HMRC - VATSC15000 - Probation Trusts

At one time probation services were provided by regional probation boards, which were a part of the Ministry of Justice (and before that, the Home Office). However, the Offender Management Act 2007 has removed the statutory duty to provide probation services from Probation Boards, and that statutory duty is now placed upon the Secretary of State. Through Regional Commissioners the Secretary of State will procure probation services.

Gradually probation boards will be replaced by probation trusts, which will be bodies corporate. The Secretary of State will enter into contracts for a range of probation services, mainly with Probation Trusts but possibly also with other bodies. The Ministry of Justice will pay for these services - initially through a fixed payment but moving progressively towards a tariff whereby different prices are paid for different services.

Since the contracts between the parties may vary, it is not possible to give guidance that will apply to all situations. Overall it is expected that probation trusts will make supplies of services to the Ministry of Justice relating to court work and offender management. While it is anticipated that many of these services will give rise to taxable supplies by probation trusts to the Ministry of Justice, there may be some exempt supplies. Additionally, it is expected that there may be supplies between probation trusts themselves, the liability to VAT depending on the nature of the supply.

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