

Progress to Change

Trustees' Annual Report and Accounts

1 APRIL 2018 TO 31 MARCH 2019

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Summarised Accounts

The summarised accounts shown in the Annual Report are not full statutory accounts but a summary of information extracted from those accounts. For

more information, the full accounts and the auditors' report can be consulted. Copies may be obtained from the secretary – Mrs Tricia Gradys, 20 New Market Street, Leeds, LS1 6DG. Tel: 0113 245 6772.

The full audited accounts were approved by the Trustees on 10 September 2019 and, together with the annual report, have been submitted to the Charity Commission. The opinion of the auditor was unqualified.

CHARITY INFORMATION

Progress to Change

Company Limited by Guarantee. Company No. 3286672. Charity No. 1065423.

TRUSTEES/DIRECTORS as at 31 March 2019:

Appointed by the Bishop of Leeds:

Mrs. Diana Favre Mrs. Lynn Haigh
Mr. Adrian Lodge Mr. Nigel Wainman.
Revd. Tony Whatmough

Appointed by the Board of Trustees:

Mrs. Jill Dilks – Chair Mr. David Burgess
Mrs. Carol Cochrane Prof. Alastair Hay

Company Secretary: Mrs. Tricia Gradys

Registered Office: 20 New Market Street, Leeds, LS1 6DG.
Telephone: 0113 245 6772
Website: www.progresstochange.co.uk

Bankers: NatWest Bank plc, 8 Park Row, Leeds, LS1 5HD
Royal Bank of Scotland, 27 Park Row, Leeds, LS1 5QB
Auditors: Gibson Booth, New Court, Abbey Rd. North, Shepley, HD8 8BJ
Solicitors: Wrigleys Solicitors LLP, 19 Cookridge Street, Leeds, LS2 3AG
Investment CCLA, Senator House, 85 Queen Victoria Street, London, EC4V 4ET
Managers:

MANAGEMENT BOARD MEMBERS:

Chairman: Mrs. Jill Dilks
Deputy Chair: Mrs. Diana Favre
Treasurer: Mr. Nigel Wainman
Members: Mr. David Burgess; Mrs. Carol Cochrane; Mrs. Lynn Hague;
Prof. Alastair Hay; Mr. Adrian Lodge; Revd Tony Whatmough
Chief Executive Mrs Louise Cantley Officer:

STATEMENTS OF PURPOSE

Progress to Change

Company Limited by Guarantee. Company No. 3286672. Charity No. 1065423.

OBJECTS:

- * To maintain the premises known as Ripon House and Cardigan House as Approved Premises within the meaning of the Offender Management Act 2007 and
- * To support and further all or any charitable activities carried out in connection with the Church of England in the Diocese of Leeds and in particular
 - The promotion of temperance and of higher standards of moral life in the individual, the family and the community;
 - The rehabilitation of offenders and particularly those addicted to drugs or alcohol or otherwise in need of help;
 - The relief of distress or suffering arising from offending behaviour.

Articles of Association

CURRENT CRITERIA FOR GRANT GIVING:

- * Grants given only within the Diocese of Leeds (also known as the Diocese of West Yorkshire and the Dales)
- * Present funding of projects is examined carefully, as are other possible sources
- * Particular consideration is given to people within the criminal justice system who have mental health and/or multiple needs.
- * Grants may be made to individuals as well as groups. Groups should be of charitable status or seeking it.
- * There is no percentage split on giving, but an awareness of the balance between groups and individuals is maintained
- * The Trust's hostels are supported throughout
- * Criteria are reviewed every five years – last reviewed September 2016.
- * Grants will generally be between £100 and £1,000.
- * The Trustees meet 9 times a year. Grant applications will be considered at their March and September meetings.

More information about our work can be found on our website:

www.progresstochange.co.uk

COMPANY REPORT

FOR THE YEAR ENDED 31 MARCH 2019

STRUCTURE, GOVERNANCE and MANAGEMENT

Governing Document

Progress to Change (formerly known as the Ripon and Leeds Diocesan Council for Social Concern) is a Company Limited by Guarantee and incorporates the work of the two Approved Premises – Ripon House and Cardigan House – and their related assets and liabilities. Our registered charity number is 1065423. The charity has its office at 20 New Market Street, Leeds, LS1 6DG.

Social Concern was incorporated on 3 December 1996. Following a special resolution, the company was incorporated under the revised name of Ripon & Leeds Diocesan Council for Social Concern with effect from 27 December 2000.

As a result of the creation of the Diocese of Leeds in 2014, and following a special resolution, the company was incorporated under the revised name of Progress to Change with effect from 15 August 2015.

During 2015 the Trustees also reviewed and updated the Company's Articles of Association. These were amended by a Special Resolution dated 22 September 2015.

Recruitment and Appointment of Trustees.

The Trustees of Progress to Change and the Board members are the same people. Under the requirements of the Articles of Association Trustees are appointed for a period of four years, after which they can be re-appointed for one further term of four years. Five are appointed by the Bishop of Leeds and four are appointed by the Board of Trustees.

Members have a wide range of backgrounds and skills, bringing expertise in business, finance, education, the legal system, social work and the Church.

To ensure a broad skills mix, Trustees are asked to provide a CV and list of skills on their application form. A skills inventory is maintained and, in the event of particular skills being lost due to retirement, efforts are made to recruit individuals with a similar skills base. Progress to Change this year has created an application pack for interested parties.

Organisational Structure

The Board of Trustees, of up to 9 members, has overall responsibility for the management, strategic direction and policy of the charity. Board Meetings are held nine times a year.

Day to day management of the two Approved Premises (APs) is delegated to the Chief Executive Officer and Operational Managers. The Managers have responsibility for operational management of the APs, individual supervision of staff and ensuring that the staff teams continue to develop skills and working practices in line with best practice.

Trustee Induction and Training

New Board members are provided with a newly produced induction pack. Additionally, gaps in knowledge are identified by individual members and visits and training are organized to enable members to have sufficient information about the work of the charity to contribute effectively.

Remuneration Policy

Introduction: Progress to Change is committed to paying its employees fairly so that the best people for the job are attracted and retained.

Employee Salaries: The pay and benefits of senior employees are reviewed on a regular basis and are benchmarked against the salary scales used within the Probation Service for equivalent roles.

Payments to Trustees: All trustees give their time freely and do not receive any pay or recompense other than for reasonable out of pocket expenses.

Remuneration Committee: The Remuneration Committee reviews the remuneration of all senior employees and makes recommendations to the Board of Trustees for implementation. The Remuneration Committee comprises the Treasurer of the charity along with at least two other trustees. The Treasurer will act as chair of the Remuneration Committee.

The Committee will:

- Make salary recommendations to the Board for all senior employees
- Review any recommendations for pay increases for Hostel employees that are put forward by the Chief Executive & Finance Manager in advance of presentation to the Board.
- Make recommendations to the Board in respect of cost of living increases

Recommendations of the Remuneration Committee must be ratified by the Board of Trustees.

Risk Management

The Trustees maintain a Risk Register of the potential risks which the charity is exposed to. This has been redrafted and refreshed this year. The risks are grouped under three main headings – a) Governance and Management Risks, b) Financial Risks, c) Operational Risks

The individual risks under each of the above are reviewed by the Trustees and the Chief Executive at the July Board Meeting and periodically at other meetings of the Trustees if the risks under any of the three headings are perceived to have changed.

The Trustees have put in place steps to mitigate the risks the charity faces. Policies and procedures are in place to ensure compliance with health and safety regulations, food hygiene regulations and fire regulations.

As explained under “Objectives and Activities“, the principal activity of the two Approved Premises is to provide enhanced supervision in a residential setting, including rehabilitation, risk management, and monitoring. The majority of offenders are on licence following release from custodial sentences. There are particular risks associated with this work. The charity has a team of appropriately qualified key management personnel who undertake regular training as well as working closely with the Ministry of Justice and the National Probation Service.

Robust Risk Management procedures are in place in all aspects of the charity’s day to day activities in this regard.

The risk management systems and procedures are continually reviewed by the key management team and annually by the Trustees.

All the identified risks are managed by regular training and awareness for staff working on day to day operations and by ensuring accreditation is up to date and having robust policies and procedures in place.

Related Parties

In so far as it is complementary to the charity’s objects, the charity is guided by local and national policies. The APs work in association with the regional Probation Service, Community Rehabilitation Companies, local GP practices, local housing organisations, alcohol and drugs services and other third sector organisations.

Nationally, the APs work collaboratively with their funders, the Ministry of Justice, and Her Majesty’s Prison & Probation Service. We are also a member of the National Approved Premises Association (NAPA), ensuring that national standards are constantly attained.

The Trustees thank all of our partner agencies for their commitment to and assistance with our work.

OBJECTS AND ACTIVITIES

The charity's purposes as set out in the objects contained in the company's Articles of Association are:

to maintain the premises known as Ripon House and Cardigan House as Approved Premises within the meaning of the Offender Management Act 2007, and to support and further all or any charitable activities carried out in connection with the Church of England in the Diocese of Leeds and in particular:

- the promotion of temperance and of higher standards of moral life in the individual, the family and the community;
- the rehabilitation of offenders and particularly those addicted to drugs or alcohol or otherwise in need of help;
- the relief of distress or suffering arising from offending behaviour.

These objects were last reviewed and updated in 2015. The Trustees have referred to the guidance contained in the Charity Commission's general guidance on public benefit when reviewing our aims and objectives and in planning our future activities

The focus of our work

The charity supports those individuals who are on post custody licence, community order or bail. Cardigan House mainly works with offenders assessed as posing a high risk of harm to the public. Ripon House works with female offenders assessed as posing a high or medium risk of harm to the public

Our qualified Approved Premises Managers and trained staff teams liaise closely with the Probation Service, Ministry of Justice, and Criminal Justice System. Staff work with residents to help them address their offending behaviour, and so reduce the risk of re-offending and the risk of harm to the public.

Achievements and Performance

Each year the Trustees agree targets and objectives for the coming year. The Chief Executive also prepares a Business Plan which is approved and monitored by the Board of Trustees. The Trustees have appraised the performance of the Key management personnel over the past year. They together with both Approved Premises, have met their targets.

More detailed information about the performance of our two APs can be found in the Chief Executive's report on page 10.

FINANCIAL REVIEW

An annual budget for each AP is submitted to the Board of Trustees for approval. Budget Reviews take place at every Management Board meeting (a minimum of six such meetings per year). Both APs continue to manage their finances in a prudent and resourceful way.

The amount received from the Ministry of Justice, who fund the activities of the Charity, increased to £1,782,469 (2018: £1,379,641) during the past year. Overall income for 2019 amounted to £1,858,968 (2018: £1,461,132)

Expenditure during the past year increased to £1,715,473 (2018: £1,559,964).

The Charity's investment portfolio increased in value in line with an improvement in investment valuations during the year. The net gains on investments during the year was £137,462 (2018: £51,192).

As set out in note 19 "Pensions and other benefits" following an actuarial review a loss of £122,000 has been reflected in this year's Statement of Financial Activities (2018: gain of £2,000).

The net movement in funds for 2019 was a gain of £158,957 (2018: loss of £45,640). **a)**

Principal Funding Sources

The Ministry of Justice is the principal funder of both Cardigan House and Ripon House. Detailed information on this and the Charity's finances is set out in the Financial Accounts at the end of this Report.

The charity does not currently undertake any additional fundraising activities. Should this situation change, regard would be taken of the Charities (Protection and social Investment) Act 2016.

b) Reserves Policy

The Board of Trustees/Directors, as part of its strategic planning, aims to maintain the central reserves at a level which is sufficient to enable the Charity to fulfil its charitable objectives and its responsibilities as an employer.

The Trustees have established a policy whereby the funds of the Approved Premises not committed or invested in tangible fixed assets ('the free reserves') are maintained at a level which the Board feels is sufficient to maintain the continuing activities of the Charity on the basis of the funding arrangements with the Ministry of Justice. The level of reserves is reported to the Ministry of Justice via the Charity's Annual Report.

Why reserves are needed.

As part of its Business Risk Assessment, the Board has established that the Charity needs to maintain short-term and long-term reserves to reduce the impact of risks from internal and external factors.

- 1) As owner of the two properties known as Cardigan House and Ripon House, the Board needs to hold sufficient central reserves to cover major building works.
- 2) The Approved Premises need to hold short-term reserves to meet the costs of un-planned events and planned internal maintenance of the buildings.
- 3) The Board also has overall responsibility for the employment of staff and, should income sources be disrupted, needs to have sufficient reserves to meet ongoing costs and commitments until further funding is secured.

Level of reserves.

Given the stated background as to why reserves are needed, the trustees are of the view that the level of unrestricted income reserves of £1,732,932 (2017 £1,417,975) are at an acceptable level to enable the charity to meet its objectives and develop its plans for future charitable activities.

Investment of reserves.

The reserves of the Charity are held in the freehold property, investments managed by CCLA, and short term bank accounts.

With regard to risk, as the balance of the Central Reserves Fund increases, investment advice will be sought by the Trustees when necessary. **c) Investment Policy**

The investment policy's objectives are:

Effective management of the Charity's assets that are not required for imminent use.
To protect the reserves of the Charity and maximise investment income.

The Investment Objectives are:

Produce the best financial return within an acceptable level of risk.
Produce a total return of at least RPI plus 3% over the long term.

The policy has regard to areas of Risk, Liquidity, Time Horizon, the charity's Ethical Policy, Management, Reporting and Monitoring.

The policy is approved by the Trustees and is reviewed annually.

PLANS FOR FUTURE PERIODS

Towards the end of this past year the Trustees agreed to undertake a review of the West Yorkshire Pension Fund deficit with the assistance of external advisors (Note 19). The review coincides with the triennial actuarial review of the scheme. The Trustees anticipate that the review will be completed during this next year.

The Charity also continues to investigate future outreach work with residents once they have left the AP.

RESPONSIBILITIES OF THE TRUSTEES

The trustees (who are also the directors of Progress to Change for the purposes of company law) are responsible for preparing the Trustees Annual Report and the financial statements in accordance with applicable law and regulations.

Company law requires the trustees to prepare financial statements for each financial year. Under that law the trustees have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the trustees must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the charitable company and the income and expenditure of the charitable company for that period.

In preparing these financial statements, the trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP;
- make judgements and accounting estimates that are reasonable and prudent;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charitable company will continue in operation.

The trustees are responsible for keeping adequate accounting records that are sufficient to show and explain the charitable company's transactions and disclose with reasonable accuracy at any time the financial position of the charitable company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the charitable company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Auditor

A resolution to reappoint Gibson Booth as auditors for the ensuing year will be proposed at the forthcoming annual general meeting.

Each of the persons who is a trustee at the date of approval of this report confirms that:

- so far as each trustee is aware, there is no relevant audit information of which the company's auditor is unaware; and
- each trustee has taken all steps that they ought to have taken as a trustee to make themselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

SMALL COMPANY PROVISIONS

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption

Registered office:
20 New Market Street
Leeds
LS1 6DG

Signed on behalf of the Trustees

.....
Mrs. Jill Dilks, Chairman

CHAIRMAN'S REPORT

On the day before I wrote this report I walked in the sunlit expanse of Cardigan House garden with its flowers and vegetables, chickens and one duck. Residents showing visitors around were full of their plans for the garden and for projects in the woodwork shop. This tea party celebrated the granting of the Enabling Environment award. A month earlier I had been at an Open Day at Ripon House, enjoying the well kept garden. That event was to showcase the poems, cards, jewellery and ceramic decoration produced by the residents. They were happy to talk of their work and of their gratitude for this calm and safe setting. It made me reflect that we are fortunate to have had a stable first year with our enhanced contract agreement with MOJ.

These occasions, when the public come to meet our residents and see the work being done, are invaluable in creating links with the community, which is of benefit to all parties. Our residents will be taking their place as citizens of that community – perhaps for the first time in a meaningful way and maybe after a long absence. In particular, we have been happy to welcome the Bishop of Kirkstall and the Lord Mayor of Leeds, Councillor Graham Latty accompanied by the Lady Mayoress Councillor Pat Latty and are thankful for their interest and support.

The award of the Enabling Environment, adjudicated by the Royal College of Psychiatrists, to Cardigan House rewards much hard work from staff and from residents. Now all the Independent APs in the country have achieved this award.

At the heart of this success are our committed staff, led so ably and steadily by Louise as CEO, with Emma at Ripon House and Clare at Cardigan House. Their example sets the tone and provides a setting where residents can reassess their lives and change direction. We know it is often not a smooth path and as Trustees we give them our thanks.

The report from our CEO highlights some successes and of course some challenges during the year. We have been able to maintain a very useful working relationship with the Ministry of Justice through the National Approved Premises Association.

I should like to express thanks and admiration for the work done by the Trustees. Giving their time freely and willingly they are able to add much to the richness of our organisation. Membership of the Board has remained constant this year, which has made for a good team. The Planning Group continues to meet to consider ways to expand our work; however we are mindful of the need to make large contributions to our pension fund.

This year has marked the retirement of our Company Secretary, Susan Teet. She had worked with the organisation for twenty years and had seen it through many changes and upheavals with a steady hand on the administrative tiller. Her loyalty and support were a formidable strength to us. In her stead, we have welcomed Tricia Gradys as new Company Secretary who has rapidly adapted to the organisation. We remain grateful to Patrick Heaton of Gibson Booth, our efficient auditor.

We realise that there are times of change ahead not least because another re-organisation in the wider world of probation impends. However, we are confident that we have the staff and

the setting in both APs to provide offenders with opportunities to move on from their past to a more secure and fruitful future.

Jill Dilks, Chairman
August 2019

CHIEF EXECUTIVE'S REPORT

Introduction

It has been a steady year for the approved premises, with much to celebrate in terms of residents. Our new contract has brought stability and the Approved Premises National Team has started to review and update all the procedures involved in managing residents on a daily basis. The premises have been a calm haven with few changes, enabling residents to get the most out of their stay and hopefully move on to a better future.

Contract

April 2018 brought in the first year of our new contract to run approved premises. This lasts until March 2021, with the possibility of it being rolled over until March 2022. This has brought with it increased funding and some security. This enables us to continue to offer a quality service to our residents, maintain and improve our buildings and look at opportunities for further developments. The targets set as part of the contract (called the Dashboard) are used to measure quantity in terms of what is delivered, how often and whether it is timely. Both premises are demonstrating good performance.

Highlights of 2018-19

Enabling Environments (EE Award)

In October 2018 Cardigan House achieved the Enabling Environments Award, with a very positive report. Both premises now have this quality standard, which has to be renewed every three years, with an interim report at the half way point. Ripon House has just submitted its interim report earlier in 2019 having achieved the award in November 2017. A celebratory tea was held at Cardigan House earlier this year, to mark the fantastic achievement of residents and staff.

Bishop's Visit

On the 30th October, Paul Slater, Bishop of Kirkstall visited both premises. He spoke to staff and residents at both sites and was clearly impressed by the quality of work with residents.

Open Days

Both premises held events to promote their work to other agencies and celebrate the success of residents. These were well attended with the Lord Mayor and Lady Mayoress of Leeds taking a special interest. Residents prepared for these events by baking cakes, painting vases, making jewellery, making bird boxes and wooden benches and generally being positive and prepared to show visitors round and talk about their experiences. At both events

residents took a lead role in playing instruments, singing and at Ripon House a resident's demonstration of Bollywood dancing was much appreciated.

Opera North

Ripon House is one of Opera North's chosen charities this year. As part of their aim to increase participation in the arts for low income and other minority groups we get a number of free tickets for residents to go to various events accompanied by our project worker. Residents have thoroughly enjoyed this opportunity.

Art Groups

The Art Link Project at Ripon House and a local artist at Cardigan House have brought lots of creativity to both premises during the year. This has enabled residents to produce various bits of art displayed in the premises. Many have relished to opportunity to get involved in drawing, painting and creative writing.

Challenges of 2018-19

One of the biggest challenges is the impact of reducing funding for public services on our residents. Lack of resources regarding mental health place a big strain on staff and on our ability to manage residents with serious mental health / self-harm issues. This can sometimes mean that the resident ends up back in custody. As numbers of Police have declined their ability to respond to information passed on by staff and respond to incidents has also declined, which means staff and residents can be left in difficult positions. The introduction of Universal Credit has had an impact on our ability to collect hostel charge because residents now receive their money on a four weekly basis and there is no longer any facility to deduct payments at source. Hence if a resident spends all their money as soon as they get it there is nothing we can do. This has contributed to issues regarding homelessness. There have been three resident deaths at Cardigan House over the last year. One man died of natural causes, another died of a drugs overdose on the day of his release and a third took his own life. These situations are very difficult for the families of the deceased and staff in dealing with the aftermath. There has been a worrying increase in deaths in Approved Premises over the last two years.

Increasing numbers of transgender residents who are transitioning also present a challenge in terms of risk management within our premises. We need to maintain their dignity and rights while protecting other vulnerable residents where there are risk issues present, such as a male with convictions for sexual offending transitioning to be a woman and requesting a woman's approved premise where there are vulnerable women. This questions the very notion of being able to provide approved premises for men and approved premises for women.

In March 2019 we were informed that approved premises would be moving to a new Directorate within the National Probation Service along with BASS (Bail Assessment Support Scheme) Accommodation and the Langley House Trust. We do not know what this will mean for us going forward, or what impact it will have on our future contract negotiations, but there are concerns that the approved premises are being seen as accommodation providers rather than as a structured intervention for public protection purposes.

Staffing

The management team, finance team and house staff have all remained unchanged over the last year, ensuring stability in both premises.

There have been some changes with staff moving to other organisations to further their careers or relocate to a different place and as a result we have welcomed the following new operational staff: Warren Stornton, Sue Springall, Fiona Manners, Mary Mathe, Donna Ruttledge and Melina Trikili.

Thanks as ever go to our relief pool of staff, who cover staff holidays and sickness, on occasion with little notice. We would not be able to maintain our premises without them and the energy and commitment that they bring.

Finally a big thank you to all staff, residents and partner agencies who have been involved with Cardigan House and Ripon House over the past year. We value all that you do to keep the approved premises positive places to be.

Goodbye and Good Luck

We thank all of the following who have moved to pastures new over the past year for their work and commitment and wish them a happy and successful future: Julie Young, Olivia Jobarteh, Oliver Simpson, Emily Bedford and Steph McLindon.

Congratulations to Stephanie Carr who successfully completed her 70 days placement at Ripon House as part of her social work degree at Bradford University.

The future

The climate that surrounds criminal justice work continues to be challenging. However, we now have a new three year contract and the opportunity to continue to develop our services. Despite challenges our activities and service user involvement have continued to develop and flourish. Our activities enable residents to develop their skills and increase their life chances, which improves their self-esteem and confidence to live independently. Recently it was announced that the transforming rehabilitation agenda of 2014 is now to be reversed with the National Probation Service regaining responsibility for those under supervision, which is very positive. What is most important is that the approved premises continue to provide a safe enabling environment where residents can turn their lives around.

Louise Cantley
Chief Executive Officer
July 2019