

**Wiltshire
Probation Trust**



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**Annual Report and Accounts
2012–2013**

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Foreword

Wiltshire Probation Trust was established in April 2010 as part of a national reform of the probation service within the UK. One of the intentions of the establishment of trusts was to introduce greater freedoms as an independent stand alone entity. The Trust operates as a non-departmental public body with the National Offender Management Service (part of the Ministry of Justice) acting as its sponsoring department and defining on an annual basis the contract requirements that the Trust is required to deliver and associated budget.

Looking forward, Probation Services in Wiltshire, as part of a national review by the Government will go through further change as the Trust works to embrace the Government's strategy for transforming the design and delivery of probation services; 'Transforming Rehabilitation' (May 2013). This sets out a new model of delivery which will involve a small public sector Probation Service with a remit for public protection and other core functions such as services to courts and enforcement of orders/licences. The remainder of services which are currently delivered by Probation Trusts will be competed.

Accordingly, transformational change is required for Wiltshire Probation Trust to meet the challenges of the future including the development of a new business model which will be the vehicle to operate in a competitive environment. The Trust will cease to exist in current form, with some staff moving to be part of a public sector Probation Service and some joining a new provider organisation. This will be against a backdrop of fiscal reform and a drive to reduce unit costs and increase value for money through the introduction of Payment by Results (PbR). The timetable associated with these proposals is extremely challenging with all changes to be completed and the new organisations operational from April 2015.

It is against this context of change that the Annual Report and Accounts 2012/13 for Wiltshire Probation Trust should be considered. The Trust continues to deliver quality services to victims, offenders and local communities at a time of significant social, economic and political change. This has required the Trust to be responsive to new demands; to seek appropriate alliances and partnerships and to review its delivery models. The Annual Report and Accounts represents a snap shot of very good operational and financial performance over the 12 months ending March 2013 and demonstrates a will to continuously improve its economy, efficiency and effectiveness of services on a day to day basis whilst ensuring full and active participation in the Government's Transforming Rehabilitation agenda.

Liz Rijnenberg
Chief Executive and Accountable Officer

19th June 2013

Vision, Mission & Values

National Offender Management Service Statement of Purpose, Vision and Values

Statement of Purpose

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

Vision

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

Values

In delivering offender management services, NOMS will:

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

Wiltshire Probation Trust Vision and Mission Statement

Vision

“Managing and Changing Lives to keep our communities safer”

Mission Statement

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

The Trust is moving into a challenging environment in which transformation must be effectively managed whilst at the same time ensuring ‘business as usual’. Therefore keeping a clear focus on our mission and values during the transformation period is very important. Working collegiately in partnership with others and maintaining a unified vision will enable the Trust to maintain high standards of service delivery.

Principal activities

Wiltshire Probation Trust operates two Local Delivery Units which cover the two Unitary Authorities (Wiltshire and Swindon). Wiltshire has a population of 470,981 (at March 2011), the overall recorded crime rate between October 2011 and September 2012 was 21,405 which equates to 45.13 per 1,000 people. Swindon has a population of 209,156 (at March 2011), the overall recorded crime rate between October 2011 and September 2012 was 14,530 which equates to 69.8 per 1,000 people.

The Trust provides assistance to the Courts in determining the appropriate sentences to pass, and making other decisions in respect of persons charged with or convicted of offences, and to assist in the supervision and rehabilitation of such persons.

The Chief Executive (CE) is a statutory office holder appointed by the Trust. The CE is the Accountable Officer (AO) for the Trust and directly accountable to the Chair of the Trust who in turn is accountable to the Director of Probation and Contracted Services and through the Accounting Officer of the Ministry of Justice, to Parliament for the efficient and effective delivering of contractually agreed targets and safeguarding public funds.

Management Commentary

Part 1: Operational & Performance Review 2012–13

A. Achievements by Trust in 2012/13

Wiltshire Probation Trust has a track record as one of the highest performing Trusts in the country, not only against its contractual indicators but also in the quality of the work it undertakes with offenders.

In 2012/13, the Trust introduced a new practice model which aims to ensure offender need is effectively matched to interventions in a timely manner together with moving to a position where offender managers exercise professional judgement in lieu of the prescribed timelines associated with national standards. Both of these measures build upon the Trust's commitment to providing a quality service.

The Trust's contract performance remained strong in achieving all the performance targets it was set with the exception of the legacy binary re-offending indicator. The Trust ended the year with a 'Good' rating against the national performance framework. Whilst this performance against contract requirements is satisfactory, the Trust is no longer regarded as exceptional in that it has not outperformed in relation to the highest performing trusts. The Trust will work to improve performance re-offending rates in 2013/14.

In respect of human resource management, the Trust achieved the best performance in the UK on sickness absence management and a gold standard as an Investor in People.

The Trust has also successfully completed a number of significant accommodation moves in 2012/13 including the relocation of its former probation facility in Chippenham and former Head Office, Trowbridge to new premises in Chippenham that have been awarded an excellent sustainability rating and recognised for a conservation award from Chippenham Civic Society.

Financial management continues to remain strong within the Trust in remaining within budget through the implementation of its efficiencies programme against a context of a budget approval that has been reduced by 1.76% in cash terms from the previous year.

Independent assurance from NOMS Internal Audit Service indicates a strong control environment in respect of the financial and non-financial areas.

Complaints

The Trust reviewed its complaints procedure during 2012/13 and considers it to be following best practice guidance in investigating complaints in an open, thorough and constructive manner.

The complaints database indicates that 4 complaints were dealt with through Head Office during 2012/13 (10 in 11/12). The outcomes of these complaints were as follows:

- 2 are on-going
- 1 element out of a total of 2 elements was partially upheld
- 1 was not formally taken forward.

Whilst there has been a significant reduction year on year, no discernible pattern can be derived from an analysis of complaints which indicates that there are no systemic issues that require to be addressed.

Staffing

The Trust's full time equivalent staffing numbers has reduced marginally year on year from 148.63 (11/12) to 147.08 (12/13) with gender and race/ethnicity analysis remaining a relative constant.

Staffing profile by grade, gender and race/ethnicity

		White W1	White: Other W9	Black Caribbean M1	Black African M2	Mixed White and Asian M3	Black British Caribbean B1	Black Other B9	Indian A1	Pakistani A2	Bangladeshi A3	Asian A9	Chinese 01	Refusal NS	Total FTE:	Total FTE:
Senior Executive Team	Male														0	3.88
	Female	3.88													3.88	
Board	Male	0.60													0.60	0.60
	Female														0	
Senior Team Managers	Male	2.00													2.00	2.81
	Female	0.81													0.81	
Administrators	Male														0	18.40
	Female	18.40													18.40	
Team Co-ordinators	Male														0	3.36
	Female	3.36													3.36	
Community Payback Team	Male	6.00													6.00	10.54
	Female	4.54													4.54	
Pathways Delivery Team	Male	1.00													1.00	7.50
	Female	6.50													6.50	
Finance	Male	1.00													1.00	2.00
	Female	1.00													1.00	
HR	Male														0	3.00
	Female	3.00													3.00	
PAs	Male														0	3.00
	Female	3.00													3.00	
Performance and Information	Male	4.00													4.00	4.00
	Female														0	
MAPPA	Male	1.00													1.00	2.60
	Female	0.60		1.00											1.60	
Effective Practice	Male														0	0
	Female														0	
Probation LDU Managers	Male	1.00													1.00	4.60
	Female	3.60													3.60	
Offender Managers Tier 1–3 (PSO)	Male	3.00													3.00	21.69
	Female	17.69	1.00												18.69	
Offender Managers Tier 3–4 (PO)	Male	6.50													6.50	22.05
	Female	15.55													15.55	
Victim Liaison	Male														0	2.28
	Female	2.28													2.28	
Programmes Team	Male	3.00													3.00	10.06
	Female	7.06													7.06	
HMP Erlestoke	Male	4.00					1.00								5.00	8.61
	Female	3.61													3.61	
IOM	Male														0	6.00
	Female	6.00													6.00	
Youth Offending Team	Male		1.00												1.00	4.00
	Female	3.00													3.00	
Other	Male	1.50													1.50	3.50
	Female	2.00													2.00	
Health Trainers	Male	1.60													1.60	2.60
	Female	1.00													1.00	
TOTAL as at 31st March 2013		143.08	2.00	1.00			1.00									147.08

Sickness Absence

Sickness is monitored on a monthly basis through the NOMS Performance Hub and reported to the Senior Executive team as a standing agenda item. As at March 2013, Wiltshire is the top performing Trust on sickness with an average year to date of 6.6 days compared to the second Trust who are at 7.43 days. The 2012/13 year has resulted in a shift of 10 places for Wiltshire and a significant reduction in sickness absence days from 8.53 in 11/12.

The Trust has set a target of an average on 9 days per annum and currently it remains within the parameters at 6.6. The Sickness Management Practice Standard is being implemented fairly and appropriately.

Performance

In 2012/13, the Trust achieved all the contract performance targets it was set with the exception of the legacy binary re-offending indicator.

For the majority of these indicators, performance levels represent uplift on the previous year, reflecting the Trust's commitment to continuous improvement and delivering more for less. In 2012/13 for example, and as a result of focused improvement activity, the Trust has delivered 42% more successful drug treatment completions than the target level and 11% more successful community payback completions. It is worthy of note that this achievement is against a background of reduced resources and previous underperformance in these particular areas.

A summary of 2012–13 performance is:

Key Performance Results

Ref	Description of target / measure	Target	Actual (31-03-13)	% against Target	2011/12 Values	Direction of travel from 2011/12
Reducing Re-offending						
OM21	Reduce re-offending (PSA 23) – 10% reduction on 2005 levels by 2011. Areas/Trusts are held to account for the local interpretation of PSA 23 (NI18).	Non Significant Results	Actual 10.25% Predicted 9.11%	Worse	Negatively Significant Results	-
Offender Management						
OM04	90% of licence recall requests to reach NOMS Post Release Section within 24 hours of the decision by the Offender Manager	90%	99%	99%	99%	↑
OM05	90% of cases in which initiation of breach proceedings takes place within 10 working days of the relevant failure to comply	90%	100%	100%	95%	↑
OM39	90% of Tier 2, Tier 3 and Tier 4 cases in which OASys termination reviews were completed or updated within the appropriate timescales	90%	93%	93%	94%	↓
OM20	72% of orders or licences successfully completed	72%	78%	78%	82%	↓
OM26	90% of OASys assessments that are assessed as either "Satisfactory" or "Good" on the OASys QA	90%	99%	99%	93%	↑

Ref	Description of target / measure	Target	Actual (31-03-13)	% against Target	2011/12 Values	Direction of travel from 2011/12
OM27	80% of Indeterminate Sentenced Prisoner (IPP and Lifer) assessment reports are completed and returned to prison within 8 weeks of 'parole review commencement date'	80%	96%	96%	100%	↓
OM29	67% of offenders surveyed have an overall positive perception of engagement.	67%	79%	79%	77%	↑
OM40	90% of PSRs are completed within timescales set by court (including RIC reports)	90%	99%	99%	100%	↓
Bail, Court and Victims						
OM32	90% of victims responding to survey are satisfied or very satisfied with service received	90%	92%	92%	100%	↓
Interventions						
INT01	The number of accredited sex offender treatment programme completions to be at least 25	25	30	120%	107%	↑
INT02	The number of accredited domestic violence programme completions to be at least 25	25	25	100%	100%	↔
INT03	The number of accredited offender behaviour programme completions (exc SOTP & DV) to be at least 64	64	64	100%	101%	↓
INT05	The number of unpaid work requirement completions to be at least 400	400	447	112%	96%	↑
INT08	The number of offenders under supervision who find and sustain employment to be at least 105	105	127	128%	125%	↑
INT09	The percentage of offenders in employment at termination of their order or licence to be at least 42%	42%	53%	53%	49%	↑
OM17	77% of offenders in settled and suitable accommodation at the end of their order or licence	77%	90%	90%	87%	↑
Non Contract Interventions						
INT06	The number of drug treatment requirement completions to be at least 50	50	71	142%	88%	↑
INT07	The number of alcohol treatment requirement completions to be at least 60	60	105	175%	190%	↓
MAPPA / ViSOR						
OM41a	MAPPA SMB meeting attendance at 75%	75%	100%	100%	100%	↔
OM41b	MAPPA L2 and L3 meeting attendance at 90%	90%	100%	100%	98%	↑
OM46	90% ViSOR Effectiveness	90%	100%	100%	n/a	New Target 2012/13

B. Names of Board Members & Official Contact Address

Members of Wiltshire Probation Trust Board for 2012/13

Mr P Aviss	Chair
Ms Liz Rijnenberg	Chief Executive
Mrs C Baynes	
Mrs J Charge	
Dr G Findlay	
Mr P Humphris	
Mr N Jackson	Resigned 15 February 2013

Officers of the Board

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

Official contact addresses

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

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

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

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

Management Commentary

Part 2: Financial Review & Remuneration Report

Statutory background

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

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. This consultation ended at the end of June 2012. A further consultation commenced in January 2013 building on the previous consultation last year which set out plans to contract out probation services more widely and increase the use of Payment by Results. The consultation period ended on 22 February 2013 and the results of these consultations were published in “Transforming Rehabilitation: A strategy for Reform”, on 9 May 2013 by the Secretary of State for Justice.

The recommendations of the report will change the way in which probation services are commissioned and delivered. A new National Probation Service will be created to protect the public from the most dangerous offenders and manage the provision of probation services. England and Wales will be divided into 21 contract areas which align closely with local authorities and Police and Crime Commissioner areas. MoJ/NOMS will be responsible for commissioning rehabilitation services. Probation service local delivery units will support the gathering of intelligence on needs and priorities at a local level, including from key partners (e.g. local authority needs assessments) to feed into the MoJ/NOMS commissioning process. The implications of the new arrangements for individual Trusts are not provided in the consultation announcement at this stage. Specifically, the announcement does not provide sufficient detail to form a judgement on whether the material functions, assets and liabilities will be transferred for continuing use in the public sector in the context of the FReM paragraph 2.2.15. This is likely to become clearer during 2013–14 as the proposals are further developed and implemented.

Implementation of the new arrangements will require a Statutory Instrument to be issued by the Secretary of State under the Offender Management Act 2007, subject to negative affirmation. This had not been drafted at the date the Annual Report and Accounts were approved. Senior management has concluded therefore that, having reviewed the results of the consultation within the context of the Financial Reporting Manual (FReM), it is appropriate for the Trust to prepare the 2012–13 Annual Report and Accounts on a going concern basis, with disclosure of a ‘material uncertainty’ around going concern, arising from the recommendations of the report, Transforming Rehabilitation: A strategy for Reform.

Accounts

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 issued, on page 53, by the Secretary of State under the OM Act.

The Trust accounts reflect requirements to adjust the income and expenditure financial management information that is managed and monitored during the course of the year and which is based upon the contract funding received from NOMS to discharge the Trust contract. These end of year accounting revisions relate primarily to the introduction of International Accounting Statement (IAS) 19 in relation to employee pension benefits. In essence the Statement of Comprehensive Net Expenditure (SoCNE), which constitutes the Trust’s income and expenditure account, is adjusted to remove cash pension employer contributions made to Wiltshire Pension Fund and substituted with IAS 19 requirements as

advised by the pension fund actuary. The purpose of this adjustment is to properly reflect the cost of employee pension benefits associated with the Trust in the 2012/13 financial year.

Results for the year

The Statement of Comprehensive Net Expenditure (SoCNE) for the year is shown on page 26 and indicates a small operating surplus of £7,000 (£631,000 surplus 2011/12) after the financial implications associated with pension fund assets and liabilities attributable to 2012/13 have been taken into consideration. The Statement of Changes in Taxpayers' Equity is shown on page 29 and reveals that the net liability underwritten by the taxpayer has increased by £2,137,000 to £9,011,000 (£6,874,000 2011/12). It is important to recognise that the Trust cannot control assessed pension assets and liabilities as they are based on a calculation undertaken by the pension fund actuary.

The Statement of Operating costs on page 35 reflects Trust spend underpinned by NOMS Contract income. The table indicates that the Trust spent to budget in 2012/13. The format of the table reflects in summary form the budget monitor reports reviewed by the Board in year. Significantly, this schedule contains all costs and income that the Trust can directly control.

Statement of Financial Position

The Trust's Statement of Financial Position, which constitutes the Trust's balance sheet, reflects the actuarially assessed net long term financial liability of Wiltshire Probation Trust's employee pension liabilities as £9,951,000 (2011/12: £7,790,000). The net increase in pension liability £2,161,000 masks an increase in assessed long term liabilities of £4,570,000 offset in part by a projected increase of Fund assets of £2,409,000.

Payment of Creditors

In the year to 31 March 2013, the Trust paid 1,417 trade invoices with a value of £4,410,484. The percentage of undisputed invoices paid within 30 days by the Trust was 83% compared to 88% in 2011/12 (Target 100% of undisputed invoices).

Appointments

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

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

Public Interest

The Trust operates a policy of equal opportunities, regardless of gender, age, race, disability, or sexuality.

Management

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

Ms Liz Rijnenberg (Chief Executive from 5th March 2012), Mr Paul Avis (Chair), Mrs Caroline Baynes, Mrs Janet Charge, Dr Geoffrey Findlay, Mr Phil Humphris and Mr Nigel Jackson (resigned 15th February 2013).

Remuneration Report Disclosure – Audited

	2012/13			2011/12		
	Salary (exc non-consolidated performance pay) £000s	Non-consolidated performance pay £000s	Benefits in kind (to nearest £100) £	Salary (exc non-consolidated performance pay) £000s	Non-consolidated performance pay £000s	Benefits in kind (to nearest £100) £
Ms L Rijnenberg Chief Executive	75–80	None	None	5–10	None	None
Mrs D Fulbrook Chief Executive	n/a	n/a	n/a	60–65	None	None
Mrs J Whitford Chief Executive	n/a	n/a	n/a	0–5	None	None
Mr P Avis Chair	15–20	None	None	15–20	None	None
Mr P Humphris Board Member	0–5	None	None	0–5	None	None
Dr G Findlay Board Member	0–5	None	None	0–5	None	None
Mr R Hillier Board Member	n/a	n/a	n/a	0–5	None	None
Mrs J Charge Board Member	0–5	None	None	0–5	None	None
Mr N Jackson Board Member	0–5	None	None	0–5	None	None
Mrs C Baynes Board Member	0–5	None	None	0–5	None	None

	2012–13	2011–12
Band of Highest Paid Director's Total Remuneration (£000)	75–80	60–65 (full year equivalent 70–75)
Median total remuneration	27,586	25,542
Remuneration ratio	2.8	2.8

The highest paid member of staff at Wiltshire Probation Trust was the Chief Executive, Ms L Rijnenberg whose remuneration was 2.8 (2.8 Mrs D Fulbrook Chief Executive in 2011/12) times that of the median staff remuneration.

All Ministry of Justice appointed Board members receive non pensionable remuneration of £15.40 per hour from 1 April 2008, with the exception of the Chief Executive. The Board Chair is provided with a non pensionable annual allowance. Trusts at their discretion may pay a travelling allowance and any other relevant expenses incurred.

Treatment of Pension Liabilities

Past and present employees of the Probation Trusts 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. Further information can be found in **Note 4** to the Accounts.

Pension Benefits

	Real increase in pension at age 65 per annum £000s	Total accrued pension at aged 65 at 31 March 2013 per annum £000s	CETV* at 31 March 2013 £000s	CETV at 31 March 2012* £000s	Real increase in CETV £000s	Employee Contributions and transfers out in 2012–13 (to nearest £)
Ms Liz Rijnenberg	n/a	1	20	1	19	5,618

* Cash Equivalent Transfer Value

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

Cash Equivalent Transfer Value (CETV)

This is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the Chief Executive has accrued whilst as an employee of Wiltshire Probation Trust and do not reflect benefits accrued in her former scheme.

The figures 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.

Personal Data related incidents

The Trust has submitted a Nil Return in respect of significant personal data related incidents in 2012–13, which were formally reported to the Information Commissioner's Office (ICO).

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

During the year, all staff have undertaken information assurance training using the Civil Service Learning (CSL) material. The Senior Executive Team have completed all three levels of this training.

Sustainability

As part of the Greening Government commitment the Trust has produced a separate sustainability report setting out non-financial and financial data for greenhouse gas emissions, waste minimisation and management and use of natural resources.

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

The Trust sustainability report at page 55 is based upon MoJ data. It is important to recognise that MoJ is in the process of improving the accuracy of this data and as such it should be regarded as indicative rather than absolute. Resource consumption should improve significantly during 2013/14 as a consequence of the full year effect of the significant investment made in replacing a number of dilapidated properties with high energy efficient premises.

Specific initiatives and activities undertaken in year relate to:

- New premises constructed at Marshfield Road Chippenham that replace the former Parkfields Probation office and that also serve as the Trust's headquarters. The building has achieved a Building Research Establishment Environmental Assessment Method (BREEAM) excellent rating and a conservation award from Chippenham Civic society.
- The Trust promotes car sharing and cycling to work at all its premises.
- The Trust continues to actively promote the use of video and teleconferencing to reduce carbon emissions associated with travel; reduce cost and improve efficiency and effectiveness.
- Facilities Management contractors have undertaken energy audits of our sites.
- The Carbon Trust has provided information and awareness stickers and posters.
- Sustainability and environmental policy and practice have been reviewed in year by the Trust Board.
- The Trust has participated fully in NOMS/MoJ surveys and data provision.
- Recycling is promoted throughout the organisation.

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, no reportable events had occurred.

External Audit

In accordance with the direction given by the Secretary of State, these accounts have been prepared in accordance with the FReM. With effect from 1 April 2012, the external Auditor changed from the Audit Commission to the National Audit Office. This change of the external Auditors was driven by a Department for Communities and Local Government (DCLG) decision to disband the Audit Commission. 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 24.

Total 2012/13 audit fees reported in the Accounts relating to the accounts audit are £20,589. The audit fees for 2011/12 of £22,877 relates to the previous external auditor.

As Accounting 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.

Liz Rijnenberg
Chief Executive and Accountable Officer
19th June 2013

Statement of Accountable Officer's Responsibilities

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

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

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

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.

Governance Statement

Scope of Responsibility

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

This statement sets out how my responsibilities have been discharged and the mechanisms I have used to assure myself of the adequacy of the governance arrangements within the Trust. It is intended to provide a clear understanding of the dynamics and control structure of the business. Essentially, it records the stewardship of the organisation and aims to provide a sense of the organisation's vulnerabilities and resilience to challenges.

Trust Contract

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

The Ministry of Justice, through NOMS Agency, specifies the performance targets that Wiltshire Probation Trust (WPT) is required to achieve for 2012/13. These were set in the contract between WPT and the Senior Commissioning Manager acting on behalf of NOMS. Wiltshire Probation Trust Board receives regular reports from the Accountable Officer, which cover financial and operational performance against the Trust's agreed business plan.

On a quarterly basis, a full risk register is taken to the WPT Audit Committee and a summary Risk Register to the Board. Any significant risks are also reported at each Board meeting.

Partnerships

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

Plans, Standing Orders and Financial Instructions

Underpinning the Trust's approach to good and effective governance is a comprehensive suite of plans derived from and supporting the three year Business Plan which include a three year financial plan and workforce plan together with governance and control documentation including the Trust's Governance Handbook, Standing Orders and Financial Instructions. The Probation Trust Board, through the Chief Executive, ensures that arrangements are in place to meet its accountabilities to the NOMS agency and through the agency to Parliament. The Trust's Business Plan for 2012/13 was approved by the Board in March 2012 and a copy sent to NOMS.

During the course of 2012/13, NOMS issued a revised Governance Handbook and Finance Manual. A summary of the key issues relating to each document were considered by the Board immediately following their publication and a major review of the Trust's Governance Handbook and Standing Financial Instructions completed and adopted by the Board in year.

Board

The Board is led by its Chair who is responsible for ensuring the effectiveness of all aspects of its role and setting its agenda. The Board consists of 6 Board members who are assigned individual portfolio responsibilities that directly link with those of the Senior Executive Team. The role of the Trust Board is to provide strategic leadership for the organisation and to fulfil the Trust's statutory responsibilities as employers. It includes such functions as health and safety and to ensure that the Trust contract is met. Trust Board meetings are a statutory requirement and are held in accordance with standing orders in respect of the manner in which they are conducted. The Board has established an Audit & Risk Committee and a Joint Negotiation and Consultative Committee (JNCC). In addition, the Trust has established a Finance Advisory Group; a Commissioning Group; an Employer Responsibility Group; a Property Group; a Quality Assurance Group and a Remuneration Committee. The Board also provides a representative to participate in the Health & Safety Committee and the Equality & Diversity Employment Steering Group.

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

The Trust's Governance arrangements are based on an ongoing process designed to identify and prioritise the risks to the achievement of NOMS Agency, Wiltshire Probation Trust and departmental policies, aims and objectives. It also evaluates the likelihood and impact of those risks being realised together with how to manage them economically, efficiently and effectively. These governance arrangements have been in place in Wiltshire Probation Trust for 2012/13. Whilst the Trust has not formally adopted the HM Treasury Corporate Governance Code, (as this refers explicitly to central government departments rather than non-departmental public bodies), it believes that it fully complies with its principles.

Governance arrangements have been effective during the year in identifying areas of potential risk and then managing these in such a way that appropriate and timely action has been taken as and when required.

Late in 2012/13, one member of the Board resigned due to a combination of external factors unrelated to the Trust. The Board and Senior Executive Team (SET) have concluded, given the potential significant structural change associated with transforming rehabilitation, that a replacement will not be sought from the Minister.

The Board Chair remains a constant which is of particular importance in maintaining continuity regarding the momentum of the Trust's development in achieving its business plan, improving its already high performance standards and progressive culture.

Senior Management restructure and associated changes

The senior management structure has been revised in year with the aim of reducing senior management costs, strengthening operational support and strengthening the Trust's approach to commercial development. This has required the introduction of the positions of Director of Operations, Director of Corporate Services, Deputy Director of Operations and Commercial Development Manager in lieu of the previous Assistant Chief Executive based establishment. The revisions have required different reporting lines to be put in place. In addition, new Local Delivery Unit (LDU) manager appointments and the establishment of a dedicated Effective Practice Manager has strengthened operational capacity. The new structure has quickly embedded and has begun to deliver tangible results together with generating an improved organisational culture and confidence conducive to addressing future challenges and delivering effective day to day performance.

During the year, the Trust appointed a new Finance Manager who has integrated well with HR, corporate service colleagues and the organisation generally.

Risk

A detailed policy and a practice standard outlining the risk management process is in place. Risk management processes continue to be embedded within the organisation with teams taking responsibility for overseeing and managing their own risks. Managers have been trained in business risk management and produce team plans with a risk register attached that is congruent with the Trust register. As experience has grown and good practice has been identified, risk assessment and management has increasingly become integral to all decision making and practice.

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

Annually, the full Board discusses the Risk Register and approves it on the recommendation of the Audit and Risk Committee. The Audit and Risk Committee receive quarterly reports on the identified top ten risks which it reviews in depth; the minutes of this Committee then being reviewed by the Trust Board and specific risks highlighted as appropriate should the nature of the risk have changed or new risks identified. This is in addition to there being a standing agenda item on organisational risks at each Board meeting. The Board's standard report format includes a heading for business, financial and equality risks and considerations. There is therefore a mechanism to identify key risks during the year. It is understood that partner organisations have similar arrangements in place in respect of the identification and management of risk.

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

Wiltshire Probation Trust has established these processes based on a framework of regular management information, administrative procedures including the segregation of duties, and a system of delegation and accountability. The identification and management of risk is therefore a matter of routine within the organisation. For the 2012/13 Summary Risk Register, the ten biggest strategic business risks were identified by the Senior Executive Team and included in the risk register for 2012/13. These are:

1. Short-term Financial – insufficient money to meet demands.
2. Longer-term Financial – unable to plan due to budget uncertainty/unable to deliver due to financial cuts.
3. New Business Model – not supported nationally/locally; loss of contract.
4. Managing Change/Organisational Development – unable to deliver change programme.
5. Leadership and Governance – unable to manage the Trust and achieve the Business Plan.
6. Public Protection – failure to protect the public.
7. Reducing Reconviction Rates – not reducing re-offending.
8. Operational Performance – performance declines and competitive advantage lost.
9. Positioning and partnerships – little influence with decision makers.
10. Future contract – loss of contract and end of Trust.

This is part of the process of developing wider ownership beyond the Chief Executive and the Senior Executive Team. Risks are also identified and overseen with partner agencies or with organisations with whom there are contracted arrangements to ensure consistent delivery to offenders.

In addition to the standard risk register, all projects have their own individual risk register and are monitored, updated periodically, reported on and, when material, fed into the main risk register. For example, there is a separate risk register for the implementation of the NDelius replacement IT system project; Health and Safety and a risk scoring system in place for the efficiency programme.

Information Risk

Wiltshire Probation Trust takes information security and data protection extremely seriously as we operate in a politically and reputationally sensitive area, with integrity at the core of everything we do.

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

Wiltshire Probation Trust operates an IT system that is network accredited to process information up to and including RESTRICTED. This requires WPT to sign up to a suite of policies that specify the requirements incumbent on WPT to use the network. These cover the use and protection of the systems and the information held therein.

For the 2012/13 financial year, there were no personal data related incidents at WPT either on a minor scale or that were reportable to the Information Commissioner's Office. The Senior Executive team have completed all three Information Assurance training levels.

Performance

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

In 2012/13, the Trust achieved all the performance targets it was set with the exception of the legacy binary re-offending indicator, and anticipates ending the year with a 'Good' rating against the national performance framework.

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

- Her Majesty's Inspectorate of Probation (HMIP) – Offender Management Inspection 2 is a major inspection which in 2011 resulted in providing assurances of the risk management and performance management at WPT. WPT was ranked highly on risk of harm management in this inspection. The new HMIP programme has now commenced but as yet Wiltshire Probation Trust has not been scheduled for inspection.
- WPT were assessed during 2012/13 for Investors in People and were rated Gold. This represents a year on year improvement which realised a bronze award in 2009/10 and silver in 2011/12.

During the year WPT had to realise base budget savings of approximately £120,000 (1.76%) in addition to the 5% required in 2011/12 as a consequence of absorbing grant reductions to Probation Trusts as an outcome of the Comprehensive Spending Review 2010 (CSR2010). Wiltshire has achieved this through a combination of bringing forward savings, cancelling some one-off projects and most notably fundamentally re-modelling the Community Payback service.

The overall result of the annual self-assessment of the business risk management has been discussed with the Audit Committee and Internal Audit.

Examples of some of the types of processes are:

- Procedures for identifying Wiltshire Probation Trust's objectives and key risks as demonstrated through the Trust Business Plan and Risk Register;
- The development of the control strategy contained within the risk management policy and related practice standards;
- The allocation of risk and action ownership within the risk register to named senior managers;
- The role of the Audit and Risk Committee through its oversight of the delivery of Internal Audit and External Audit Plans and the achievement of their recommendations, as well as of the Business Risk

Register; any relevant reports/reviews from other assurance providers such as HMIP, NOMS or the Senior Community Manager;

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

Internal Audit

For 2012/13, Internal Audit at WPT has been provided by the NOMS Internal Audit and Assurance team. They operate in accordance with Government Internal Audit Standards. The annual internal audit plans are based on an analysis of the business risks to which WPT are exposed. NOMS Internal Audit and Assurance report regularly on the internal audit activity in WPT to the Audit Committee, which in turn is fed back to the main Board. Their reports include independent opinion on the adequacy and effectiveness of the system of internal control based on the work undertaken together with appropriate recommendations for improvement. They also complete regular follow up audits to review the implementation of agreed audit recommendations, and progress reports on audit recommendations are taken to each Audit Committee meeting.

The work of internal audit allows WPT to conform to best practice, for weaknesses to be identified and systems and processes to be developed to maintain its performance and deliver high quality services. In addition, as Accounting Officer, I have ensured that the Trust participates with the Audit Commission’s National Fraud Initiative in contributing to the detection of fraud, irregularity and error in the use of public money.

Internal Audit Opinion

The Internal Auditor to the Trust is able to give, in his opinion a reasonable assurance that the Trust’s overall risk, control and governance framework is generally adequate to enable the achievement of its objectives and that the key risks to the Trust are being effectively managed. These conclusions have assisted my review of the effectiveness of the governance arrangements within the Trust. The annual audit plan 2012/13 included the following reviews:

Green Rating

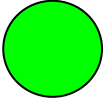


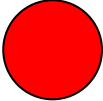
- Financial Control Framework
- Integrated Offender Management
- Follow-up audit Management of Health and Safety
- Follow-up audit Multi Agency Public Protection Arrangements (MAPPA)

Amber/Green Rating

- IT Support
- Information sharing arrangements

It is significant to note that in respect of the IT Support review that the Internal auditor concluded that the weakness rests outside of the Trust and that “the Trust has done all it can to address this weakness”.

With regard to the Information Sharing Arrangements review the Internal auditor concluded that controls, “do not require significant improvement in order to manage the risks”.

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

The audit programme for 2012/13 has been completed within the year.

External audit

The 2012/13 External Audit Annual Audit Memorandum report to those charged with governance concluded not only that they would be able to issue an unqualified opinion on the financial statements as presented to the Audit & Risk Committee but also that there are no matters to report in respect of the Trust securing economy, efficiency and effectiveness in its use of resources.

Transforming Rehabilitation

The Government consultation document “Effective Probation Services” issued in the early part of 2012 was revised following Ministerial changes, “Transforming Rehabilitation” (May 2013) sets out a fundamental change to the structure of the probation service. It also introduces competition and payment by results. This will mean that trusts in their current form will cease to exist from April 2015.

The implementation timetable associated with the achievement of the requirements of Transforming Rehabilitation is demanding. As such this will increase the risk of not achieving current and future year performance targets.

This constitutes the most significant risk facing the Trust which is compounded by a forecast significant increase in employee related costs in 2014/15 and reducing NOMS contract income.

Building on the work undertaken to date, work will continue in 2013/14 to strengthen governance arrangements and by embedding business risk management further in the organisation with regular reviews to ensure that all risks are adequately managed.

Review of Effectiveness

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

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

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

Liz Rijnenberg
Chief Executive and Accountable Officer for Wiltshire Probation Trust
19 June 2013

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

I certify that I have audited the financial statements of Wiltshire Probation Trust for the year ended 31 March 2013 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. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

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

Opinion on regularity

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

Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of Wiltshire Probation Trust's affairs as at 31 March 2013 and of the net operating cost after taxation for the year then ended; and
- the financial statements have been properly prepared in accordance with the Offender Management Act 2007 and Secretary of State directions issued thereunder.

Emphasis of Matter – Material uncertainty in respect of going concern

Without qualifying my opinion, I have considered the adequacy of the disclosures made in **Note 1.3** of the financial statements, concerning management's consideration of a material uncertainty around the going concern status of the Trust. This arises from an announcement by the Secretary of State for Justice on 9 May 2013, regarding the future of the probation service.

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, Management Commentary and Sustainability Report 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

I have no observations to make on these financial statements.

Amyas C E Morse
Comptroller and Auditor General

02 July 2013

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

Accounts

Statement of Comprehensive Net Expenditure

For the year ended 31 March 2013

		2012–13	2011–12
	Notes	£000	£000
Administration costs			
Staff costs	3(a)	4,856	4,901
Other administration costs	6	2,132	1,654
Income	7	(7,228)	(7,308)
Net operating costs		(240)	(753)
Expected return on pension assets	4(d)	(1,085)	(1,232)
Interest on pension scheme liabilities	4(d)	1,318	1,357
Net operating costs/(Surplus) before taxation		(7)	(628)
Taxation	5	0	(3)
Net operating costs/(Surplus) after taxation		(7)	(631)

Other Comprehensive Expenditure

		2012–13	2011–12
	Notes	£000	£000
Net (gain)/loss on revaluation of property, plant and equipment	8	(5)	(6)
Pension actuarial loss	23	2,151	1,798
Total comprehensive expenditure for the year ended 31 March 2013		2,139	1,161

The notes on pages 30 to 52 form part of these accounts.

Statement of Financial Position

As at 31 March 2013

	Notes	2012–13 £000	2011–12 £000
Non-current assets			
Property plant and equipment	8	122	151
Total non-current assets		122	151
Current assets			
Trade and other receivables	12(a)	267	66
Cash and cash equivalents	13	1,577	1,380
Total current assets		1,844	1,446
Total assets		1,966	1,597
Current liabilities			
Trade and other payables	14(a)	(684)	(333)
Provisions	15	0	(5)
Taxation payables	14(a)	(342)	(343)
Total current liabilities		(1,026)	(681)
Non-current assets plus net current assets		940	916
Non-current liabilities			
Pension liability	4(c)	(9,951)	(7,790)
Total non-current liabilities		(9,951)	(7,790)
Assets less liabilities		(9,011)	(6,874)
Taxpayers' equity			
General fund	23	(9,021)	(6,879)
Revaluation reserve – property, plant and equipment	24	10	5
		(9,011)	(6,874)

The financial statements on pages 26 to 29 were approved by the Board on 19th June 2013 and were signed on its behalf by

..... Accountable Officer

June 19th 2013

The notes on pages 30 to 52 form part of these accounts.

Statement of Cash Flows

For the year ended 31 March 2013

		2012–13	2011–12
	Notes	£000	£000
Cash flows from operating activities			
Net operating costs	23	7	631
Adjustments for non-cash transactions	6	36	52
Adjustments for pension cost	4(d)	10	(680)
(Increase)/decrease in receivables	12(a)	(201)	624
Increase/(decrease) in payables	14(a)	350	(412)
Utilisation of provisions	15	(5)	(25)
Net cash outflow from operating activities		197	190
Proceeds on disposal of property, plant and equipment	8	0	21
Net cash outflow from investing activities		0	21
Net increase/(decrease) in cash and cash equivalents in the period		197	211
Cash and cash equivalents at the beginning of the period	13	1,380	1,169
Cash and cash equivalents at the end of the period	13	1,577	1,380
Increase/(decrease) in cash		197	211

The notes on pages 30 to 52 form part of these accounts.

Statement of Changes in Taxpayers' Equity

For the year ended 31 March 2013

	Notes	General Fund £000	Revaluation Reserve £000	Total £000
Balance as at 1 April 2011		(5,717)	9	(5,708)
Changes in taxpayers' equity for 2011–12				
Net operating cost after taxation	SocNE	631	0	631
Net gain/(loss) on revaluation of property, plant and equipment	24	0	(4)	(4)
Transferred from revaluation reserve	23	5	0	5
Pension actuarial (loss)/gain	23	(1,798)	0	(1,798)
Balance as at 31 March 2012		(6,879)	5	(6,874)
Changes in taxpayers' equity for 2012–13				
Net operating cost after taxation	SocNE	7	0	7
Net gain/(loss) on revaluation of property, plant and equipment	24	0	5	5
Transferred from revaluation reserve	23	2	0	2
Pension actuarial (loss)/gain	23	(2,151)	0	(2,151)
Balance as at 31 March 2013		(9,021)	10	(9,011)

The notes on pages 30 to 52 form part of these accounts.

Notes to the accounts

1. Statement of accounting policies

The financial statements have been prepared in accordance with the 2012/13 Government Financial Reporting Manual (FRm) issued by HM Treasury. The accounting policies contained in the FRm 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 FRm 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, except for the following:

The IASB has issued an amended IAS 19 that will come into force for financial periods beginning on or after 1 January 2013 (IAS 19R). IAS 8 requires the disclosure of the impact of the changes to accounting standards which have not yet been adopted. In particular, it requires a disclosure, in the 2013 accounts for those employers with 31 March 2013 year end date, of the expected impact of the future change in accounting standard. The principal changes are as follows:

- The expected return on assets is calculated at the discount rate, instead of, as currently, at an expected return based on actual assets held in the Fund.
- The interest on the service cost is included in the service cost itself.
- Administration expenses continue to be charged through the Statement of Comprehensive Expenditure, but are set out as a separate item.

Had the Trust adopted the amended IAS19 for the 2012–13 reporting period, the impact on the financial statements would have been to reduce the net expenditure by £138,000 and reduce net liabilities by £138,000, based on data supplied in the actuary report.

1.1 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, where material, at their value to the business. The functional and presentational currency of the Trust's financial statements is the British pound sterling (to the nearest £1,000 unless otherwise stated).

1.2 Changes in accounting policies and restatement of comparatives

There have been no changes in accounting policies or restatement of comparatives in these accounts.

1.3 Going concern

The Statement of Financial Position at 31 March 2013 shows negative Taxpayers' Equity, which reflects the inclusion of liabilities falling due in future years. The future financing of the Probation Trust liabilities is met by future grants of Supply to the Ministry of Justice/NOMS and there is no reason to believe that future approvals of Supply will not be forthcoming. The Trust will continue to invoice NOMS for the provision of probation services under the terms of its contract with NOMS.

A consultation paper "Transforming Rehabilitation – A revolution in the way we manage offenders" was issued in January 2013 which built on the previous consultation last year and set out plans to contract out probation services more widely and increase the use of Payment by Results. The consultation period ended on 22 February 2013 and the results of both consultations were published in "Transforming Rehabilitation: A strategy for Reform", on 9 May 2013 by the Secretary of State for Justice.

The recommendations of the report will change the way in which probation services are commissioned and delivered. A new National Probation Service will be created to protect the public from the most dangerous offenders and manage the provision of probation services. England and Wales will be divided into 21 contract areas which align closely

with local authorities and Police and Crime Commissioner areas. MoJ/NOMS will be responsible for commissioning rehabilitation services. Probation service local delivery units will support the gathering of intelligence on needs and priorities at a local level, including from key partners (e.g. local authority needs assessments) to feed into the MoJ/NOMS commissioning process. The implications of the new arrangements for individual Trusts are not provided in the consultation announcement at this stage. Specifically, the announcement does not provide sufficient detail to form a judgement on whether the material functions, assets and liabilities will be transferred for continuing use in the public sector in the context of the FReM paragraph 2.2.15. This is likely to become clearer during 2013–14 as the proposals are further developed and implemented.

Implementation of the new arrangements will require a Statutory Instrument to be issued by the Secretary of State under the Offender Management Act 2007, subject to negative affirmation. This had not been drafted at the date the Annual Report and Accounts were approved. Senior management has concluded therefore that, having reviewed the results of the consultations within the context of the Financial Reporting Manual (FReM), it is appropriate for the Trust to prepare the 2012–13 Annual Report and Accounts on a going concern basis, with disclosure of a 'material uncertainty' around going concern, arising from the recommendations of the report, *Transforming Rehabilitation: A strategy for Reform*.

1.4 Property, plant and equipment

Non-current assets are included at cost upon purchase and are 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 £5,000, inclusive of any irrecoverable VAT element, where appropriate.

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 administration costs under "accommodation, maintenance & utilities". The charge to the Probation Trust does not represent the full cost incurred by NOMS.

Revaluation of non-current assets

The revaluation reserve reflects the unrealised element of the cumulative balance of revaluation and indexation adjustments in non-current assets (excluding donated assets). Upward revaluations go to the Revaluation Reserve. Downward revaluations are charged to the revaluation reserve if there is a prior credit balance; otherwise they are charged to the SoCNE.

1.5 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:

Plant & equipment	3 to 15 years depending on individual asset type
Vehicles	7 years depending on individual asset type

1.6 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.

1.7 Intangible non-current assets

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

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 Administration and programme expenditure

The SoCNE is analysed between administration and programme income and expenditure. The classification of expenditure and income for both Administration and Programme follows 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. 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 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 retirements benefits. Under the LGPS Regulations 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). 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

Trusts have entered into a number of operating lease arrangements. Rentals under operating leases are charged to the SoCNE on a straight-line basis.

Operating leases – incentives

Lease incentives (such as rent-free periods or contributions by the lessor to the lessee's relocation costs) are treated as an integral part of the consideration for the use of the leased asset. The incentives are accounted as an integral part of the net consideration agreed for the use of the leased asset over the lease term, with each party (the lessor and lessee) using a single amortisation method applied to the net consideration.

IFRIC 4 Determining whether an arrangement contains a lease

In determining whether the Trust holds a lease, contracts that use assets are assessed to determine whether the substance of the arrangements contain a lease. The contract is accounted for as a lease if the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset. The arrangement is then assessed under IAS 17 to determine whether it should be accounted for as a finance or operating lease.

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 Deferred Tax

No deferred tax occurs within the accounts.

1.17 Corporation Tax

The Trust is a "corporate body" in accordance with the Offender Management Act 2007 supplying court work and offender management services to NOMS and the Ministry of Justice, and as a result, HMRC has confirmed that it is subject to corporation tax. Probation Trusts are therefore subject to CT on their profits and 'profit' for this purpose means income and chargeable gains. These accounts include a nil assessment of corporation tax liability.

1.18 Cash and Cash Equivalents

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

1.19 Financial instruments

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

1.20 Segmental analysis of spend as reported to the Management Board

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

2. Statement of Operating Costs and Net Assets by Operating Segment

Operational Unit	2012–13	2011–12
	Net Expenditure £000	Net Expenditure £000
Offender Management	2,610	2,551
Interventions	1,300	1,283
Partnerships	337	581
Support Services	2,608	2,626
Total Net Expenditure	6,855	7,041
Contract Income	(6,872)	(6,989)
Overspend/(Underspend) before Actuarial Adjustments and Taxation	(17)	52
Actuarial Adjustments and Taxation	10	(683)
Overspend/(Underspend)	(7)	(631)

3. Staff numbers and related costs

3a. Staff costs consist of:

	2012-13			2011-12
	Total	Permanently- employed staff	Others	Total
	£000	£000	£000	£000
Wages and salaries	4,169	4,094	75	4,217
Social security costs	318	313	5	320
Other pension costs	732	730	2	670
Sub-total	5,219	5,137	82	5,207
Less recoveries in respect of outward secondments	(363)	(363)	0	(306)
Total staff costs	4,856	4,774	82	4,901
Administration-related staff costs	4,856	4,774	82	4,901
	4,856	4,774	82	4,901

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**.

Nil persons (2011/12: Nil persons) retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £0 (2011/12: £0).

3b. Average number of persons employed

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

	2012-13			2011-12
	Total	Permanently- employed staff	Others	Total
	138	133	5	144
	138	133	5	144

3c. Reporting of compensation schemes – exit packages

Exit packages cost band	2012-13			2011-12		
	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	3	0	3
£10,000-£25,000	1	0	1	1	1	2
£25,000-£50,000	0	0	0	0	0	0
£50,000-£100,000	0	1	1	0	0	0
£100,000-£150,000	0	0	0	0	0	0
£150,000-£200,000	0	0	0	0	0	0
£200,000+	0	0	0	0	0	0
Total number of exit packages by type	1	1	2	4	1	5
Total resource cost £000	5	78	83	32	14	46

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

As a result of Voluntary Early Departure (VED) redundancy in year, the Trust will reduce its senior management costs.

4. Pensions costs

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

4a. Pension costs

A full actuarial valuation was carried out at 31 March 2010 by Hymans Robertson to set the employers contributions for 2011 to 2014. For 2012–13, employers’ contributions of £955,000 were payable to the LGPS (2011–12 £1,475,000). This was made up of a payment of £819,000 (2011–12 £567,000) which represented 14.9% of salary costs of staff in the scheme. An additional lump sum payment of £136,000 (2011–12 £480,000) was made to offset the increase in future liabilities that are to be borne by WPT from 2011 to 2014 as a result of the triennial review held in 2010. This is one of a number of options provided to Wiltshire Probation Trust by the Pension Fund to accommodate the significant increases in future pension payments. The schemes’ Actuary reviews employer contributions every three years following a full scheme valuation. The contribution rates reflect benefits as they are accrued, not when the costs are actually incurred, and reflect past experience of the scheme.

Partnership accounts are excluding under IAS19.

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

- Employer’s contributions for 2012–13 were 22.9% of salaries; and,
- Employer’s contributions for 2013–14 will be 29.5% of salaries; and
- Employer’s contributions for 2014–15 will be 29.5% of salaries.

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

	2012–13	2011–12
	%	%
Inflation assumption	3.2%	3.1%
Rate of increase in salaries	5.1%	4.8%
Rate of increase for pensions in payment and deferred pensions	2.8%	2.5%
Discount rate	4.5%	4.9%

Mortality Assumptions:

Life expectancy is based on the Fund’s VitaCurves with improvements from 2010 in line with the Medium Cohort and a 1% per annum underpin.

4c. The assets in the scheme and the expected rate of return were:

	2012-13			2011-12		
	Expected long-term rate of return	Value as a percentage of total scheme assets	Value	Expected long-term rate of return	Value as a percentage of total scheme assets	Value
	%	%	£000	%	%	£000
Equities	4.5%	72%	15,948	6.2%	67%	13,227
Government bonds	4.5%	15%	3,323	4.0%	18%	3,553
Property	4.5%	10%	2,215	4.4%	11%	2,172
Other	4.5%	3%	665	3.5%	4%	790
Total		100%	22,151		100%	19,742
(Present value of scheme liabilities)			(32,102)			(27,532)
Surplus/(deficit) of the scheme			(9,951)			(7,790)
Net pension asset/(liability)			(9,951)			(7,790)

4d. Analysis of amounts recognised in SoCNE

	2012–13	2011–12
	£000	£000
Pension cost		
Current service cost	652	645
Effect of curtailment	80	25
Total operating charge	732	670

	2012–13	2011–12
	£000	£000
Analysis of interest cost on pension scheme – assets/(liabilities)		
Expected return on pension scheme assets	(1,085)	(1,232)
Interest on pension scheme liabilities	1,318	1,357
Net interest costs	233	125

4e. Analysis of amounts recognised in other comprehensive expenditure

	2012–13	2011–12
	£000	£000
Pension actuarial gain/(loss)	(2,151)	(1,798)
Total shown in other comprehensive expenditure	(2,151)	(1,798)

4f. Changes to the present value of liabilities during the year

	2012–13	2011–12
	£000	£000
Opening present value of liabilities	27,532	24,328
Current service cost	652	645
Interest cost	1,318	1,357
Contributions by members	238	249
Actuarial (gains)/losses on liabilities*	3,388	1,162
Benefits paid	(1,106)	(234)
Curtailments	80	25
Closing present value of liabilities	32,102	27,532

* Includes changes to actuarial assumptions

4g. Changes to the fair value of assets during the year

	2012–13	2011–12
	£000	£000
Opening fair value of assets	19,742	17,656
Expected return on assets	1,085	1,232
Actuarial gains/(losses) on assets	1,237	(636)
Contributions by the employer	955	1,475
Contributions by members	238	249
Benefits paid	(1,106)	(234)
Closing fair value of assets	22,151	19,742

4h. History of asset values, present values of liabilities, surplus/deficit and experience gains and losses

	2012-13	2011-12	2010-11	2009-10	2008-09
	£000	£000	£000	£000	£000
Fair value of assets	22,151	19,742	17,656	15,551	11,944
Present value of liabilities	32,102	27,532	24,328	30,662	19,434
Surplus/(deficit)	(9,951)	(7,790)	(6,672)	(15,111)	(7,490)
Experience gains/(losses) on scheme assets	1,346	(628)	1,157	2,934	(4,448)
Experience gains/(losses) on scheme liabilities	47	(368)	2,094	(25)	(15)
Percentage experience gains/(losses) on scheme assets	6%	-3%	7%	19%	-37%
Percentage experience gains/(losses) on scheme liabilities	0%	-1%	9%	0%	0%

4i. Sensitivity analysis

Sensitivities regarding the principal assumptions used to measure the scheme Liabilities.

Change in assumptions at 31 March 2013	Approximate increase to Employer Liability %	Approximate Monetary amount £000
0.5% decrease in Real Discount Rate	10%	3,154
1 year increase in member life expectancy	3%	963
0.5% increase in the Salary Increase Rate	3%	916
0.5% increase in the Pension Increase Rate	7%	2,195

5. Taxation

	2012-13	2011-12
	£000	£000
UK corporation tax	0	(3)
Total	0	(3)

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

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

6. Other administrative costs and programme costs

Administration costs

	2012-13		2011-12	
	£000	£000	£000	£000
Accommodation, maintenance and utilities	757		597	
Travel, subsistence and hospitality	152		141	
Professional services	1		8	
IT services	321		268	
Communications, office supplies and services	164		159	
Other staff related	158		142	
Offender costs	174		75	
Other expenditure	337		173	
External Auditors' remuneration – statutory accounts	21		27	
External Auditors' remuneration – other	0		0	
Internal Auditors' remuneration and expenses	11		12	
		2,096		1,602
Non-cash items				
Depreciation of tangible non-cash assets	36		47	
Other provisions provided for in year	0		5	
		36		52
Total		2,132		1,654
Total other administration and programme costs		2,132		1,654

7. Income

Administration income

Income receivable from the sponsoring department – NOMS

Other income received from Probation Trusts
 Other income from NOMS
 Other income from rest of MoJ Group
 Other income from other Government departments
 Miscellaneous income

Interest received:

From bank

Total interest received

Total administration income

Total income

	2012-13		2011-12	
	£000	£000	£000	£000
Income receivable from the sponsoring department – NOMS	6,872		6,989	
		6,872		6,989
Other income received from Probation Trusts		50		65
Other income from NOMS		6		0
Other income from rest of MoJ Group		6		6
Other income from other Government departments		65		68
Miscellaneous income		228		180
		7,227		7,308
Interest received:				
From bank	1		0	
Total interest received		1		0
Total administration income		7,228		7,308
Total income		7,228		7,308

8. Property, plant and equipment

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

8. (Continued)

	2011-12					
	Information technology	Plant and machinery	Transport equipment	Furniture, fixtures and fittings	Payments on account and assets under construction	Total
	£000	£000	£000	£000	£000	£000
Cost or valuation						
As at 1 April 2011	0	113	272	0	0	385
Additions	0	0	0	0	0	0
Disposals	0	0	(67)	0	0	(67)
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	0	1	0	0	0	1
As at 31 March 2012	0	114	205	0	0	319
Depreciation						
As at 1 April 2011	0	84	83	0	0	167
Charge in year	0	15	32	0	0	47
Disposals	0	0	(46)	0	0	(46)
Transfers	0	0	0	0	0	0
Reclassifications	0	0	0	0	0	0
Impairments	0	0	0	0	0	0
Indexation/revaluation	0	0	0	0	0	0
As at 31 March 2012	0	99	69	0	0	168
Carrying value as at 31 March 2012	0	15	136	0	0	151
Carrying value as at 31 March 2011	0	29	189	0	0	218
Asset financing						
Owned	0	15	136	0	0	151
Finance leased	0	0	0	0	0	0
Carrying value as at 31 March 2012	0	15	136	0	0	151

9. Intangible assets

There are no Intangible Assets held by the Trust.

10. Impairments

There have been no impairments during the financial year 2012–13.

11. Assets held for sale

There were no assets held for sale during the year.

12. Trade receivables and other current assets

12a. Analysis by type

	2012-13 £000	2011-12 £000
Amounts falling due within one year		
Trade receivables	70	16
Receivables due from Probation Trusts	9	1
Receivables due from NOMS agency	114	2
Receivables due from all other Government departments	28	47
Other receivables	18	0
Prepayments	27	0
Accrued income	1	0
	267	66
Amounts falling due after more than one year		
Trade receivables	0	0
	0	0
Total	267	66

12b. Intra-Government receivables

	Amounts falling due within one year		Amounts falling due after more than one year	
	2012-13 £000	2011-12 £000	2012-13 £000	2011-12 £000
Balances with other central Government bodies (inc. parent department)	123	49	0	0
Balances with local authorities	28	1	0	0
	151	50	0	0
Balances with bodies external to Government	116	16	0	0
Total	267	66	0	0

13. Cash and cash equivalents

	2012-13 £000	2011-12 £000
Balance at 1 April	1,380	1,169
Net change in cash and cash equivalents	197	211
Balance at 31 March	1,577	1,380
The following balances at 31 March are held at:		
Government Banking Service	1,100	0
Commercial banks and cash in hand	477	1,380
Balance at 31 March	1,577	1,380

14. Trade payables and other current liabilities

14a. Analysis by type

	2012–13	2011–12
	£000	£000
Amounts falling due within one year (excluding taxation)		
Trade payables	66	69
Accruals	118	158
Deferred income	40	40
Payables due to Probation Trusts	28	2
Payables due to NOMS Agency	361	64
Payables due to all other Government departments	71	0
	684	333
Tax falling due within one year		
VAT	342	343
	342	343
Total amounts falling due within one year	1,026	676
Amounts falling due after more than one year		
Other payables	0	0
	0	0
Total	1,026	676

14b. Intra-Government payables

	Amounts falling due within one year		Amounts falling due after more than one year	
	2012–13	2011–12	2012–13	2011–12
	£000	£000	£000	£000
Balances with other central Government bodies (inc. parent department)	731	409	0	0
Balances with local authorities	71	0	0	0
Balances with NHS bodies	40	0	0	0
	842	409	0	0
Balances with bodies external to Government	184	267	0	0
Total	1,026	676	0	0

15. Provisions for liabilities and charges

	2012-13	2011-12
	£000	£000
Balance at 1 April	5	25
Provided in year	0	5
Provision utilised in the year	(5)	(25)
Balance as at 31 March	0	5

	2012-13	2011-12
	£000	£000
Analysis of expected timing of discount flows		
Not later than one year	0	5
Current liability	0	5
Later than one year and not later than five years	0	0
Later than five years	0	0
Non-current liability	0	0
Balance as at 31 March	0	5

No Provisions have been made for the year ending 31 March 2013.

16. Capital commitments

There were no Capital Commitments during the year (2011/12 £nil).

17. Commitments under lease

17a. Operating leases

There are no commitments under operating leases.

17b. Finance leases

There are no commitments under finance leases.

18. Other financial commitments

There are no other financial commitments.

19. Deferred tax asset

No deferred tax asset has been recognised in the accounts.

20. Financial instruments

As the cash requirements of the Trust are met through the Estimates process, financial instruments play a more limited role in creating risk than would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts to buy non-financial items in line with the Trust's expected purchase and usage requirements as well as cash, receivables and payables. Therefore it is felt that the Trust is exposed to little credit, liquidity or market risk. The Trust does not hold financial instruments that are complex or that play a significant medium to long term role in the financial risk profile of the Trust.

21. Contingent liabilities

There are no Contingent Liabilities.

22. Losses and special payments

22a. Losses statement

There were no losses for the period year ending 31 March 2013.

22b. Special payments schedule

There were no special payments for the period year ending 31 March 2013.

23. General fund

	2012–13	2011–12
	£000	£000
Balance at 1 April	(6,879)	(5,717)
Net transfers from Operating Activities:		
Statement of Comprehensive Net Expenditure	7	631
Transferred from revaluation reserve	2	5
Actuarial gains and losses	(2,151)	(1,798)
Balance at 31 March	(9,021)	(6,879)

24. Revaluation reserve

Property, plant and equipment

	2012–13	2011–12
	£000	£000
Balance at 1 April	5	9
Arising on revaluations of PPE during the year (net)	7	1
Transferred to General Fund	(2)	(5)
Balance at 31 March	10	5

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

25. Related party transactions

NOMS and the Ministry of Justice are regarded as a related party. During the year, the Trust had various material transactions with the Ministry of Justice. Additionally, the Trust had transactions with other Trusts', other government bodies and third party organisations. During the year, none of the members of the Management Board, members of key management staff or other related parties, or their related parties has undertaken any material transactions with the Trust.

26. Third-party assets

There are no third party assets.

27. Events occurring after the reporting period

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

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

The results of the “Transforming Rehabilitation” consultation paper were published on 9 May 2013, by the Secretary of State for Justice, which announced the future requirements for the provision of probation services. The recommendations will change the way in which probation services are commissioned and delivered. A new National Probation Service will be created to protect the public from the most dangerous offenders and manage the provision of probation services. England and Wales will be divided into 21 contract areas which align closely with local authorities and Police and Crime Commissioner areas. MoJ/NOMS will be responsible for commissioning rehabilitation services. Probation service local delivery units will support the gathering of intelligence on needs and priorities at a local level, including from key partners (e.g. local authority needs assessments) to feed into the MoJ/NOMS commissioning process. It is expected that the detail will be finalised over the coming months. None of the Trust’s assets, liabilities or functions had been transferred at the date the accounts were authorised for issue.


28. Prior period adjustments

The Trust had no prior period adjustments.

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
2. Each Trust shall prepare a statement of accounts for the financial year ended 31 March 2013 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 8 March 2012.



Edward Kirby

On behalf of the Secretary of State for the Ministry of Justice
6 March 2013

Appendix 1

35 Probation Trusts:

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

4. Sustainability Report (not subject to audit)

Introduction

This is the first/second Sustainability Report for Wiltshire 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.

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

Governance, responsibilities and internal assurance

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

Greening Government Commitments

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

Climate change adaption and mitigation

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

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

Carbon Reduction Commitment (CRC)

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

Carbon Management Plan (CMP)

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

Our vision is to:

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

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

Environmental Management System (EMS)

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

Sustainable procurement

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

Performance summary

Greenhouse gas (GHG) emissions

		2009–10	2010–11	2011–12	2012–13
Non-financial indicators (tCO ₂ e)	Total gross emissions for scopes 1 & 2	187.3	184.8	218.8	197.9
	Electricity: green/renewable	30.4	30.5	36.3	25.2
	Total net emissions for scopes 1 & 2	156.9	154.3	182.5	172.7
	Travel emissions scope 3	112.9	109	105.3	101.8
	Total gross GHG emissions (all scopes)	300.2	293.8	324.1	299.7
Non-financial (kWh)	Electricity: Grid, CHP & non-renewable	175,309	175,982	209,121	145,181
	Electricity: renewable	58,436	58,660	69,707	48,394
	Gas	354,543	338,578	398,022	524,392
	Other energy sources	0	0	0	0
	Total energy	588,288	573,220	676,850	717,967
Financial indicators	Expenditure on energy	£37,599	£27,456	£49,574	£44,268
	Expenditure on official business travel	£0	£0	£0	£0

Waste

			2009–10	2010–11	2011–12	2012–13
Non-financial indicators (tonnes)	Hazardous waste	Hazardous waste	0	0	0	0
	Non-hazardous waste	Landfill waste	23	0	31	25
		Reused/recycled waste	23	0	20	16
		Energy from waste	0	0	0	0
		Total waste arising	46	0	51	41
Financial indicators	Hazardous waste	Hazardous waste	0	0	0	0
	Non-hazardous waste	Landfill waste	0	10,297	0	0
		Reused/recycled waste	0	19,543	0	0
		Energy from waste	0	0	0	0
		Total waste costs (£)	£0	£29,840	£0	£0

Water

		2009–10	2010–11	2011–12	2012–13
Non-financial indicators	Total water consumption (cubic metres)	2,873	1,346	2,083	2,572
Financial indicators	Total water supply costs (£)	£8,307	£4,660	£7,318	£8,607

Paper

		2009–10	2010–11	2011–12	2012–13
	Cost (excluding VAT)	3,000	3,000	3,000	3,000



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