	<b>588,288</b>	<b>573,221</b>	<b>676,850</b>	<b>717,967</b>	<b>546,847</b>
Financial indicators	Expenditure on energy (£)	£37,599	£27,456	£49,574	£44,268	£37,919
	Expenditure on official business travel (£)	£0	£0	£0	£0	£0

### Waste

			2009–10	2010–11	2011–12	2012–13	2013–14
Non-financial indicators (tonnes)	Non-hazardous waste	Landfill waste	22.6	0.0	31.3	24.5	13.0
		To recovery (AD & composting)	0.0	0.0	0.0	0.0	0.0
		To incineration	0.0	0.0	0.0	0.0	0.0
		Reused/recycled waste	23.9	0.0	19.6	17.0	14.0
		Energy from waste	0.0	0.0	0.0	0.0	0.0
		<b>Total waste arising</b>	<b>46.5</b>	<b>0.0</b>	<b>50.9</b>	<b>41.5</b>	<b>27.0</b>
Financial indicators	Non-hazardous waste	Landfill waste	0	10,297	0	0	0
		To recovery (AD & composting)	0	0	0	0	0
		To incineration	0	0	0	0	0
		Reused/recycled waste	0	19,543	0	0	0
		Energy from waste	0	0	0	0	0
		<b>Total waste costs (£)</b>	<b>£0</b>	<b>£29,840</b>	<b>£0</b>	<b>£0</b>	<b>£0</b>

**Water**

		2009–10	2010–11	2011–12	2012–13	2013–14
Non-financial indicators	<b>Total water consumption (cubic metres: m<sup>3</sup>)</b>	2,873	1,346	2,083	2,572	2,234
Financial indicators	<b>Total water supply costs (£)</b>	8,307	4,660	7,318	8,607	£7,991

**Paper**

	2009–10	2010–11	2011–12	2012–13	2013–14
<b>Cost (excluding VAT)</b>	£3,000	£3,000	£3,000	£3,000	£4,956

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