



Avon and Somerset Probation Trust

Annual Report and Accounts 2013–2014



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2013–2014

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Any enquiries regarding this publication should be sent to us at: Amy Rackham, Avon and Somerset Probation Trust, Queensway House, The Hedges, St Georges, Worle, Weston-super-Mare, North Somerset, BS22 7BB.

Email: Amy.Rackham@avon-somerset.probation.gsi.gov.uk

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Vision, Mission & Values

Our Vision

Avon and Somerset Probation Trust will contribute to a fair and effective Criminal Justice System, which will provide justice for victims and local communities, punishment and reform for offenders and value for the taxpayer.

Our Mission

Avon and Somerset Probation Trust will secure the most effective management of offenders to reduce crime and to protect victims in order to increase public safety in our area.

Our goals are to enforce orders of the courts, to listen to and take into account the views of victims and to rehabilitate offenders.

We treat everyone with respect and dignity while recognising the diversity of the communities in which we live and work.

Our Values

Trustworthy:	We will act with integrity and honesty, and be held to account for our actions
Creative:	We will encourage innovation and best practice
Flexible:	We will manage change constructively
Positive:	We will provide support during change and challenge
Inclusive:	We will treat all individuals with dignity and respect
Inspiring:	We will motivate ourselves and others to achieve full potential

Our Goals

- To value the views of victims when enforcing the orders and sentences of the courts
- To punish and rehabilitate offenders to reduce crime
- To develop our professional and business skills to be a commissioner or provider of choice in a competitive market
- To deliver excellent quality and value to our partners and stakeholders

Foreword

Avon and Somerset Probation Trust business has been significantly occupied in responding to the demands of the government's Transforming Rehabilitation Programme. This has meant that, to a large extent, developmental priorities that would normally be delivered within our business plan have not been pursued. "Business as usual" has inevitably been impacted upon by the requirements made upon the organisation by the Programme.

Staff at all levels have operated within a context of great uncertainty and all were assigned to one of the two new designate organisations towards the latter part of the business year. This staff transition process was imposed within a mandatory contract variation served upon the Trust as the employer. The National Probation Service will create new civil service roles for probation staff within seven divisions in England and Wales under the management of the Ministry of Justice and the National Offender Management Service. In addition twenty one community rehabilitation companies have been created, currently under the ownership of the Secretary of State, and it is intended that these will, in the future, be subject to commercial competition. As a consequence significant uncertainty remains for many staff.

The Trust has registered serious professional concerns about the fragmentation of rehabilitation and public protection services that we believe the Transforming Rehabilitation Programme introduces for the future safety of our local communities. These concerns remain unallayed and the Trust has delivered all of its contractual requirements in terms of delivering robust and timely exit arrangements.

Our established partnership to deliver Integrated Offender Management has developed very positively throughout the year and the contribution this scheme has made to drastically reduced rates of serious acquisitive crime is testimony to the value of this joint agency approach. Our Integrated Offender Management Scheme targets cases both under statutory supervision and those not subject to any form of order or licence. Our partnership cohort therefore includes a significant number of carefully selected offenders being released from short term prison sentences. Our further joint venture in Bristol, deploying integrated approaches with dangerous offenders has yielded extremely encouraging early results.

We are pleased to have undertaken a joint venture with Barnardo's to increase awareness of prisoners' children's needs and the social capital represented by prisoners' families. In addition we are proud to be working with Victim Support in establishing pre-sentence restorative justice opportunities. We consider the specialist statutory work we undertake on behalf of victims of serious violent or sexual crime to be of great importance and have been fully supportive of the inspiring leadership provided by the Police and Crime Commissioner in further developing integrated agency arrangements in this arena.

Our wide range of partnerships throughout Avon and Somerset are fundamental to the services we provide for our communities. Our Community Payback teams make important and tangible differences to local neighbourhoods and were particularly proud to offer their assistance in responding to the floods experienced within Somerset.

Our organisation has worked hard to keep their focus on delivery and continuous improvement despite this extended period of uncertainty and disruption for staff. The Trust Board would want to give credit to the resilience of our staff and their commitment to delivering the highest quality of public services and performance to contract even at times of significant perceived threat to their own professional futures. Without doubt it is the skill and integrity of our staff that have made Avon and Somerset Probation Trust a locally valued organisation delivering excellent services to our communities.

Avon and Somerset Probation Trust has always aspired to work in accordance with the seven principles of public life, selflessness; integrity; objectivity; accountability; honesty; openness; and leadership. The deeply embedded culture of the Trust has supported these aspirations and it has been a privilege to lead the dedicated probation staff who embody these principles.

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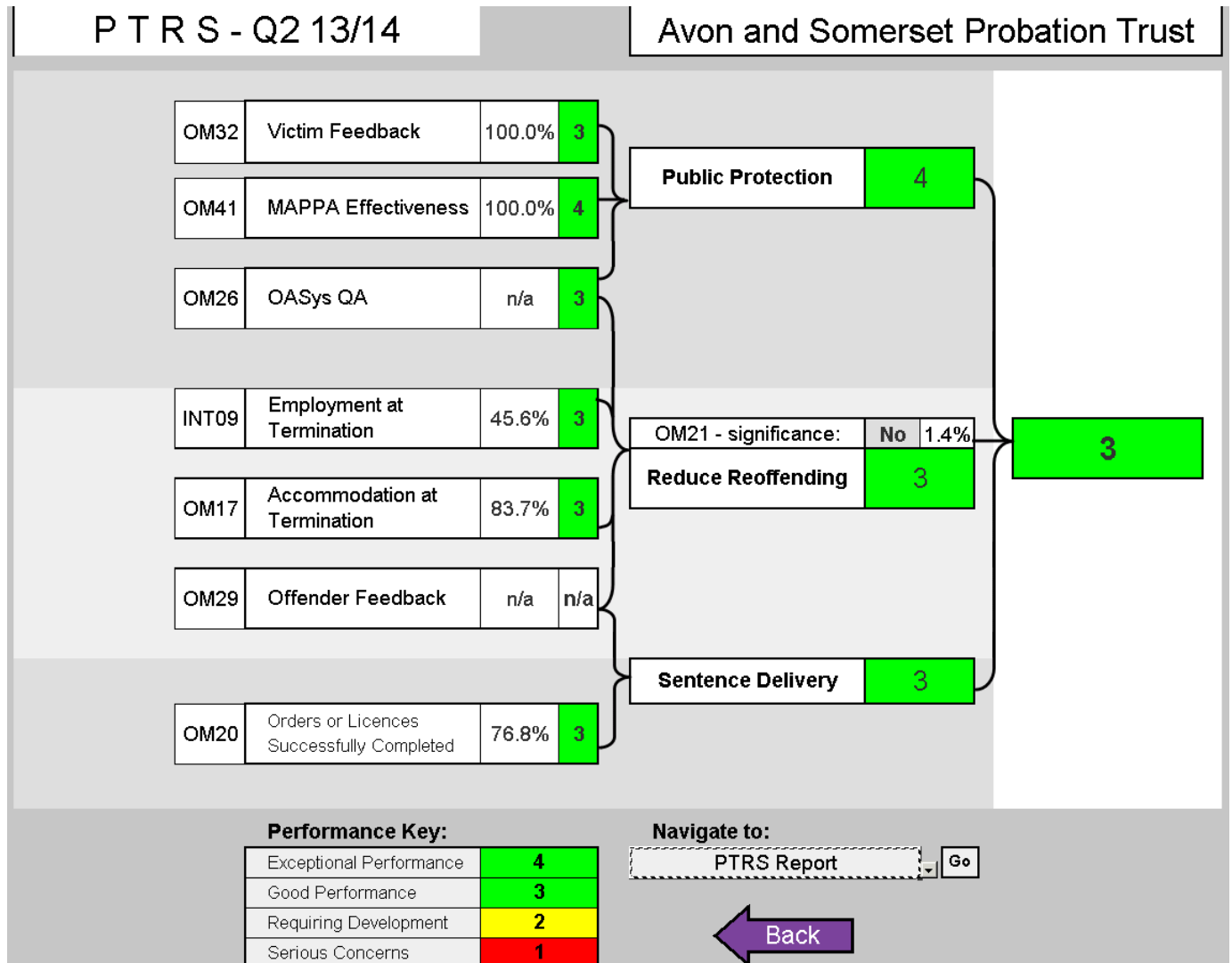
Chief Executive Officer

Date 19 June 2014

1. Operational & Performance Review 2013–14

Overall Avon and Somerset Probation Trust (ASPT) has had another successful year with elements of performance on the Probation Trust Rating System (PTRS) being judged as 'exceptional' over the year. ASPT are rated as 'Good' overall. All ASPT staff have worked hard to maintain performance during the significant Transforming Rehabilitation change programme.

Probation Trust Rating System – interim 6 month results. (Final results not out until July)



Offender Management & Public Protection

Protection of the public is one of the 5 duties of Avon and Somerset Probation Trust. Public Protection work is embedded in our face to face work with offenders and in multi agency partnerships such as MAPPA (Multi Agency Public Protection Arrangements), IRiS (management of dangerous offenders) and Child Protection procedures, in all of which Avon and Somerset Probation Trust staff and managers take a lead role. Effective sharing of information between agencies underpins protection of the public and the safe management of offenders, taking place in formal meetings and the everyday work through contact with other agencies.

It is vital for public protection that we make good use of the full range of available resources, both internal and external. The Approved Premises are used for accommodating serious offenders on resettlement into the community, whilst a lot of work has gone into ensuring rapid access for offenders into accredited programmes to help them change their thinking and behaviour. One very successful initiative is the use of GPS tracking to reduce the risk of re-offending of the most dangerous offenders.

All this reduces the risk to existing victims and the number of new victims, another core duty. Avon and Somerset Probation Trust also works with many victims informing them about the people who have offended against them and to ensure that their views are taken into account when decisions are made about these offenders, for example by the Parole Board.

Our People

Diversity

Equality and diversity awareness continue to be part of the regular training programme, in order to ensure consistency in what we do as employers and to ensure compliance with the law in our service delivery. Specifically in 2013/14, we provided interactive awareness raising training including the recognition of 'unconscious bias' and a TU accredited module for staff undertaking the VQ3 that counted towards their qualification.

The Trust is required to meet the general public sector Equality Duty and the specific public sector Equality Duties. Our information is published on www.avonandsomersetprobation.org.uk and objectives were included and embedded in our Business Planning cycle.

Organisational Structure

In Offender Management, we continued to operate the Local Delivery Units (LDUs) with budgets and staffing responsibility devolved as far as possible and Interventions services located within LDUs in order to link closely and facilitate communication and efficiency at the interface. Each LDU or strategic business unit received support from a dedicated corporate services assigned Management Accountant and HR Business Partner.

The national Transforming Rehabilitation (TR) Programme, which commenced in earnest in May 2013, took priority over the achievement of ongoing efficiencies via small team reorganisations or changes to skill mix. It was agreed by the Board that the focus for the business units was delivery to contract requirements and business as usual. The existing structure was best placed to maintain that and to provide support and communication to staff through familiar line management, as the Trust implemented the TR staff assignment process.

Corporate Service Support from HR

The HR Business Partner approach provided support to each LDU, and function of the service. They are closely aligned to the service, involved in business meetings and supporting change and performance management at the earliest opportunity, often working at operational offices away from HQ. From the outset, TR required additional HR resources and capacity. The HR team was augmented slightly and reorganised so that some of the team supported business as usual and some focused on TR. The HR workload linked to TR was enormous and the team successfully met all deadlines for the assignment process for the whole workforce, HR data cleansing and the submission of national due diligence spreadsheets. A positive and constructive working relationship with the Trade Unions was maintained and continues.

Health and Safety

In March 2013, the Trust was audited for Occupational Health and Safety (OHAS) 18001. The British Safety Council auditor recommended accreditation again of this Internationally recognised gold standard, which was maintained in a follow up audit held during October 2013. This demonstrates our commitment

at all levels to providing a safe and healthy working environment for staff. We have an e-based Health and Safety Management System that is easily accessible by all staff where they can access all essential Health and Safety training, awareness raising and essential updating, plus details of all of the risk assessments relevant to their role and area of work. As an organisation we can use this for assurance that we meet our duty of care for the Health and Safety of our staff and also to identify any areas requiring action or training.

Staff Development

The Trust has eight staff at various stages of the professional Probation Officer qualification route (PQF). Two staff who undertook the graduate route qualified this year. The Trust's Learning and Development Plan continued to ensure a wider range of development opportunities for all staff. Training course attrition was reduced, down to 0% in some teams during the year. A wide range of professional courses were delivered in house. Many staff gained vocational management qualifications and in order to ensure that operational staff can also deliver training and specified activities, we also continued to support Prepare to Teach in the Lifelong Learning Sector (PTTLS) training and the ILM award at levels 5 and 7.

Employee Engagement

The focus on employee wellbeing and engagement continued through the use of increasingly simplified people management policies, a confidential counselling service, support to healthy exercise initiatives and strong relationships with Trade Unions. This included full and honest communication and dialogue, much of this concerned the TR programme. The Leadership team used a variety of way to communicate with staff across a large geographical patch including teleconferences and face to face meetings with groups of staff in all main locations. Two annual staff conferences were held with the following positive feedback on how well these met the stated aims:

- (a) Celebrate achievements of the Trust and its staff 71% (range 59%–86%)
- (b) Give you a chance to meet and catch up with other staff 78% (range 65%–100%)
- (c) Help you take forward the values of probation 62% (range 45%–76%)

A typical comment from an attendee was:

'Positive forward thinking day looking with a pragmatic view to the future, whilst celebrating past and present achievements'

Innovation and Quality

Much of the Trust's capacity for innovation and quality in 2013/14 has been directed at ensuring a professional, timely and appropriate close down of Trust structures and assisting the Ministry of Justice mobilise the new Community Rehabilitation Companies (CRC) and National Probation Service (NPS) required by the proposals in Transforming Rehabilitation: A revolution in the way we manage offenders (May 2013).

In addition to this the Trust has continued to develop Restorative Justice approaches which were formally launched in February 2014.

A further achievement is the development of a peer mentoring scheme. The peer mentors underwent a rigorous selection process and then committed to achieving a Level 3 Mentoring qualification. The peer mentors were commended for their qualification and progress at the ASPT Staff Conference in January 2014 where they also hosted a facilitated workshop for staff highlighting the benefits of peer mentoring services.

The most significant operational innovation has been the implementation of the ASPT 360 holistic Quality Assurance Framework for Offender Management. This is based on Her Majesty's Inspectorate of Probation (HMIP) requirements and ensures that services meet Public Protection and Reducing

Reoffending requirements as well as wider contractual targets in a single framework where desistance principles are recognised as a means to improve outcomes for offenders.

The Board recognition programme has continued with staff from across the Trust's operations and corporate services attending throughout the last year. ASPT continue to be recognised for excellent work at the Probation national awards having 3 finalists in the 12/13 awards, recognising the Community Payback Team, Anna Whateley from Victim Services and Kerensa Holgate for the Interventions team.

The Board is aware of the positive impact of these awards on staff morale and were delighted to congratulate this year's local award winners at the recent staff conferences.

Winners of Staff Awards

The local categories mirrored those of the National Awards and staff won for initiatives including:

Lifetime Achievement – Stuart Sole

Stuart Sole is a PO in South Gloucestershire IMPACT team, but his involvement with Probation began over 30 years ago as a volunteer, and he has held a wide variety of roles throughout the service with passion and commitment. Staff within ASPT and partner agencies hold Stuart in great respect; his long held belief in Probation values has endured over a lengthy career and his professionalism and expertise are evident in his dealings with offenders, stakeholders and colleagues alike.

Public Protection – PA group HQ

The PA group: Elaine Berk, Maria Heaton, Amy Rackham and Debbie Dauncey, were nominated for their crucial work on the recall of offenders who have failed to adhere to their licence conditions and who pose a significant risk to the public. Their initiative and professionalism is exemplary and it is these qualities which particularly impressed the Panel of Judges.

Corporate Services –

Laura Robinson (Individual)

Laura was nominated for her exceptional work in relation to the introduction of nDelius in ASPT. At short notice Laura took on the responsibility of coordinating nDelius training for the entire ASPT workforce. Single handedly she prepared the training packages, the schedule and the logistics of the training roll out. She delivered a significant amount of training herself and recruited and trained everyone else. She contributed to the nDelius Board and was always solution focussed. Her work was a significant factor in the Trust meeting all the roll out and implementation deadlines successfully.

Mel Kelly, Sara Weaver and Paula Olley (Team)

This group of staff have been recognised for their exceptional project work over the last year. The output of this group epitomises the unseen and often unsung work undertaken by corporate services staff which can and does have important implications for the work of the Trust and its staff. Their work has considerable implications for the operational work of the Trust and our staff, and the three of them felt this responsibility keenly. They are a classic example of the quiet professionalism of our corporate services.

Innovation – Brendon Summers

As manager for the management accounts team, Brendon has brought in new work systems and processes that have significantly improved the efficiency of the team and its financial reporting capabilities. Having undertaken a detailed review of the financial systems in place, Brendon identified improvements at every stage of the reporting cycle. He has developed new integrated systems, spreadsheets and standardised other procedures.

Equality & Diversity – Chantelle Smith, Jackie West and Paulette Cain

These three members of staff were put forward for their work in developing an offender peer mentoring scheme. They recruited and inducted a small group of offenders for the project, which was based on the

core principles of desistance theory. The service user participants went on to complete the mentoring qualification, which is at NVQ Level 3.

One participant commented on the importance of being treated as an individual. Having been given such an opportunity, mentoring was a “powerful symbol” of his own recovery and his ability to make positive changes in his own life, and in the lives of others.

Team of the Year – Somerset Alcohol Intervention Team

This small team of specialist staff, Elaine Smith, Deanne White, Jane Baker, Sarah Long and Catherine Close, are based in the Somerset and North Somerset LDU and are part funded via the Somerset Drug and Alcohol Partnership. The excellent results they have achieved secured investment to 150% of the value of the ASPT contribution. The panel was impressed by the excellent quality of both the offender feedback, outcomes achieved and compliance levels of those working with the team.

Working in Partnership – Alex Pace

Alex is a Probation Officer in Bristol currently working in the IMPACT team after completing a 6 month secondment to a Barnardo’s community team, and it is her work focussing on the Children and Families pathway which has been recognised by this award. Whilst based with Barnardo’s Alex undertook a survey with Offender Managers in Bristol which provided the basis for an evaluation of current practice and how necessary it is to focus on the needs of children of offenders. Her report “The Forgotten Victims of Crime” has been accepted by the National Offender Management Service (NOMS) as having national application.

Offender Management – Chantelle Smith (Individual)

Chantelle is a Probation Officer in Somerset who held a specialist post of Desistance Development Officer. Chantelle’s achievements involved making links with key academics in the field, setting up a Blog which gave a reflective summary of her work around desistance, and working collaboratively with staff to develop a set of observation practise tools which will enable staff to examine, reflect on and develop their Offender Management practise.

North Somerset Impact (Team)

This team have achieved good outcomes in a variety of offender management areas. Building on previous years they have high performance in relation to Drug Rehabilitation Requirement commencements and completions. Two team members have achieved statistically significant low re-offending rates. Performance has been maintained despite considerable staff turnover and the team have also supported other IMPACT teams.

Interventions – Keith Lusty (individual)

Keith has been a Treatment Manager in the Accredited Programmes team for 10 years. Keith is a master of all aspects of the delivery of programmes; he is a skilled practitioner who values and encourages the participation of every group member; he is trainer for the SW region, and countless others have benefited from his knowledge when being trained in a range of Offending Behaviour Programmes.

Eden House (Team)

This award recognises the developments at Eden House over the last 12 months. In pure volume terms there has been a year on year increase of 11% in referrals, 24% in assessments and 32% in support plans and numbers are continuing to rise. The eligibility criteria was widened, to include women from South Gloucestershire and those who were previously excluded due to low assessment of risk.

Also recognised is the commitment of the staff, during a period of uncertainty for the project, an example being their participation in the Bristol Dragon Boat Race, raising over £1600 for Bristol Crisis Service for Women (BCSW) and Self Injury Self Help (SISH).

Victims – Rebecca George

Rebecca is a Partner Link Worker, who has worked to a high standard in the role and made a longer term contribution to the specialist field of working with victims; an individual case example is where Becky's persistence had eventually succeeded in enabling a woman to benefit from the support of a Partner Link Worker as well as introducing her to support networks within the community none of which she had previously been prepared to approach. She has sought out training opportunities which would enhance her effectiveness in liaising with and briefing partner agencies.

Courts

We are extremely proud of our relationship with our courts across the Avon and Somerset area. In Bristol our Senior Judge at Bristol Crown Court has worked in partnership with Victim Support and ASPT resulting in a strong collaborative approach to engaging in a national pathfinder project that will offer pre-sentence face to face restorative justice conferencing for victims of crime. We have increased our capacity to deliver post sentence restorative justice to those offenders who commit serious acquisitive crimes across the Trust. Ten of our staff are now trained as RJ facilitators and are keen to offer RJ as part of a community sentence.

We are equally pleased with the increase in the use of oral reports across all courts, so that Magistrates can sentence on the day. The advantages of on the day sentencing focus on earlier engagement with offenders who have been sentenced to probation supervision resulting in better compliance and a reduction in court time therefore saving the tax payer money. We aim to provide enough information for our sentencers to be able to sentence offenders to the right interventions giving every opportunity for the offenders to not re-offend. We provide an electronic quarterly Sentencer Report and a new Interventions Express Sheet that informs magistrates of programme availability and how successful the programme is at reducing certain types of offences. We offer our new magistrates interactive conferences with workshops that provide more detail on our professional services around report production and our work with offenders who have very complex needs. Despite radical changes in both organisations our aim is to continue to ensure that our magistrates have every confidence in the advice provided to them so that they can make the right decisions.

Desistance

ASPT has been implementing findings from local desistance research carried out in 2012–2013. As part of a Trust wide approach, desistance is supported at all levels of seniority in all job roles.

The Trust has developed a Quality Assurance Toolkit to evaluate if these approaches are used in the interactions with service users. The Toolkit comprises of questionnaires to see how much desistance approaches are used through service user feedback, staff self-reflection and independent observation. The benefit of this quality assurance toolkit is that it provides a comprehensive picture of how much desistance is being supported, by obtaining feedback from three different perspectives.

ASPT have devised and delivered a training workshop for Desistance Champions in each team. This awareness raising encourages critical and creative thinking. ASPT has been developing a peer mentoring scheme. This includes the training of current service users. The peer mentors wrote and delivered a workshop at the ASPT 2014 Staff Conference and also received their awards at the conference. The inclusion of service users in this capacity is the development of ASPTs approach to recognise the positive changes made.

A review of ASPT reception areas has contributed to the implementation of developing environments that support desistance more effectively. This includes using more future orientation in visual material and increasing information on local services that promote inclusion.

Victim Contact Team

Victim Liaison Officers (VLOs) provide a service to victims of serious sexual and violent crimes where the offender receives a prison sentence or hospital order of 12 months or more. VLOs ensure that victims who take up the service are kept informed, if they want to be, of key events in the offender's sentence, enabling the victim to have a voice in terms of requesting licence conditions when the offender is released and also in parole cases, submitting a Victim Impact Statement to the Parole Board hearing. At the end of 2013/14 this service was being provided to over 1050 victims in our communities. Despite their workload the team continues to make contact with all eligible victims within the 8 week deadline after the offender has been sentenced and satisfaction survey results remain consistently high for this team.

Partner Link Worker's provide a vital role in working with victims whose partners, or ex-partners, are undertaking either the accredited Integrated Domestic Abuse Programme or the Building Better Relationships Programme. They work to ensure that these vulnerable women develop strategies to keep themselves safe and are informed of support available to them within their local areas. Over 150 women are receiving this service. Both Partner Link Workers and Victim Liaison Officers work closely with their colleagues in Local Delivery Units across the area and with police and other agencies, to ensure that victims' safety is promoted.

The Victim Reference Group, made up of a small group of past and present recipients of our service, continues to be a success. They have contributed to our submission when the Government consulted on the new "Victims Code of Practice". They also feedback on elements of practice to ensure we remain focused on providing the best possible service to victims.

Finally, the outstanding contribution of one team member, Anna Whateley, Victim Liaison Officer, was recognised when she won the National Probation Award in the category Victim Services in 2013. Partner Link Worker, Rebecca George has also recently won the Local Avon and Somerset Probation Award for her contribution to Victim Services and has since been nominated for the National Awards 2014.

Restorative Justice

Face-to-face Victim–Offender post-sentence Restorative Justice (RJ) Conferences have been delivered for some time in partnership with a facilitator from Avon and Somerset Police. To increase the capacity for delivering these conferences, ten ASPT staff have been trained as facilitators this year and have begun facilitating RJ.

ASPT has contributed to the setting up of a pre-sentence RJ Pathfinder at Bristol Crown Court which aims to deliver face-to-face RJ conferences between victims and offenders after a guilty plea and before sentence is passed. The project manager of the Pathfinder, which launched in March 2014, is a Probation Officer seconded from ASPT.

ASPT has continued to lead a multi-agency RJ Steering Group with a view to developing and co-ordinating Restorative Justice across Avon and Somerset. The partners include Avon and Somerset Police; Avon and Somerset LCJB; Avon and Somerset PCC; Victim Support.

During 2014 ASPT was accredited by Restorative Bristol which was set up by Safer Bristol to promote restorative approaches across the City.

Community Payback

This year has been hugely successful for Community Payback (CP); winning 'Team of the Year', at the National Probation Awards and also receiving the Howard League for Penal Reform Award: Unpaid Work Placement of the Year 2013.

Community Payback reached its 40th anniversary, which was marked with the creation of a fabulous bench made by offenders, in our workshop and donated to a local, well loved charity (Avon Wildlife) to mark the milestone.

The team worked hard to reduce costs, one strand being an increase in Individual Placements which is now close to an ambitious 50% target, with beneficiary supervisors being given full support.

Compliance has been a continual focus throughout the performance year with many ideas being put in place to build on models of desistance theory and practice. Also, an Offender Agreement Form was introduced focusing on need for all involved parties to fully understand expectations as part of a CP order *prior* to sentence.

Public protection involved detailed work linked to child protection and local reporting processes for supervisor colleagues to capture any information of concern, feeding back to the appropriate authorities. Continuous staff development focus on training included all supervisors undertaking British Safety Council H&S qualification and managers completing NVQ level 5 or 7.

Placement range and quality reached new heights, giving offenders opportunity to be motivated while paying back and making a huge difference to their communities, with focus on CP being about 'employability' remained key, underlining the need for offenders to attend *prepared* for work.

Publicity and public confidence in CP as a sentencing option has remained a priority, with constant local newspaper coverage and national coverage linked to support of Somerset floods. ASPT CP Twitter, which has been used extensively, retains a high profile.

Approved Premises

The target set for occupancy in Approved Premises (APs) for this financial year was 93%. At the time of writing this, the average is 92% but there is every indication that by year end the AP estate will achieve its target. The slight dip in performance in the autumn, which effected occupancy levels, was as a direct result of a lack of referrals, and was not due to AP managers refusing to take cases. In fact, the three APs continue to receive very positive feedback from Offender Managers and Police for being able to accommodate and manage emergency cases.

Approved Premises in ASPT have continued to strive towards providing more of an offender supervisory role on behalf of offender management. This has seen an increase in the one to one interventions staff have carried out, as part of the offender's agreed sentence plan. The range of activities have included problem solving, pro-social modelling, health, alcohol and drug work, relationships, money management, preparing for move-on and emotional well being. Staff are now currently preparing to run the victim awareness package for residents.

Approved Premises have established excellent close working relationships with the IRiS team and have benefitted from the roll out of case formulation meetings on prospective and current residents. The multi agency meetings play a key part in determining how best to work with and manage residents who have a poor record of compliance. Although early days, there are encouraging signs of an improvement in compliance rates.

Overall, APs have managed to achieve its goals of meeting occupancy levels, including managing emergency cases as well as increasing the level of interventions being delivered on site.

Programmes

Performance

This year the Programmes team has consistently delivered a wide suite of accredited programmes:

- Thames Valley Sex Offender Programme (TVSOP)
- Internet Sex Offender Treatment Programme (iSOTP)
- Integrated Domestic Abuse Programme (IDAP)
- Building Better Relationships (BBR)
- Aggression Replacement Training (ART)
- Thinking Skills Programme (TSP)
- Drink Impaired Drivers (DID)
- Building Skills for Recovery (BSR)
- Low Intensity Alcohol Programme (LIAP)

We met our completions target in General Offending Behaviour Programmes, and exceeded the targets in the higher risk Domestic Violence and Sex Offending Programmes.

We have implemented the new Building Better Relationships Programme and increased the accessibility of our programmes to group members by delivering on Friday evenings and Saturdays.

Quality of delivery is essential and this year a manager has specialised in ensuring that all aspects of programme delivery are carried out to the highest standards.

We have recruited and trained numerous sessional staff ensuring programme continuity.

Communication

Programmes do not operate in isolation and we have focussed on improving communication between teams, ensuring appropriate referrals, well-prepared group members who are supported through the programme and a fast response to any difficulties. We have a Programmes team member assigned to every LDU team/cluster, in order to promote programme referrals and improve cross-function communication. In addition we have produced attractive, accessible and user-friendly information systems.

Training

The Programmes team is an active, dedicated and highly-trained team. This year staff have trained in BBR, BSR, RESOLVE, TVSOP, SARN writing, Core Skills, LIAP, DID and TSP. Programmes staff take a lead role in staff development across the SW region, delivering a wide range of regional training – BBR, LIAP, Core Skills, iSOTP, Video Monitoring and TVSOP assessment centres. Five team members have become qualified regional trainers this year. Team members also deliver internal training e.g. Sex Offender Awareness, Domestic Violence Awareness and Hate Crime, thus contributing to the learning of many ASPT staff.

Education, Training and Employment (ETE)

The ETE Team have continued to deliver a wide range of high quality services as detailed below. Members of the team won the local ASPT Staff award for Equality & Diversity in response to establishing a Peer Mentoring Scheme – see page 8. In addition all team members have been trained in mentoring to enable us to integrate these approaches into our work.

The team had four broad strands of work in 2013/14 and achieved the following outcomes:

Delivering Activity Requirements (ARs) as part of Court Orders.

The team delivered 90 ETE ARs in 2013/14. The content of these can be very varied and frequently involves working with a range of Community partners to deliver a range of training and education activity which improves skills and helps the individual gain work.

Delivering National Careers Service Sessions

The team delivered a total of 2640 sessions of Information and Advice to offenders and ex-offenders in 2013/14. Each offender builds an action plan which is integrated into their overall sentence plan. The feedback from service users is excellent and services are delivered to a high standard.

Examples of service user feedback include: *good helper: very helpful thanks: I feel hopeful I will receive the support to achieve my goals thank you: good advice given: what a good service: excellent – a lot of help and good information.*

Delivering the Department of Work and Pensions Work Programme

ASPT's delivery of Regain (Work Programme) successfully concluded in Feb 2014.

Delivering the NOMS Co-financed New Futures Employability Services

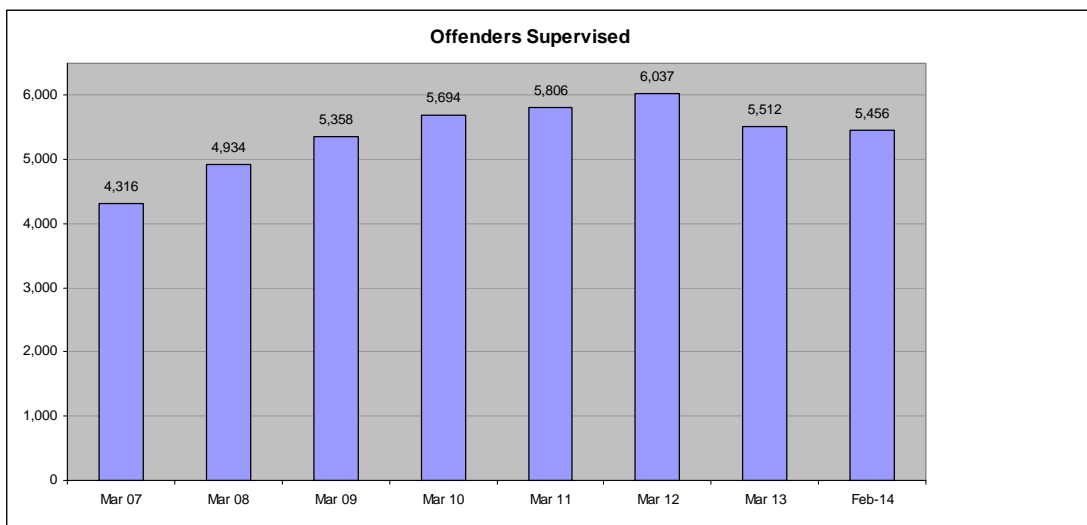
ASPT are delivering Case Working support to Tribal as part of the second round of this important European funded programme. Our focus is to ensure that those offenders most likely to re-offend or those presenting the highest risk are supported to contribute to reduced crime and re-offending.

The Project began in late January 2012 and has worked with at least 1446 individuals delivering over 7000 support outcomes, 350 into learning or training and 134 into work by end March 2014. These figures represent an over achievement against target and excellent work to a high quality. The project had a renewed focus on Through the Gate activity in 2013/14.

Statistics

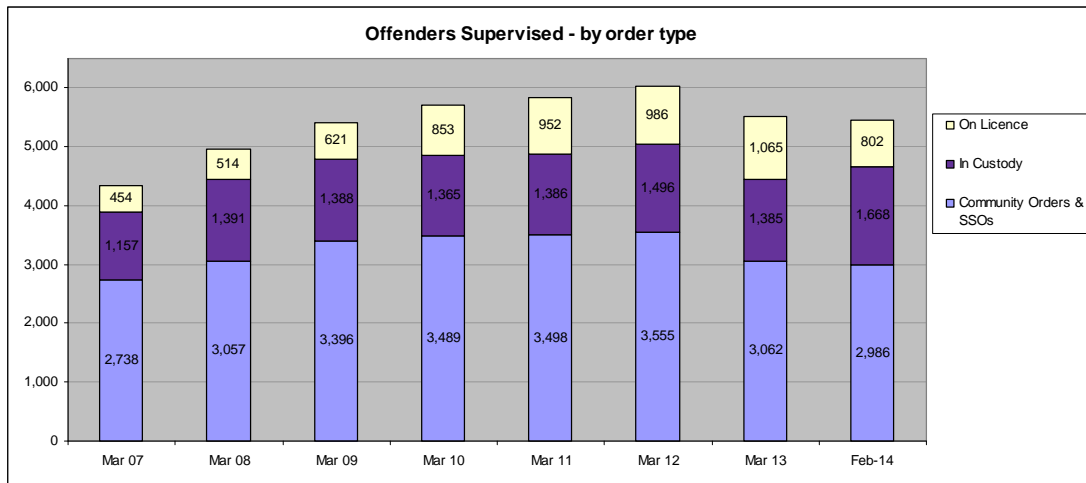
Offenders supervised trend

	Offenders supervised	% annual change
March 2007	4,316	
March 2008	4,934	14%
March 2009	5,358	9%
March 2010	5,694	6%
March 2011	5,806	2%
March 2012	6,037	4%
March 2013	5,512	-9%
February 2014	5,456	-1%



Offenders by Order Type

	Community Orders & SSO	% annual change	In Custody	% annual change	On Licence	% annual change
March 2007	2738		1157		454	
March 2008	3057	12%	1391	20%	514	13%
March 2009	3396	11%	1388	0%	621	21%
March 2010	3489	3%	1365	-2%	853	37%
March 2011	3498	0%	1386	2%	952	12%
March 2012	3555	2%	1496	8%	986	4%
March 2013	3062	-14%	1385	-7%	1065	8%
February 2014	2986	-2%	1668	20%	802	-25%



Offenders by Tier

	Tier 1	% annual change	Tier 2	% annual change	Tier 3	% annual change	Tier 4	% annual change	Not Assessed
March 2012	1190		1476		2302		1069		
March 2013	951	-20%	1383	-6%	2152	-7%	1026	-4%	
February 2014	775	-19%	1351	-2%	2157	0%	1039	1%	134

Offenders by Gender

	Male	% annual change	Female	% annual change
March 2012	5402		635	
March 2013	4946	-8%	566	-11%
February 2014	4857	-2%	599	6%

SO Cois.

Chief Executive Officer

Date 19 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 Avon and Somerset Probation Board 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, on page 71, issued by the Secretary of State under the OM Act.

Principal activities

Avon and Somerset Probation Trust covers the Avon and Somerset police area, as defined in Schedule 1 of the Police Act 1996, serving a population of approximately 1.5 million. The goals of the organisation are to:

- Reduce re-offending, and
- Protect the public from the harm that serious or prolific offenders can do to individuals, communities and the public.

We do this work by ensuring that:

- Offenders are carefully assessed to identify the risks they present
- Offenders are directed to interventions that will reduce their identified risks
- Offenders are properly managed throughout their sentence
- Sentences are properly enforced
- Attention is given to the needs of victims of serious offenders

Much of the work we do depends on partnership working with the police, prisons, local authorities, private and voluntary organisations.

We aim to:

- Provide information to courts across Avon and Somerset to help sentencing decisions
- Safely supervise people serving their sentence in the community
- Ensure people complete their community sentences and take them back to court if they don't
- Prevent people from committing more crimes
- Prepare prisoners for release
- Supervise prisoners who are released into the community on license
- Liaise with victims of serious crime.

Operational Performance during 2013–14

An analysis of performance outcomes is summarised in the Annual Report on pages 5 to 16.

Results for the year

The Statement of Comprehensive Net Expenditure (SoCNE) for the year is shown on page 38.

The Statement of Changes in Taxpayers' Equity is shown on page 41.

Operating costs

The net operating cost before tax for 2013–14 stands at £3,136k compared to £2,920k for 2012–13, a small increase of £216k.

Statement of Financial Position and Statement of Cash Flows

The Statement of Financial Position and Statement of Cash Flows are on pages 39 and 40.

The net liabilities position has increased from £37,264k at 31 March 2013 to £40,803k at 31 March 2014. The largest single movement in net liabilities is an increase in the Trust's pension liability of £3,541k.

Payment of creditors

In the year to 31 March 2014, the Trust paid 3,324 trade invoices with a value of £6,116,762. The percentage of undisputed invoices paid within 30 days by the Trust was 98.8% compared to 98.4% in 2012–13. Target was 98%.

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 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 transferred with the employee to the new employer the Community Rehabilitation Company (CRC) or the National Probation Service (NPS). 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 transferred to the NPS under the Secretary of State for Justice.

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

Sickness absence data

The average levels of absence due to staff sickness were 7.7 days across the Trust (2012–13 7.8 days).

Personal data related incidents

The following gives a summary report of significant personal data related incidents in 2013–14, which were formally reported to the Information Commissioner's Office (ICO).

Date of incident (month)	Nature of incident	Nature of data involved	Number of people potentially affected	Notification of steps
July	Community Payback papers mislaid	Offender	14	NOMS – ICO

In the above case, a risk assessment was carried out to assess who, if anyone should be notified. Measures were put in place to mitigate risk to individuals and prevent recurrence of the incident. All staff undertake a compulsory Information Assurance training course when joining the Trust and an annual refresher course.

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 and The Bristol, Gloucestershire, Somerset and Wiltshire Community Rehabilitation Company, 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 26** of the Accounts for further details.

The proportion of staff transferring to the CRC/NPS is approximately 54:46.

Sustainable development

The Trust falls within the scope of reporting under the Greening Government commitment. As such we have produced a separate sustainability report 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 73 to 77.

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.

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 remained 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 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 (FReM), it is appropriate for the Trust to prepare the 2013–14 Annual Report and Accounts on a going concern basis.

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 36.

Total audit fees reported in the Accounts are £37,000. The audit fees for 2013–14 are made up of:

- £23,000 for the external audit of the statutory accounts and
- £14,000 for internal audit services.

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 Avon and Somerset Probation Trust Management Board

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

- Quarterly Board meetings at which the financial results and forecast outturn position were presented and discussed.
- Regular Audit Committees held throughout the year, attended by both the internal and external auditors.
- Internal audits conducted throughout the year.

The Chair and other members of the Board were all appointed by the Secretary of State. Details of the remuneration of the Management Board are set out in the Remuneration Report on pages 21 to 23.

Membership of the Board is set out in the table below:

Position	Name	Date appointment commenced / ended (during 2013–14) where appropriate
Chief Executive	Sally Lewis	
Chair	Joe Kuipers	
Board Secretary	Anne Roberts	
Associate Board Member	Kerry Curtis	Resigned 31 March 2014
Board Member	Paul Burton	
Board Member	Susan Graham	
Board Member	Alan Cottrell	
Board Member	Emma Pusill	
Board Member	Elizabeth Piecha	Appointed 1 April 2013

During the year, none of the members of the Management Board had undertaken any material transactions with the Trust.

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.

SJ Lewis

Accountable Officer
Date 19 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 emoluments of these persons are paid through Ministry of Justice funds.

The salary and pension entitlements of the senior managers and non-executive directors of the Avon and Somerset 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
Sally Lewis	90–95	85–90	0–5	0–5	None	None	10–15	15–20	105–110	105–110
Joe Kuipers	20–25	15–20	None	None	None	None	None	None	20–25	15–20
Kerry Curtis	0–5	0–5	None	None	None	None	None	None	0–5	0–5
Paul Burton	0–5	0–5	None	None	None	None	None	None	0–5	0–5
Susan Graham	0–5	0–5	None	None	None	None	None	None	0–5	0–5
Alan Cottrell	0–5	0–5	None	None	None	None	None	None	0–5	0–5
Emma Pusill	0–5	0–5	None	None	None	None	None	None	0–5	0–5
Elizabeth Piecha	0–5	N/A	None	N/A	None	N/A	None	N/A	0–5	N/A
Emily Williams	N/A	0–5	N/A	None	N/A	None	N/A	None	N/A	0–5

The Chief Executive Officer received an annual performance related pay bonus in 2013–14 upon achievement of objectives set by the Trust’s Chair. The Chief Executive Officer will leave the Trust on 31 July 2014 and her exit package (redundancy payment and pension strain) will total £293k. This cost has been accrued in the 2013–14 accounts and has been categorised as other staff costs.

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
	£000	£000
Highest paid Director (pay band)	£90–£95	£85–£90
Median for other staff	£27,373	£27,102
Pay multiple ratio	3.25:1	3.28:1

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 basic pay. There were no benefits in kind.

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
Sally Lewis	55–60 plus lump sum of 90–95	5–10 plus lump sum of -2.5–0	789	730	43

The CETV as at 31 March 2013 is larger than the figure disclosed in last year's annual report because a payroll error was discovered and corrected in February 2014.

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.

SO Cois.

Accountable Officer

Date 19 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 Avon and Somerset 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

1. Avon and Somerset Probation Trust is an executive non-departmental public body and has been successfully operating as a Trust since 1 April 2010. As Accountable Officer of the Trust, I have responsibility for maintaining a sound system of internal control safeguarding the use of public funds and assets, including Ministry of Justice (MoJ) assets, for which I am personally responsible, for ensuring propriety and regularity in the handling of those public funds and for the day to day operation and management of the organisation. This is in accordance with the responsibilities assigned to me under Financial Directives and in line with the requirements of the Accountable Officer Memorandum for Probation Trust Chief Executives.
2. The Trust has responsibility for the provision of probation services in the area of Avon and Somerset through a contract with the Secretary of State for Justice acting through the National Offender Management Service (NOMS), an Executive Agency of the Ministry of Justice. The National Offender Management Service, operating through a Senior Community Lead, allocates a budget to the Probation Trust and sets local performance delivery targets (derived from national targets which are agreed by the Ministry of Justice) within an agreed Contract. There are three Local Delivery Units (Bristol; Bath & North East Somerset and South Gloucestershire; and Somerset) each managed by a Local Delivery Unit (LDU) leader, at Assistant Chief Officer level, with devolved responsibilities for budgets.
3. The Government's Transforming Rehabilitation (TR) agenda has had a significant impact on Trust business during the course of this year as the Trust prepares its exit management strategy and mobilisation plans in order to transfer its business to the National Probation Service (NPS) and the Community Rehabilitation Company (CRC) with effect from 1st June 2014. The Trust was served with a potential termination notice effective from 25th September 2013 with the target date for termination of Contract being 31st March 2014. The Trust received formal notice of termination on 17th January 2014 that the Contract with NOMS would expire on 31st May 2014. The Trust Board will undertake winding up activities before the dissolution of the Trust by the Secretary of State. This will include the signing off of the 2013–14 Accounts, completion of any outstanding business and agreeing the financial statement for April and May 2014.
4. During the period in question, the Board has discharged its responsibilities and met its governance requirements of meeting at least four times a year. Attendance records are kept for each meeting and there were no instances where the quorum was not met.
5. The Board reviews and approves the governance framework of the Trust annually. The Board has agreed Standing Orders and Standing Financial Instructions in accordance with the provisions of its contract with the MoJ and the MoJ Governance Handbook for Probation Trusts. A comprehensive Scheme of Delegation setting out responsibilities of the Board, Chief Executive and other senior officers was reviewed and approved by the Board in 2013. This includes the terms of reference of the Board's Sub-Committees which are the Audit & Risk Committee, Joint Negotiation and Consultative Committee, Remuneration Committee, Performance Contract Compliance & Commercial Development Group (PCC&CDG), the Serious Further Offence Committee and the Joint Health and Safety Committee, each regularly reporting to the Board.
6. The Trust complies with the UK Corporate Governance Code for Government. It has an effective Board, with clear division of responsibilities between the non-executive members and executive Trust Leadership Team (TLT). Each Board member has a particular set of duties that relate to one or more of the committees and each is assigned to one LDU area. Induction of two new Board members has taken place and the Board Chair undertook an annual evaluation of members' performance. The

Board assesses the Trust business and financial strategy, communicates with stakeholders and maintains a sound system of risk management system and assurance. The Trust has a Board Secretary, responsible for governance compliance and providing independent advice to the Board in discharging its public functions.

7. The Board regularly reviews the performance of the Probation Trust and this includes providing assurance to NOMS and MoJ via the quarterly contract review meetings, Performance, Contract Compliance and Commercial Development Group and Board meetings. More streamlined mechanisms for monitoring and providing this assurance were introduced in 2012/13 and this has been working very effectively. The Board was satisfied with the effectiveness of these arrangements.
8. The Audit & Risk Committee has focused on its risk management function using the Trust Business Risk System aligned to the Trust's Business Plan objectives and the Exit Management plan. A separate Exit Management Planning Group meets regularly to feed into the plan. This provides a more streamlined approach, enabling the Committee to more effectively monitor, scrutinise and challenge key and emerging risks in the context of the Trust's business objectives and TR requirements, including review of the risk severity.
9. The Serious Further Offence Committee gives detailed attention to all Serious Further Offence Reviews and receives information to confirm that all actions arising from these reviews have been completed. The Panel's remit also considers Child Protection Serious Case Reviews in which the Avon and Somerset Probation Trust is involved and Ombudsman Reports into deaths in Approved Premises. The Committee provides assurance to NOMS that the Board is satisfied that progress in improving practice has been made, considers copies of victim summary reports and assesses whether the reviews identify any act or omission in the management of the case that represents a realistic prospect of preventing the serious further offence.
10. The Avon and Somerset Criminal Justice Board, of which I am a member, reviews a range of performance areas relating to the delivery and operation of Criminal Justice in the Avon and Somerset Trust. The Criminal Justice Board operates a series of sub-groups which are attended by staff to represent our Trust, and address cross cutting performance and operational issues. The Trust works with the Local Criminal Justice Board to better integrate the services that victims and witnesses of crime in Avon and Somerset receive from all relevant partners. The Criminal Justice Board plays an important governance role in the operation and development of Integrated Offender Management.
11. Any relevant issues arising from local or nationally published Serious Further Offences are raised with the Criminal Justice Board.
12. The Trust also participates as a Responsible Authority in Multi Agency Public Protection Arrangements (MAPPA) led integrated serious incident reviews. Audits of MAPPA cases are carried out by Police and Probation managerial staff groups, working together.
13. Through partnerships with the Police, and other relevant agencies, the Trust has implemented an integrated approach across Avon and Somerset to offender management through IMPACT teams, which have been commended nationally.
14. Following on from the success of IMPACT and the strong partnership with the Police, the Trust has developed further integrated approaches to working with dangerous offenders with the introduction in Bristol of IRiS (Integrated Response, Integrated Service).
15. The Trust continues to work with the Police and Crime Commissioner for Avon and Somerset to discuss common concerns and priorities and reinforce shared priorities.

The Purpose of the System of Internal Control

16. The system of internal control is designed to manage risk to a reasonable level rather than eliminate all the risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.
17. The systems in place ensure that the Trust has a sound system of internal control which includes:
- delivering the core functions of an Audit & Risk Committee;
 - providing effective internal audit in accordance with relevant requirements;
 - an assurance framework informing transparent governance reporting;
 - standing orders, standing financial instructions and a scheme of delegation;
 - ensuring compliance with relevant laws and regulations and ensuring that expenditure is lawful; and sound internal financial control for key systems, for example the general ledger, accounts payable and accounts receivable, and all electronic payment systems.

I am satisfied that the system of internal control described in this statement is effective. The Board received a report from the Chair of the Audit & Risk Committee covering the Committee's activities during 2013/14, providing me with assurance on the quality of financial and management reporting, the quality of internal and external audit work, that issues pertinent to this statement are managed appropriately and that risks have been identified, managed and reported.

18. The system of internal control is based on an ongoing process designed to identify and prioritise the principal risks to the achievement of Avon and Somerset Probation Trust policies, aims and objectives, to evaluate the likelihood of those risks being realised, the impact should they be realised, and to manage them efficiently, effectively and economically. The Trust has received unqualified Accounts since its inception.

Capacity to handle risk

19. As Accountable Officer I have personal responsibility to lead Avon and Somerset Probation Trust in the risk management process. The Trust's Leadership Team (TLT) and other senior managers have participated on a routine and regular basis to review high level risks identified in the Business Plan for 2013/14, and emerging business risks, including those related to TR. All committees, teams and groups are expected to consider emerging risks and feed them into the risk management process.
20. The Trust's Audit & Risk Committee, Internal Audit (provided by the MoJ) and External Audit (provided by the National Audit Office), provide advice to me as Accountable Officer, to ensure that best practice is followed and lessons learned from practice.
21. The Trust's Annual Financial Plan highlighting key risks is approved by the Board and regular updates on progress against these key risks are confirmed in subsequent budget monitoring reports to the Board.
22. The TR implementation plans have challenged the Trust in relation to 'business as usual' in terms of its high performance and effectiveness whilst at the same time managing the transitional period.
23. The MoJ Rehabilitation Risk Register was not made available to Trusts although the Trust was aware of its existence. The Trust Board Chair and Audit Chair made a request to the MoJ under the Freedom of Information Act. The MoJ internal review did not grant the request and the Trust exercised its right under s.50 FOIA 2000 and escalated the complaint to the Information Commissioner's Office. The decision of the ICO was that the Register could not be disclosed at the time the request was made. The Trust therefore put in a new request in February 2014 and the outcome to this is awaited. As a consequence the Trust undertook staff consultation and TR implementation requirements without reference to any part of this project management tool and are of the view that this did not represent best practice.

24. The Trust appealed against the mandatory contract variation issued in relation to its termination in terms of its legal and fiduciary duties and in terms of the ten week termination notice period which the Trust believed was unreasonable and would require the Trust to undertake activity which would be impossible to complete within that timescale. The Trust Board agreed with NOMS that it would monitor the situation and activate the appeal if activity proved impossible to achieve. The appeal was not activated although the demands of the TR programme have been such that the Trust has flagged to NOMS that business as usual activity has not been able to be achieved.
25. In light of the termination of the Trust contract, the Trust has not produced a business plan for 2014/15. The Trust was asked to produce two budgets for 2014/15, one for the Trust for April and May and a second budget for the CRC from June 2014. The Trust did not receive its initial contract value until February 2014 which meant that the Budget Setting activity normally done between November and January had to take place in February / March 2014. This delay put significant pressure on the Finance Department on top of new additional work requested to support the TR programme. The Trust worked closely with NOMS to produce the budgets but the Board has concerns about the ability to make efficiency savings in the two months of 2014/15 Trust business and the method of budget setting.
26. The TR programme had offered Trusts an undertaking that their legal advisors could contact Treasury Solicitors direct for discussions relating to employment law and the use of CoSOP (rather than TUPE) in transferring staff. The Trust was concerned that, when this offer was taken up, its legal advisor was not able to speak to Treasury Solicitors direct in terms of specific HR legal questions. This concern will be understood in the context of the requirement upon the Trust to directly undertake required consultation with staff in connection with these processes.
27. The Trust has had to handle an increased volume of requests for data in relation to TR and the Trust's Exit Management Plan. The limited number of staff working on a range of different strands as well as business as usual was identified and managed as a significant risk. . The TR Programme milestones of activity have been frequently revised and re-issued. The Trust has met all its agreed timescales. A TR Transition manager appointed for the South West Trusts has attended the Trust's Contract Review meetings and two TR Business Readiness review meetings have taken place involving the Trust. A third Business Readiness review meeting is scheduled to be held in April with CRC designate staff but not with the Trust.
28. In order to mitigate risk to the Trust and accurately reflect the attribution of the decision making, the Trust Board requested a mandatory contract variation in relation to implementing the Staff Assignment process for all staff splitting them between the NPS and CRC.
29. During this reporting period, NAPO has taken industrial action and UNISON balloted its members, although did not take action. This was in response to the TR agenda nationally. The Trust implemented its contingency plans to cover this industrial action. Locally, the Union Representatives from NAPO and UNISON have constructive relations with the Trust's Employers and both sides have kept each other informed about TR developments.
30. The Trust received a large number of local grievances (mostly from NAPO members) against the Staff Assignment process as well as a large number of letters of protest from Unison members. All grievances were considered individually. Board members were involved in staff appeals against their assignment. An independent adviser was appointed to produce a report on generic matters arising from the grievances and this report will be publicised internally and forwarded to the newly set up Staff Commission.

31. The Trust, in its Contract Review meetings, raised a significant risk, as flagged by the Probation Chiefs Association, of the movement of cases when the workload is being split. The volume of case transfer has potential risks for the Trust in terms of governance, information assurance, accountability and reputational issues. The Trust Board has at all times sought to ensure that, as the employer, cases are only transferred when safe to do so and that the protection of the public is given the highest priority.
32. The work of internal and external audit continues to be a key element in affording assurances that I, as Accountable Officer, am managing risks effectively. Work for 2013 /2014 included:
- Business management and TR planning days involving myself, the Assistant Chief Officers, Trust Board Secretary and Board members
 - quarterly review of the Trust's Risk Register, with continued involvement of the Performance and Business Managers
 - Regular reporting and discussion about budget variance through meetings with LDU management accountants.
 - agreement of the Contract and management of the service delivery targets with the Community Lead, NOMS for 2013/2014
 - review of the Contract including identified risks to performance and delivery and mechanisms for obtaining assurance
 - implementation of improvements as identified in reports by internal and external audit from time to time
 - oversight of all policies by a Change Control Board and Board ratification of key policies, including review of a range of HR policies
 - Internal audit reports on Financial Accounting, Approved Premises, High Risk of Offenders, liaison with Sentencers and Information Assurance implications for Community Payback. The Assurance Framework Audit results from 2012/13 were also issued during this period.
 - Further work as a result of the OMI Action Plan, including scrutiny by the Board of the Risk of Harm Audit compiled using the HMIP Risk of Harm methodology
 - Commissioning an Equality Impact Assessment in relation to the introduction locally of the changes as a result of the TR programme and monitoring of the Trust's current compliance under its public sector equality duties
 - obtaining ISO accreditation 14001 (environmental standards) and OHSAS 18001 (occupational health and safety)
 - keeping abreast and networked with the Police and Crime Commissioners, Bristol Mayor as well as with Sentencers
 - liaising with the Trust's stakeholders in relation to the TR plans and briefing and consulting with staff on the planned proposals
 - Participation as required in HMIP thematic inspections and making response to the findings and recommendations of all thematic inspections.
33. Extensive assurance is also gained through internal management processes such as appraisal, supervision and bilateral meetings.

Risk and Control Framework

34. Within the Avon and Somerset Probation Trust, the following processes exist to support the risk and control framework:
- The Trust Leadership Team develops the key issues, including identification of risks, for inclusion in the Business Plan. Risks are assessed against each of the business plan objectives with a risk severity score given and risk impact and likelihood assessed dynamically. Key mitigation information is mapped against each risk. This enables an evaluation of the identified risk so that the tolerance of that particular risk can be determined. This is undertaken as a shared exercise with operational and functional leads where assumptions can be tested and challenged, and actions to control the risks can be identified and agreed. This is then integrated into all business planning for continuity.

- Risks are reviewed with members of the Audit & Risk Committee which reports to the Probation Trust Board. This centres upon identification of the risks to delivery of the Business Plan and an assessment of the level of risk with specific controls, which can be tolerated.
- The Risk Register is regularly reviewed by the Trust Leadership Team. Risk levels are assessed and reviewed and actions are identified to control identified risks. New risks, which are formally considered at the Business Planning Reviews and at the Audit & Risk Committee, are assessed and incorporated as appropriate, and may include risks identified by the Avon and Somerset Probation Trust Board. This year both an Exit Management Strategy and Mobilisation Plan have been produced, with regular meetings to review activities with the Board, Trust Leadership Team and the NOMS Senior Community Lead.
- The Board regularly monitors and reviews reports of separate legal companies/social enterprises, as part of its commercial activity, seeking assurance from the Trust Leadership Team.
- Directives, including Probation Instructions, from the National Offender Management Service are implemented by a nominated lead Assistant Chief Officer and any issues are reported at the quarterly contract review meetings with NOMS. The Change Control Board plays an important role in such change and policies requiring updating as a result of these directives are brought to the Board for ratification.
- Delegated budgets bring local accountability and better management of costs. The budgets are reviewed and monitored within a published Financial Accountability Framework on a monthly basis within a business partnering model and any issues arising brought to the attention of the budget holder. Issues of a certain magnitude identified at that level are escalated. Continued focus has been given to the forecasts of budget holders with a performance review being instituted to identify corrective action where forecasts were not as anticipated. The business partnering model has been developed to incorporate workforce and financial planning within an integrated process.
- The Remuneration Committee, chaired by the Deputy Board Chair, has responsibility for assurance to the Board on remuneration matters.
- Information assurance requirements have been communicated to all managers within the organisation through the Area Management Group Meeting which meets quarterly. Staff and Board members are required to complete Government Information Assurance training and this has been implemented during the reporting period. Changes to the Government Classification Marking Scheme were introduced to staff at the Annual Staff Conference and 92% of staff trained by the end of March 2013. All incidents of potential breach of information security are fully investigated in accordance with GSI requirements.
- A log of security incidences is maintained using an IT system designed for the purpose. Any incident where there may have been a breach of security or an incident at an office, is reported on a log which is monitored and managed at the appropriate level within the organisation, until the incident is assessed as closed. Serious incidences are reported to the Information Commissioner in accordance with statutory requirements. During 2013/14, one report was made in relation to loss of CP data and appropriate action was taken.
- The Board Sub-Committees report to each Board meeting and this includes a biannual Health and Safety report from the Health & Safety Committee.
- As a public body the Trust is required to comply with the Freedom of Information Act 2000 and is therefore required to register with the Information Commissioner's Office for the processing of Data. In order to discharge its duties, the Trust has put in place a part-qualified Data Protection Officer.

Review of Performance

35. In addition to its formal Board meetings, Board members have met regularly with the Trust Leadership Team to discuss the implications of the TR programme. These included a review of its scrutiny role and effectiveness, and working arrangements with the TLT, particularly in light of the demands of TR. The Board continued to undertake close scrutiny of Programmes and Quality Assurance (ASPT 360) activity. The Board regularly reviews its effectiveness in conducting Board Business and at the beginning of each financial year, reviews its Sub-Committees and Board link roles. Particular focus on the SFO Committee remit and a review of the membership of the Health & Safety Committee was undertaken.
36. The Board has a 'Board recognition slot', where high performing teams or individuals can present their work. This includes presentations of new areas of business, or innovation or enterprise.
37. The Board receives regular reports on operational performance, including identification of risks and controls to mitigate identified risks. The Business Development Unit provides a Performance Report each quarter. The Trust Leadership Team provides exception reports with planned actions for improvement to the Performance, Contract Compliance and Commercial Development Group which has particular responsibility for this exercise. The Probation Trust Rating System (PTRS) is reported upon and reviewed. The direct involvement of senior managers, alongside Assistant Chief Officers, has been a key feature in reporting to this Group. Thorough review of the implementations of such actions is subsequently reported.
38. Significant progress has continued to be made in the level of detail and modelling capacity achieved in performance reports. Probation managers increasingly have information which reports to individual worker level and recent developments routinely now report on individual assessment elements. Performance reports are provided monthly for performance management purposes, and these are available to all managers.
39. The Business Development Unit has worked hard to achieve real performance improvement to the data quality available to the organisation, and being in a position to quality assure that data. Case Administrators and Business Officers have been apprised of this objective by way of individual performance objectives, and by routine reporting of improvements to team and office data. All managers are routinely asked to Quality Report available on the Integrated Information Management System (IIMS) is available to all staff as a live report.
40. Assistant Chief Officers are required to review performance with their unit managers on a regular basis. Where necessary they produce targeted performance improvement plans.
41. The Trust developed a Quality initiative, the ASPT 360 model which included the development of an on-line survey tool built on the HMIP Inspection of Adult Offending Work criteria, and additional surveys around the quality of reports and observed Practice. Additionally, a toolbox of exercises was developed from Targets for Effective Change and made more accessible to all staff via the Internet.
42. The Trust uses 'Nimbus Control' which is the package utilised by the national Specification, Benchmarking and Costing Programme. Further improvements have been made in process mapping and costing of activities and all staff use HoWDI, the local name for the Process Management Tool 'Nimbus Control'. This enables business processes to be reviewed, benchmarked against nationally prescribed activity and costed. The Board continues to scrutiny the re-developed Quality and Innovation Strategy, aligned with the NOMS template and covering all elements of the Trust's corporate and operational activity.
43. ASPT were the last Trust to implement the Delius Case Management System. This presented a Business risk as the migration process for ASPT data was from a unique case management system (IIMS) to Delius. This meant that a specific 'migration tool' had to be written to facilitate this transfer of data. There were both risks and benefits to the Delius Programme of placing ASPT last on the roll

out schedule. Due to the identified risks ASPT has had a cross functional Delius Board monitoring progress and this functioned well with considerable engagement from operations. There were considerable issues with the migration tool but the migration was successful. However ASPT had to commit considerable additional resource in terms of funds and capacity to ensure that the deadlines were met. The range of performance and management information reports available to managers is severely reduced and the Trust does not have access to sufficient Management Information System licences; this presents difficulties to the Trust.

44. The Trust's Estates and Data Management Plans to purchase Multi Functioning Devices were prevented due to a 'Change Freeze' introduced by Steria in the context of their exit strategy. This affected the Trust's estates and data management business planning.
45. The Trust participates in the PREview national costing programme and I have significant confidence in our data.
46. The Trust has met all its savings targets which were under its control and has taken all steps to progress the savings in the Estates plans through liaison with the Government Property Approval Unit.
47. The Trust was runner up in the Grey Fleet Management award for improvements to the environment in respect of its travel policies. The Trust gained a number of awards throughout the year, including winner of the National Howard League Award in respect of Community Payback work with St. Margaret's Hospice, ETE awards and three winners in the National Probation Awards.
48. Equality data is collected for offenders and staff. The Trust has complied with equalities information required by NOMS and the Board maintains oversight to ensure compliance with the general and specific duties. Equality information is also included in complaints and appeals data.
49. The Trust Staff conference involved a series of workshops on topics relevant to all staff, with a focus on children and families, peer mentoring, stand against violence, women's services, managing and making sense of challenging behaviour in Approved Premises and Programmes and lifestyles. The designated leaders of the new organisations of the NPS and CRC addressed staff who were given an opportunity to ask questions.
50. The Trust's Joint Negotiation and Consultative Committee involving Employer and Union representation works very effectively, with excellent relationships existing. During this reporting period, a number of revised policies were agreed by the Committee and approved by the Board.
51. The Trust's Business Development Unit is led by an Assistant Chief Officer. The unit leads the Performance Quality and Value integrated process within the organisation.
52. The Trust carefully manages its contracts, reviewing performance both at local level and at the Performance, Contract Compliance and Commercial Development Group where the focus has been on non-NOMS commissioned contracts, including the Work Programme, as well as those commissioned by the Trust.
53. The Trust, following approval by the Board, negotiated an exit from the Contract for delivery of the Work Programme on a cost neutral basis from the end of February 2014.
54. Nova Aequitas is a Limited Company wholly owned by the Trust. The arrangements for the business of Nova Aequitas in relation to the Trust have been carefully examined by the Trust Board.
55. The Trust received funding from NOMS in relation to providing assurance on the delivery of the range of requirements in relation to the Extremism area. A full time officer was appointed to take forward this important work.

56. The Trust has an approved Estates Strategy and an established Estates Strategy Group which includes Board, Management and Union representation. This Group operates to project plan key estates strategies, to minimise disruption and risk to Trust staff and to identify and optimise savings particularly in relation to Estates and IT costs. This has been very effective in supporting the organisation in making better use of estates and IT with reduced cost. Business cases for Taunton and Yeovil continue to be under review by the Government property approval unit. The case for transfer of an Approved Premises to the Trust was discontinued in light of Government plans to dissolve Probation Trusts.

Review of Effectiveness

57. As Accountable Officer, I also have responsibility for reviewing the effectiveness of the system of internal control.

58. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors, the managers within the Trust who have responsibility for the development and maintenance of the internal control framework, comments by the external auditors in their direct discussions with me / their management letter, the report from the Chair of the Audit & Risk Committee and other reports and external independent quality standards.

59. In 2013–2014 reviews were undertaken by Internal Audit in relation to:

- Financial Accounting
- Approved Premises
- High Risk of Offenders
- Liaison with Sentencers
- Information Assurance Implications for Community Payback

The internal audits identified a number of moderate and significant rated findings that were isolated to specific systems and processes and, when taken in aggregate, were not deemed to be pervasive to the system of internal control as a whole. Internal audit have given a reasonable assurance on the adequacy and effectiveness of the system of governance, risk management and internal control.

Recommendations are progressed via a detailed Audit Log which is monitored by the Audit & Risk Committee and reported via the Audit & Risk Committee to the Board.

60. The Accredited Programmes Case Quality Audits (Integrated Domestic Abuse Programme, Sex Offender Treatment Programmes, Thinking Skills, Anger Replacement, Addressing Substance Related Offending, and Low Intensity Alcohol Programmes) are normally audited on a bi-annual basis and subject to both quality and clinical audits by NOMS. In addition to the Accredited Programmes delivered by the Trust a suite of four Activity Requirement (AR) programmes have also been developed: Victim Awareness Mini Programme (VAMP), Alcohol Intervention, Managing Aggression and Education Training Employment (ETE). In addition within Bristol, two further Activity Requirements are delivered, the Female Only Specified Activity Requirement (FOSAR) and Supported Offender Behaviour Activity Requirement (SOBAR). All Activity Requirements have been quality assured via NOMS and are subject to evaluation measures.

61. Health and Safety comes under the remit of the Assistant Chief Officer (HR). The Trust continues with its contractual arrangement with Devon and Cornwall Probation Trust for the provision of Responsible Officer services. The Trust appointed a Health and Safety Project Officer to support the re-accreditation process for OHSAS 18001 and this was successful. The Trust undertakes regular H&S training and inspections at offices. The Trust's Health and Safety Committee meets on a quarterly basis in order to comply with statutory requirements and has Board representation. The Committee, under the H&S Policy, reviews RIDOR incidents, and Accident and Incident reporting. Actions taken are discussed and recommendations are reviewed.

62. There are a range of other assurances which have been described in the Review of Performance section of this statement. These include
- Significantly improved performance information focusing on exceptions from the Trust's Business Development Unit
 - Monthly financial reports to managers against budget heads
 - The Probation Trust Rating System (PTRS)
 - Reports and monitoring from contracted agencies.
63. All of these are sources of assurance that the systems which I have in place are working and ensuring appropriate control effectively.
64. In order to ensure proper risk management the Avon and Somerset Probation Trust Board has established the following processes:
- The Board meets regularly to consider the plans and strategic direction and receives regular budget monitoring reports
 - I and the Trust Leadership Team receive budget reports, normally monthly, which include commentary from the Treasurer
 - The Audit & Risk Committee meets regularly to review policies, audit plans and actions, the risk register and advises me as Chief Executive and the Board accordingly
 - I oversee the handling of every external complaint raised at HQ level, communicate latest policy to staff and report quarterly to the PCC&CDG on complaints received. The Trust Board Secretary and Board Deputy Chair take forward complaint appeals. Analysis of the types of complaints and appeals received, including equality data, are produced quarterly for the PCC&CDG and annually for the Board so that any relevant lessons can be actioned
 - The Board, via the PCC&CDG, receives regular performance monitoring reports in a range of indicators, including operational performance and trend information in the Trust. This includes commentary from managers with indications of risks and actions to be taken
 - The Board receives reports on Serious Further Offences and performance reviews. The Serious Further Offences Committee meets to progress against actions identified. Serious Further Offences are reported as required to the Safeguarding Children Board and the MAPPA Strategic Management Board
 - I attend Audit & Risk Committee, Remuneration, JNCC, PCC&CDG and Board meetings and report to the Board at each Board meeting
 - The Trust has effectively identified and been responsive to risks emerging in year, particularly those related to the TR programme and exit management required of the Trust.

Specific Control Issues

The delivery of Trust business has been undertaken within the context of substantial demands and disruption caused by the implementation of the Transforming Rehabilitation Programme. It has been repeatedly reported within the NOMS contract management arrangements that we have not, therefore, been in a position to conduct "business as usual" to the standards we would normally require. In addition there has been an extended period in which partnership developments have not been possible to pursue.

The Trust has been diligent in ensuring that any staff with an interest in any organisation bidding within the Transforming Rehabilitation competition, or potentially within that supply chain, have made appropriate formal declarations and operated within the appropriate ethical arrangements.

Further delays to the progress of the Trust Estates Business Case have been encountered although there has been some progress made in relation to Yeovil and Taunton and it is anticipated that these matters will be resolved following the transfer of contract to the NPS and CRC. The Trust was able to flag serious concerns about the deterioration of an unoccupied Government property (Devon House) which features in our Approved Premises Estates plans as a possible future resource. As a result of our prompt protective actions have been instigated.

The Trust has well established Integrated Offender Management arrangements with Avon and Somerset Constabulary and other partners. The approach involves substantial investment from our police colleagues and appropriate steps have been taken to assist transition to the new provider organisations.

I reported in 2012–13 the Trust’s concern about inappropriate reputational damage in connection with a section in the Public Accounts Committee statement, 5 March 2013 on its 35th Report (Restructuring the National Offender Management Service) “...probation trusts do not have the skills they need to support this expanded role in commissioning. We received evidence of poor contracting with the contract for electronic monitoring, which suggests that expenditure in the UK is 60% higher than equivalent expenditure in the USA. The Department should work with the Agency to help probation trusts develop the skills they will require to commission effectively from private and voluntary sectors.” Probation Trusts have never been responsible for the contracting of electronic monitoring and the concern with regard therefore to the comment was immediately reported to the Public Accounts Committee and to our Audit Committee. We have received this response from the Public Accounts Committee office which clarifies the situation, “The Committee took evidence (see paragraph 16 of the report and the transcript published at the back of the report) that probation trusts did not at the time of the inquiry have the necessary skills to take on the new commissioning role that would be required of them under proposed reforms to the probation service. The Committee also had separate concerns about the management of the electronic monitoring contract, which they explored with witnesses NOMS using data published in the Policy Exchange Report, Future of Corrections.

“I accept that, drafted in this way, the paragraph does imply that probation trusts were responsible for the electronic monitoring contract. I am therefore writing to confirm that the Public Accounts Committee is fully aware that probation trusts are not responsible for commissioning or managing this contract, as is made clear in the National Audit Office report on which our work was based (HC 593) at paragraph 1.1.”

SJ Lewis.

Sally Lewis
Chief Executive and Accountable Officer
Avon and Somerset Probation Trust

April 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 Avon and Somerset 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 Avon and Somerset 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 there under.

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

02 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
Expenditure			
Staff costs	3(a)	17,506	17,110
Other expenditure	6	5,090	4,863
Total Expenditure		22,596	21,973
Income	7	(21,123)	(20,801)
Net operating costs		1,473	1,172
Net interest cost on pension scheme	4(c)	1,663	1,748
Net operating costs before taxation		3,136	2,920
Taxation	5	17	12
Net operating costs after taxation		3,153	2,932

Other Comprehensive Expenditure

		2013–14	2012–13
	Notes	£000	<i>Restated</i> £000
Items that will not be reclassified to net operating costs:			
Net (gain)/loss on revaluation of property, plant and equipment	8	7	0
Net (gain)/loss on revaluation of available for sale financial assets		0	0
Remeasurement of post employment benefits	22	388	(4,541)
Total comprehensive expenditure for 31 March 2014		3,548	(1,609)

The notes on pages 42 to 70 form part of these accounts.

Statement of Financial Position

As at 31 March 2014

	Notes	2013–14 £000	2012–13 £000
Non-current assets			
Property, plant and equipment	8	92	159
Trade and other receivables	12(a)	0	0
Total non-current assets		92	159
Current assets			
Trade and other receivables	11(a)	1,408	1,489
Cash and cash equivalents	12	402	195
Total current assets		1,810	1,684
Total assets		1,902	1,843
Current liabilities			
Trade and other payables	13(a)	(1,041)	(1,165)
Provisions	14	0	0
Taxation payables	13(a)	(723)	(542)
Total current liabilities		(1,764)	(1,707)
Non-current assets plus/less net current assets/(liabilities)		138	136
Non-current liabilities			
Trade and other payables	13(a)	0	0
Provisions	14	0	0
Pension liability	4(c)	(40,941)	(37,400)
Total non-current liabilities		(40,941)	(37,400)
Assets less liabilities		(40,803)	(37,264)
Taxpayers' equity			
General fund	22	(40,812)	(37,280)
Revaluation reserve – property, plant and equipment	23(a)	9	16
Revaluation reserve – intangible assets	23(b)	0	0
		(40,803)	(37,264)

The financial statements on pages 38 to 70 were approved by the Board on 16 June 2014 and were signed on its behalf by



..... Accountable Officer

Date 19 June 2014

The notes on pages 38 to 70 form part of these accounts.

Statement of Cash Flows

For the year ended 31 March 2014

		2013–14	2012–13
	Notes	£000	£000
Cash flows from operating activities			
Net operating costs	22	(3,153)	(2,932)
Adjustments for non-cash transactions	6	67	53
Adjustments for pension cost	4(c)	3,153	2,933
(Increase)/decrease in receivables	11	81	19
Increase/(decrease) in payables	13	57	(325)
Utilisation of provisions	14	0	(2)
Less movements in property, plant and equipment payable	13	0	0
Net cash outflow from operating activities		205	(254)
Cash flows from investing activities			
Net cash outflow from investing activities		0	0
Cash flows from financing activities			
Net financing received in year	22	2	0
Net financing		2	0
Net increase/(decrease) in cash and cash equivalents in the period		207	(254)
Cash and cash equivalents at the beginning of the period	12	195	449
Cash and cash equivalents at the end of the period	12	402	195
Increase/(decrease) in cash		207	(254)

The notes on pages 42 to 70 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
Balance as at 1 April 2012		(38,896)	16	(38,880)
Prior period adjustment	23/24			
As restated at 1 April 2012		(38,896)	16	(38,880)
Changes in taxpayers' equity for 2012–13 (restated)				
Net operating cost after taxation	SocNE	(2,932)		(2,932)
Net gain/(loss) on revaluation of property, plant and equipment	23(a)		7	7
Transferred to General Fund from property, plant and equipment revaluation reserve	23(a)		(7)	(7)
Net gain/(loss) on revaluation of intangibles	23(b)			
Transferred to General Fund from tangibles revaluation reserve	23(b)			
Movement in donated assets	22			
Transferred from revaluation reserve	22	7		7
Remeasurement of post employment benefits	22	4,541		4,541
Net NOMS financing received in year	22			
Balance as at 31 March 2013		(37,280)	16	(37,264)
Changes in taxpayers' equity for 2013–14				
Net operating cost after taxation	SocNE	(3,153)		(3,153)
Net gain/(loss) on revaluation of property, plant and equipment	23(a)			
Transferred to General Fund from property, plant and equipment revaluation reserve	23(a)		(7)	(7)
Net gain/(loss) on revaluation of intangibles	23(b)			
Transferred to General Fund from tangibles revaluation reserve	23(b)			
Movement in donated assets	22			
Transferred from revaluation reserve	22	7		7
Remeasurement of post employment benefits	22	(388)		(388)
Net NOMS financing received in year	22	2		2
Balance as at 31 March 2014		(40,812)	9	(40,803)

The notes on pages 42 to 70 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 27**.

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 (FRM), 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 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.

1.9 Inventories

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

1.10 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.

1.11 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 27.**

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

1.12 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.

1.13 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.

1.14 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.

1.15 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.

1.16 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.

1.17 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.

1.18 Financial instruments

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

1.19 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**.

1.20 Third party assets

The Trust holds, as custodian or trustee, certain assets belonging to third parties. These assets are not recognised on the Statement of Financial Position and are disclosed within **Note 25**.

2. Statement of Operating Costs by Operating Segment

Analysis of outturn position as reported to the Trust's Board

	2013–14	2012–13
	Outturn (£000)	Outturn (£000)
Mainstream Expenditure		
Offender Management	8,404	8,267
Interventions	5,713	5,729
Corporate Operational Costs	4,073	4,058
Support Services	1,514	1,549
Total Mainstream Expenditure	19,704	19,603
Mainstream Income		
NOMS Income	(19,337)	(19,254)
Other Income	(402)	(418)
Total Mainstream Income	(19,739)	(19,672)
Net Expenditure / (Surplus)	(35)	(69)
Ring Fenced Allocations (Trainee & Youth Offending Teams)		
Expenditure	402	411
Income	(402)	(411)
Total for Ring Fenced Allocations	0	0
External Funding (Secondments, Prisons, IMPACT & DMT)		
Expenditure	2,850	2,833
Income	(2,815)	(2,765)
Total for External Funding	35	68
Overspend/(Underspend)	0	(1)
Add back:		
Actuarial Charges	3,153	2,933
NET OPERATING COSTS AFTER TAX	3,153	2,932

3. Staff numbers and related costs

3a. Staff costs consist of:

	2013–14			2012–13
	Total	Permanently- employed staff	Others	Restated
	£000	£000	£000	£000
Wages and salaries	14,831	14,345	486	14,697
Social security costs	1,069	1,069	0	1,094
Other pension costs	3,488	3,488	0	3,473
Sub-total	19,388	18,902	486	19,264
Less recoveries in respect of outward secondments	(1,882)	(1,882)	0	(2,154)
Total staff costs	17,506	17,020	486	17,110

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 1.11**.

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**. The change in other pension costs relates primarily actuarial assumptions which are set with reference to market conditions at 31 March.

The Probation Trust meets the additional costs of benefits beyond the normal Local Government Pension Scheme (LGPS) benefits in respect of employees who retired early prior to 2000 by paying the additional required amounts annually to the LGPS over the period between early departure and the date at which the ex-employee or their spouse dies. The unfunded pension obligation is included within the Trust's pension liability.

No persons (2012–13: 1 person) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £0 (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
FTEs	FTEs	FTEs	FTEs
464	455	9	468
464	455	9	468

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	6	6
£10,000-£25,000	0	0	0	0	1	1
£25,000-£50,000	0	0	0	0	2	2
£50,000-£100,000	0	0	0	0	3	3
£100,000-£150,000	0	0	0	0	0	0
£150,000-£200,000	0	0	0	0	0	0
£200,000+	0	1	1	0	0	0
Total number of exit packages by type	0	1	1	0	12	12
Total resource cost £000	0	293	293	0	275	275

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.

4. Pensions costs

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.

Pension benefits accrued up to 31 March 2014 are based on final salary and length of service on retirement. Changes to the LGPS came into effect on 1 April 2014 and any benefits accrued from this date will be based on career average revalued salary, with various protections in place for those members in the scheme before the changes take effect. Members pay contributions ranging from 5.5% to 7.5% of pensionable earnings.

A full triennial actuarial valuation was carried out as at 31 March 2013 by Barnett Waddingham. The effects of the valuation have been incorporated under IAS19. The closing pension liability valuation for 31 March 2014 was calculated by Barnett Waddingham in April 2014, using the following items of data, which were received from Somerset County Council, the Administering Authority to the Fund:

- The results of the valuation as at 31 March 2013
- Estimated whole Fund income and expenditure items for the period to 31 March 2014
- Estimated Fund returns based on assets used for the purpose of the funding valuation as at 31 March 2013, a Fund asset statement as at 28 February 2014 and market returns (estimated where necessary) thereafter to the period 31 March 2014.
- Estimated Fund income and expenditure in respect of the Employer for the period to 31 March 2014
- Details of any new early retirements for the period to 31 March 2014 that were paid out on an unreduced basis

Four new early retirements were made by Avon and Somerset Probation Trust during the year. The total annual pension that came into payment was £32k.

4a. Pension costs

For 2013–14, employer's contributions of £1,998k were payable to the LGPS (2012–13 £2,056k) at a rate of 13.2% of pensionable pay costs plus £220k.

The scheme's Actuary reviews employer contributions every three years following the 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. Early retirement costs are included within the Actuarial pension valuation and calculate on the same basis as the pension fund scheme assets and liabilities in accordance with IAS19.

On 1 June 2014 the Trust's existing pension liabilities and corresponding assets transferred to the Greater Manchester Pension Fund (GMPF). The Trust is no longer required to pay employer contributions to the fund.

Future contributions are referred to in **Note 26**.

Partnership accounts are excluded under IAS19.

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

- Employer's contributions for 2013–14 were 13.2% of salaries (plus lump sum of £220k); and,
- Employer's contributions for 2014–15 will be 12.6% of salaries (plus lump sum of £320k); and
- Employer's contributions for 2015–16 will be 12.6% of salaries (plus lump sum of £420k).

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

	2013–14	2012–13
	%	%
Inflation assumption	2.9%	3.4%
Rate of increase in salaries	4.7%	4.8%
Rate of increase for pensions in payment and deferred pensions	2.9%	2.6%
Discount rate	4.5%	4.7%

The assumed life expectations from age 65 are:

Retiring today	Males 23.6 years	Females 26.0 years
Retiring in 20 years	Males 25.8 years	Females 28.3 years

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		50,422	50,422
Funded liabilities	(85,957)		(85,957)
Unfunded liabilities	(1,865)		(1,865)
Opening balance at 1 April (restated)	(87,822)	50,422	(37,400)
Current service costs	(3,312)	(21)	(3,333)
Past service costs (including curtailments)	(155)		(155)
Gains and losses on settlements			
Total Service Costs	(3,467)	(21)	(3,488)
Net Interest (cost)/income	(4,046)	2,383	(1,663)
Remeasurements			
Returns on plan assets, excluding amounts included in interest cost/(income)		540	540
Gain/(loss) from change in demographic assumptions	(1,537)		(1,537)
Gain/(loss) from change in financial assumptions	(6,841)		(6,841)
Experience gains/(losses)	7,279	171	7,450
Change in asset ceiling, excluding amounts included in interest cost			
Total Remeasurements	(1,099)	711	(388)
Foreign exchange differences			
Effect of business combinations on disposals			
Contributions			
Employers		1,920	1,920
Plan participants	(841)	841	0
Unfunded benefits		78	78
Payments from plans			
Benefit payments	2,330	(2,330)	0
Unfunded benefit payments	98	(98)	0
Closing balance at 31 March	(94,847)	53,906	(40,941)
Plan assets		53,906	53,906
Funded liabilities	(93,590)		(93,590)
Unfunded liabilities	(1,257)		(1,257)
Closing balance at 31 March	(94,847)	53,906	(40,941)

	2012–13 (restated)		Total £000
	Present value of obligation £000	Fair value of plan assets £000	
Plan assets		42,789	
Funded liabilities	(79,997)		
Unfunded liabilities	(1,800)		
Opening balance at 1 April	(81,797)	42,789	(39,008)
Current service costs	(3,292)	(6)	(3,298)
Past service costs (including curtailments)	(175)		(175)
Gains and losses on settlements			
Total Service Costs	(3,467)	(6)	(3,473)
Net interest (cost)/income	(3,736)	1,988	(1,748)
Remeasurements			
Returns on plan assets, excluding amounts included in interest cost	(137)	4,678	4,541
Gain/(loss) from change in demographic assumptions			
Gain/(loss) from change in financial assumptions	0		
Experience gains/(losses)			
Change in asset ceiling, excluding amounts included in interest cost			
Total Remeasurements	(137)	4,678	4,541
Foreign exchange differences			
Effect of business combinations on disposals			
Contributions			
Employers		2,288	2,288
Plan participants	(845)	845	0
Unfunded benefits			
Payments from plans			
Benefit payments	2,027	(2,207)	0
Unfunded benefit payments	133	(133)	0
Closing balance at 31 March	(87,822)	50,422	(37,400)
Plan assets		50,422	
Funded liabilities	(85,957)		
Unfunded liabilities	(1,865)		
Closing balance at 31 March	(87,822)	50,422	(37,400)

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	0	0	0		0	0	0	
Energy and utilities	0	0	0		0	0	0	
Financial institutions	0	0	0		0	0	0	
Health and care	0	0	0		0	0	0	
Information technology	0	0	0		0	0	0	
Manufacturing	0	0	0		0	0	0	
Other	10,334	27,939	38,273		9,802	26,502	36,304	
	10,334	27,939	38,273	71%	9,802	26,502	36,304	72%
Debt instruments								
UK Government	0	3,234	3,234		0	4,034	4,034	
Corporate bonds (investment grade)	0	0	0		0	0	0	
Corporate bonds (non-investment grade)	0	0	0		0	0	0	
Other	0	0	0		0	0	0	
	0	3,234	3,234	6%	0	4,034	4,034	8%
Property								
UK	0	5,391	5,391		0	4,034	4,034	
Overseas	0	0	0		0	0	0	
Property funds	0	0	0		0	0	0	
	0	5,391	5,391	10%	0	4,034	4,034	8%
Derivatives	0	0	0		0	0	0	
	0	0	0	0%	0	0	0	0%
Cash and cash equivalents	0	1,078	1,078	2%	0	504	504	1%
Investment funds								
Equities	0	0	0		0	0	0	
Bonds	0	5,930	5,930		0	5,546	5,546	
Hedge funds	0	0	0		0	0	0	
Commodities	0	0	0		0	0	0	
Infrastructure	0	0	0		0	0	0	
Other	0	0	0		0	0	0	
	0	5,930	5,930	11%	0	5,546	5,546	11%
Other	0	0	0	0%	0	0	0	0%
Total	10,334	43,572	53,906	100%	9,802	40,620	50,422	100%

4e. Sensitivity analysis

	+0.1% £000	0% £000	-0.1% £000
Adjustment to discount rate			
Present value of total obligation	92,979	94,847	96,755
Projected service cost	2,919	2,989	3,060
	+1yr £000	none £000	-1yr £000
Adjustment to mortality age rate assumption			
Present value of total obligation	91,634	94,847	98,037
Projected service cost	3,089	2,989	2,890
	+0.1% £000	0% £000	-0.1% £000
Adjustment to inflation			
Present value of total obligation	95,210	94,847	94,505
Projected service cost	2,989	2,989	2,989

The sensitivity analysis above has been determined based on a method that extrapolates the impact on net defined benefit obligation as a result of changes in key assumptions occurring at the end of the reporting period.

In each case, only the assumption mentioned is altered while holding all other assumptions constant. In practice this is unlikely to occur and change in some assumptions may be correlated.

5. Taxation

	2013–14 £000	2012–13 £000
UK corporation tax	17	12
Total	17	12

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.

6. Other Expenditure

	2013–14		2012–13 <i>Restated</i>	
	£000	£000	£000	£000
Rentals under operating leases	5		7	
Accommodation, maintenance and utilities	1,744		1,860	
Travel, subsistence and hospitality	233		232	
Professional services	144		155	
IT services	751		763	
Communications, office supplies and services	338		283	
Other staff related	598		425	
Offender costs	1,158		1,016	
Other expenditure	15		32	
External Auditors' remuneration – statutory accounts	23		23	
Internal Auditors' remuneration	14		14	
		5,023		4,810
Non-cash items	67		87	
Profit/(loss) on disposal of tangible non-cash assets	0		2	
Other provisions provided for in year	0		(36)	
Early retirement provisions not required	0		0	
		67		53
Total		5,090		4,863

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 1.11**.

7. Income

	2013-14		2012-13 <i>Restated</i>	
	£000	£000	£000	£000
Income receivable from the sponsoring department – NOMS	19,739		19,662	
Rent receivable from minor occupiers of Probation estate property:				
From within the departmental boundary	0		0	
From other Government departments	0		0	
From external tenants	0		0	
		19,739		19,662
EU income from NOMS		0		0
EU income from other Government departments		0		0
Other EU income		0		0
Other income received from Probation Trusts		26		33
Other income from NOMS		139		126
Other income from rest of MoJ Group		14		20
Other income from other Government departments		515		280
Miscellaneous income		688		678
		21,121		20,799
Interest received:				
From bank	2		2	
From car loans	0		0	
From other sources	0		0	
Total interest received		2		2
Total income		21,123		20,801

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 1.11**.

8. Property, plant and equipment

	2013-14			
	Information technology	Plant and machinery	Transport equipment	Total
	£000	£000	£000	£000
Cost or valuation				
As at 1 April 2013	7	142	438	587
Additions	0	0	0	0
Disposals	(7)	(9)	(22)	(38)
Transfers	0	0	0	0
Reclassifications	0	0	0	0
Impairments	0	0	0	0
Indexation/revaluation	0	3	2	5
As at 31 March 2014	0	136	418	554
Depreciation				
As at 1 April 2013	7	114	307	428
Charge in year	0	17	50	67
Disposals	(7)	(9)	(22)	(38)
Transfers	0	0	0	0
Reclassifications	0	0	0	0
Impairments	0	0	0	0
Indexation/revaluation	0	3	2	5
As at 31 March 2014	0	125	337	462
Carrying value as at 31 March 2014	0	11	81	92
Carrying value as at 31 March 2013	0	28	131	159
Asset financing				
Owned	0	11	81	92
Finance leased	0	0	0	0
Carrying value as at 31 March 2014	0	11	81	92

8. (Continued)

	2012-13			
	Information technology	Plant and machinery	Transport equipment	Total
	£000	£000	£000	£000
Cost or valuation				
As at 1 April 2012	6	221	413	640
Additions	0	0	0	0
Disposals	0	(83)	0	(83)
Transfers	0	0	0	0
Reclassifications	0	0	0	0
Impairments	0	0	0	0
Indexation/revaluation	1	4	25	30
As at 31 March 2013	7	142	438	587
Depreciation				
As at 1 April 2012	5	162	232	399
Charge in year	1	29	57	87
Disposals	0	(81)	0	(81)
Transfers	0	0	0	0
Reclassifications	0	0	0	0
Impairments	0	0	0	0
Indexation/revaluation	1	4	18	23
As at 31 March 2013	7	114	307	428
Carrying value as at 31 March 2013	0	28	131	159
Carrying value as at 31 March 2012	1	59	181	241
Asset financing				
Owned	0	28	131	159
Finance leased	0	0	0	0
Carrying value as at 31 March 2013	0	28	131	159

9. Impairments

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

10. Assets held for sale

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

11. Trade receivables and other current assets

11a. Analysis by type

	2013–14 £000	2012–13 £000
Amounts falling due within one year		
Trade receivables	107	96
VAT	0	0
Deposits and advances	0	4
Receivables due from Trusts	0	0
Receivables, Accrued Income and Prepayments due from NOMS Agency	596	784
Receivables, Accrued Income and Prepayments due from MoJ Group	17	24
Receivables, Accrued Income and Prepayments due from other Government departments	583	444
Other receivables	0	0
Prepayments	28	32
Accrued income	77	105
	1,408	1,489
Amounts falling due after more than one year		
Trade receivables		
Deposits and advances	0	0
Other receivables	0	0
Prepayments and accrued income	0	0
	0	0
Total	1,408	1,489

11b. 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)	820	1,232	0	0
Balances with local authorities	376	19	0	0
Balances with NHS bodies	0	0	0	0
Balances with public corporations and trading funds	0	0	0	0
	1,196	1,251	0	0
Balances with bodies external to Government	212	238	0	0
Total	1,408	1,489	0	0

12. Cash and cash equivalents

	2013–14	2012–13
	£000	£000
Balance at 1 April	195	449
Net change in cash and cash equivalents	207	(254)
Balance at 31 March	402	195
The following balances at 31 March are held at:		
Government Banking Service	0	0
Commercial banks and cash in hand	402	195
Balance at 31 March	402	195

13. Trade payables and other current liabilities

13a. Analysis by type

	2013–14	2012–13
	£000	£000
Amounts falling due within one year (excluding taxation)		
Trade payables	45	49
Other payables	0	0
Accruals	666	396
Deferred income	9	95
Staff payables	111	191
Bank overdraft	0	0
Payables due to Probation Trusts	0	20
Payables, Accruals and Deferred Income due to NOMS Agency	78	93
Payables, Accruals and Deferred Income due to MoJ Group	3	16
Payables, Accruals and Deferred Income due to other Government departments	124	300
Unpaid pensions contributions due to the pensions scheme	5	5
Long-term liabilities due within one year	0	0
Non-current asset accruals	0	0
	1,041	1,165
Tax falling due within one year		
VAT	704	529
Corporation tax	18	12
Other taxation and social security	1	1
	723	542
Total amounts falling due within one year	1,764	1,707
Amounts falling due after more than one year		
Staff payables	0	0
Other payables	0	0
	0	0
Total	1,764	1,707

13b. 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)	876	761	0	0
Balances with local authorities	52	212	0	0
Balances with NHS bodies	0	86	0	0
Balances with public corporations and trading funds	0	0	0	0
	928	1,059	0	0
Balances with bodies external to Government	836	648	0	0
Total	1,764	1,707	0	0

14. Provisions for liabilities and charges

	2013–14				
	Early retirements costs £000	Leasehold Property Dilapidations £000	Other Provisions £000	Voluntary Early Departure £000	Total £000
Balance at 1 April	0	0	0	0	0
Provided in year	0	0	0	0	0
Provisions not required written back	0	0	0	0	0
Provision utilised in the year	0	0	0	0	0
Unwinding of discount	0	0	0	0	0
Balance as at 31 March	0	0	0	0	0

	2013–14				
	Early retirements costs £000	Leasehold Property Dilapidations £000	Other Provisions £000	Voluntary Early Departure £000	Total £000
Analysis of expected timing of discount flows					
Not later than one year	0	0	0	0	0
Current liability	0	0	0	0	0
Later than one year and not later than five years	0	0	0	0	0
Later than five years	0	0	0	0	0
Non-current liability	0	0	0	0	0
Balance as at 31 March	0	0	0	0	0

	2012–13				
	Early retirements costs £000	Leasehold Property Dilapidations £000	Other Provisions £000	Voluntary Early Departure £000	Total £000
Balance at 1 April	0	0	38	0	38
Provided in year	0	0	0	0	0
Provisions not required written back	0	0	(36)	0	(36)
Provision utilised in the year	0	0	(2)	0	(2)
Unwinding of discount	0	0	0	0	0
Balance as at 31 March	0	0	0	0	0

	2012–13				
	Early retirements costs £000	Leasehold Property Dilapidations £000	Other Provisions £000	Voluntary Early Departure £000	Total £000
Analysis of expected timing of discount flows					
Not later than one year	0	0	0	0	0
Current liability	0	0	0	0	0
Later than one year and not later than five years	0	0	0	0	0
Later than five years	0	0	0	0	0
Non-current liability	0	0	0	0	0
Balance as at 31 March	0	0	0	0	0

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

15. Capital commitments

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

16. Commitments under leases

16a. Operating leases

There are no operating leases (2012–13 – £5k). Operating leases for photocopiers ended in January 2014 and have not been renewed.

16b. Finance leases

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

17. Other financial commitments

The Trust has entered into non-cancellable contracts (which are not leases) for payroll, occupational health and employee assistance services; contributions to drug and alcohol treatment and safeguarding children pooled budgets and the costs of psychologists in providing the personality disorder service. The payments to which the Trust is committed during 2014–15, analysed by the period during which the commitment expires are as follows:

	2013–14	2012–13
	£000	£000
Not later than one year	61	88
Later than one year and not later than five years	0	63
Later than five years	0	0
Total	61	151

18. Deferred tax asset

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

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.

The Trust does not face significant medium to long-term financial risks.

20. Contingent liabilities

The Trust is aware of the assertion of a liability by Bath and North East Somerset Council in respect of the local government pension fund dating back to 2001. The Trust has received no evidence to substantiate this assertion and has formally stated that it accepts no liability.

21. Losses and special payments

21a. Losses statement

No material losses have occurred (2012–13 £Nil)

21b. Special payments

No special payments have been made (2012–13 £Nil)

22. General fund

	2013–14	2012–13
	£000	£000
Balance at 1 April	(37,280)	(38,896)
Financing	2	0
Net transfers from Operating Activities:		
Statement of Comprehensive Net Expenditure	(3,153)	(2,932)
Movement in donated assets	0	0
Transferred from revaluation reserve	7	7
Remeasurement of post employment benefits	(388)	4,541
Balance at 31 March	(40,812)	(37,280)

23. Revaluation reserve

23a. Property, plant and equipment

	2013–14	2012–13
	£000	£000
Balance at 1 April	16	16
Prior period adjustment (Note 27)	0	0
Balance restated at 1 April	16	16
Arising on revaluations of PPE during the year (net)	0	7
Transferred to General Fund	(7)	(7)
Balance at 31 March	9	16

23b. Intangibles

There is no intangibles revaluation reserve (2012–13 £nil).

24. 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. The Trust has a wholly-owned subsidiary, Nova Aequitas Ltd. The following Avon and Somerset Probation Trust key management staff are directors of the company – Joe Kuipers; Sally Lewis; Diane McAdam and Danielle Neale. Expenditure incurred with Nova Aequitas totalled £14k in the financial year. No income was received from Nova Aequitas in the financial year.

During the year there were transactions between Avon and Somerset Probation Trust and Restore Trust, who Danielle Neale and Diane McAdam are both directors of. Avon and Somerset Probation Trust have seconded a member of staff to Restore Trust and recharged their time to the Trust of £35,341 during the year.

25. Third-party assets

These are not Trust's assets and are not included in the accounts. The assets held at the reporting period date to which it was practical to ascribe monetary values comprised monetary assets, such as bank balances and monies on deposit, listed securities, trust funds, amenity funds. They are set out in the table immediately below.

	31 March 2013	Funds paid in during the year	Funds paid out during the year	31 March 2014
	£000	£000	£000	£000
Offender charitable grants	2	3	(4)	1
	2	3	(4)	1

26. 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.

27. 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

	2012–13
Extract from the 2012–13 accounts before restatement:	£000
Net operating expenditure after taxation	2,310
Other comprehensive expenditure	(3,919)
Total comprehensive expenditure	(1,609)
Restatement:	
Increase in programme expenditure (interest costs)	622
Decrease in remeasurement of defined benefit obligation (previously actuarial loss)	(622)
	0
Extract from the 2012–13 accounts after restatement:	
Net operating expenditure after taxation	2,932
Other comprehensive expenditure	(4,541)
Total comprehensive expenditure	(1,609)

Extract from the statement of changes in taxpayers' equity

	2012–13
Extract from the 2012–13 accounts before restatement:	£000
General fund balance as at 31 March 2013	37,280
Restatement:	
Increase in net operating expenditure	(622)
Decrease in remeasurement of defined benefit obligation (previously actuarial loss)	622
General fund balance as at 31 March 2013 after restatement	37,280


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 is the third Sustainability Report for Avon and Somerset Probation Trust, 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. Sustainability focus is on achieving government targets, reducing environmental impact and reducing costs. Priorities include reducing carbon emissions, water consumption and waste to landfill.

This report covers 7 buildings.

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 their financial and non-financial sustainability data and they continue to improve the quality of our internal controls, for example through internal audit. The Trust, therefore, is unable to verify the accuracy of the data as it is not within its control.

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

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

Local Initiatives

The Trust is committed to promote the principles of sustainability in everything it does and to meet the requirements of relevant legislation, codes of practice and directives related to sustainability within the Probation Service and National Offender Management Service.

Following the achievement of the ISO 14001 Environmental Standard, the Trust continues to improve its standards by continuing to promote the following:

- Use of telephone and video conferencing instead of travel
- Provision of eco pool cars for use of staff who, having considered all other options, have to travel
- Provision of a pool bike
- Rationalisation of the estate and hot-desking
- Seeking replacement of inefficient buildings
- Use of posters from the Carbon Trust encouraging switch-off and reduced heating
- Promoting recycling
- Negotiating contracts with suppliers who have the relevant sustainability standard
- Continuously researching for new initiatives.

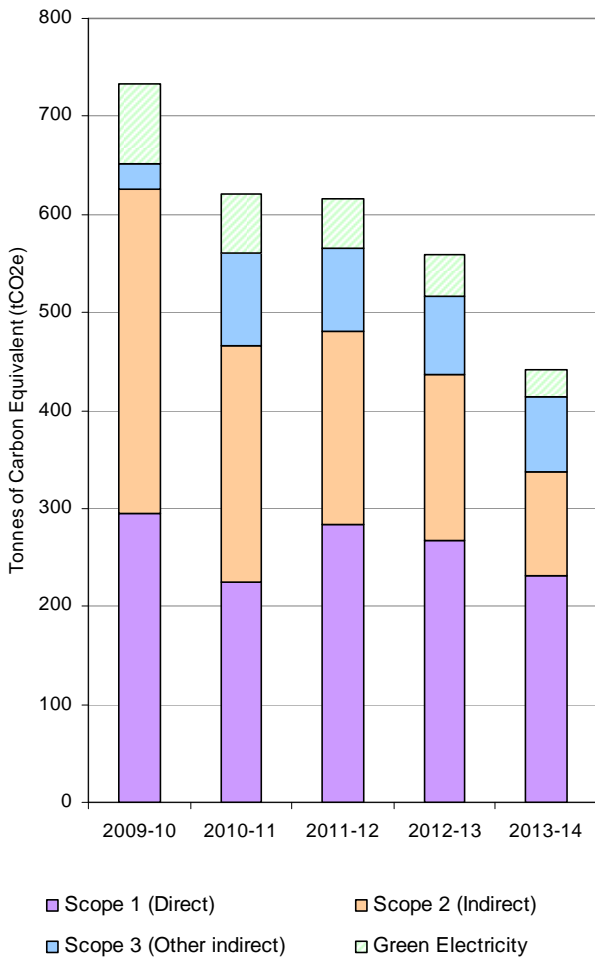
The Trust has also held, in collaboration with one of the Facilities Management Companies, and Local Authorities, an Environment Day for Probation Managers and staff from the Courts Service. This event featured helpful information on sustainable living/working, waste management and sustainable transport.

Performance summary

Greenhouse gas (GHG) emissions

		2009–10	2010–11	2011–12	2012–13	2013–14
Non-financial indicators (tCO2e)	Scope 1 (direct): Site-based emissions & owned transport	294.9	224.4	282.8	268.0	231.3
	Scope 2 (indirect): Supplied energy (electricity and heat)	330.2	242.2	197.9	168.1	105.5
	Scope 3 (other indirect): Business travel & transmission losses from supplied energy	26.1	93.1	85.1	81.1	77.6
	Total gross GHG emissions	651.2	559.8	565.8	517.3	414.4
	Electricity: green/renewable	82.6	60.6	49.5	42.0	26.4
Non-financial indicators (kWh)	Total net GHG emissions	568.7	499.2	516.3	475.2	388.0
	Electricity: Grid, CHP & non-renewable	501,536	407,822	333,240	283,090	177,674
	Electricity: renewable	167,179	135,941	111,080	94,363	59,225
	Gas	1,602,848	1,219,308	1,093,065	996,806	844,724
	Other energy sources	0	0	0	0	0
	Total energy	2,271,562	1,763,070	1,537,385	1,374,259	1,081,622
Financial indicators	Expenditure on energy (£)	£138,006	£105,110	£92,641	£92,795	£69,677
	Expenditure on official business travel (£)	£0	£0	£288,620	£297,584	£263,826

Greenhouse Gas Emission by source



Performance commentary (including targets)

The Avon and Somerset Probation Trust’s Estate Strategy from 2009 to date has had target to replace inefficient/ineffective buildings, to refurbish where possible and rationalise where there has been wasted space. Some of those targets have been met, as can be seen by the reductions in the charts above.

Controllable impacts commentary

The Trust has continued to pursue its Estates Strategy which can be seen from above and the drive to cut costs on travel wherever possible by offering alternative solutions.

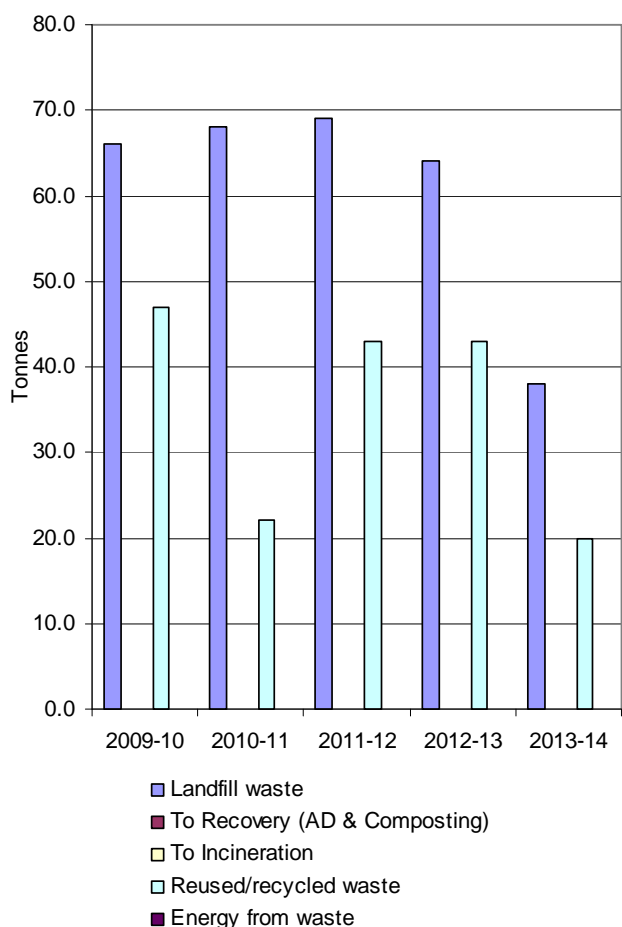
Overview of influenced impacts

The Trust will continue to drive forward the targets identified above.

Waste

			2009-10	2010-11	2011-12	2012-13	2013-14
Non-financial indicators (tonnes)	Non-hazardous waste	Landfill waste	66	68	69	64	38
		To recovery (AD & composting)	0	0	0	0	0
		To incineration	0	0	0	0	0
		Reused/recycled waste	47	22	43	43	20
		Energy from waste	0	0	0	0	0
Total waste arising			113	90	112	107	58
Financial indicators	Non-hazardous waste	Landfill waste	0	0	0	0	00
		To recovery (AD & composting)	0	0	0	0	0
		To incineration	0	0	0	0	0
		Reused/recycled waste	0	0	0	0	0
		Energy from waste	0	0	0	0	0
Total waste costs (£)			0	0	0	0	0

Waste by final disposal



Performance commentary (including targets)

The Trust is unable to verify the accuracy of the data as it is collated and provided by the national facilities management contractor. However, the above performance supports the Trust’s estate strategy to rationalise the estate.

Controllable impacts commentary

The Trust will continue to locally drive environmentally friendly solutions to waste management with the facilities management company.

Overview of influenced impacts

The Trust will continue to drive awareness across the workforce.

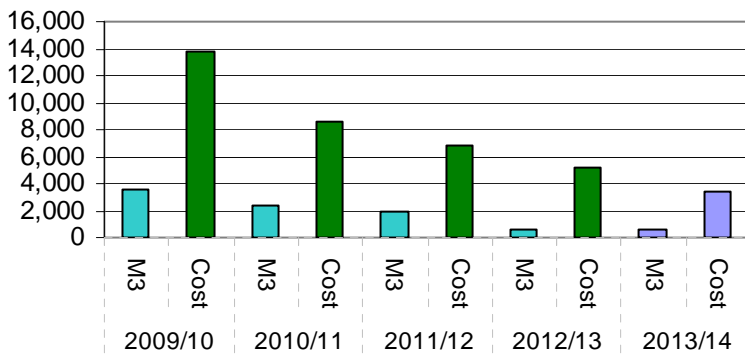
Water

Non-financial indicators
Financial indicators

Total water consumption (cubic metres: m³)
Total water supply costs (£)

2009–10	2010–11	2011–12	2012–13	2013–14
3,592	2,355	1,887	563	620
£13,738	£8,560	£6,752	£5,142	£3,470

Water (consumption and costs).



Performance commentary (including targets)

The reduction relates to the rationalisation of the estate.

Controllable impacts commentary

The Trust continues to drive efficiencies across the staff group.

Paper

Cost (excluding VAT)

2009–10	2010–11	2011–12	2012–13	2013–14
	£12,337	£12,622	£10,576	£10,300

The Trust is moving to a paperless office and has made some progress with electronic archiving.

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