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CORRECTION

Page 142 - Annex C: Performance against Performance Indicators for 2007-08 to 2009-10.

The figures describing performance should read as follows:

Tax first tier ¹³	The percentage of cases disposed of within 70 weeks of receipt	75%	42%	.	.
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July 2010

London: The Stationery Office



Tribunals Service

Tribunals Service

Annual Report & Accounts 2009-10



Reforming > Improving > Delivering



Tribunals Service

Annual Report & Accounts 2009-10

An executive agency of the Ministry of Justice

Annual Report presented to Parliament pursuant to Section 39(3) of the Tribunals, Courts and Enforcement Act 2007.

Accounts presented to the House of Commons pursuant to Section 7 of the Government Resources and Accounts Act 2000.

Accounts presented to the House of Lords by Command.

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Foreword

by the Chief Executive

During 2009-10 the Tribunals Service received nearly 800,000 appeals and claims, over 25% more than in 2008-09. Faced with these increases, the agency responded excellently, increasing our output by 15% and productivity by over 10%.

Despite our success in increasing our capacity to respond to the economic conditions and unexpected increases in work generated by other government departments, this unprecedented level of demand affected the speed with which appeals and claims were resolved. As a result, the Tribunals Service did not meet our target on the number of appeals and claims cleared within target time. More positively, despite the pressures, our customers' view of the quality of our service did not deteriorate, and we met our third target on reducing our operating costs.

Increasing our output, while maintaining quality of service, was our key challenge in 2009-10. But, alongside this, we continued to modernise our

services. The year saw the successful implementation of the second phase of the Tribunals, Courts and Enforcement Act; the opening of a new multi-jurisdictional hearing centre in East London; and significant strides with plans to make Lean (the method we use to continuously improve our services) an integral part of our business. Taken together with the way we are investing in and engaging with our people, the agency is in a robust position to play a full and vital part, alongside Her Majesty's Courts Service, in the new, combined tribunals and courts agency which we are now working together to deliver.

I am proud of the many achievements of the Tribunals Service in 2009-10. These are a direct result of the hard work of colleagues who have done so much to serve our customers, and, of course, that of the judiciary with whom we work so closely to both reform the Tribunals Service and respond to the pressure of increased work.

Kevin Sadler

Section 1 - About Us

In this section, our:

- ▶ purpose, vision and values
- ▶ business
- ▶ links to the wider Ministry of Justice agenda
- ▶ strategic objectives



Purpose, vision and values

Purpose

The primary tasks of the Tribunals Service are to:

- provide a responsive and efficient tribunals administration;
- promote and protect the independence of the judiciary;
- contribute to the improvement of the quality of decision-making across government; and
- reform the tribunals' justice system for the benefit of its customers and the wider public.

Vision

In delivering our primary tasks we aim to be a modern, customer-focused organisation that delivers excellent performance in improving the quality of original decision making and the resolution of tribunals disputes. To achieve this we will:

- work effectively in partnership with the judiciary and others;
- drive up standards of original decision making;
- use creativity and innovation to transform service delivery;
- provide customers with choice, where possible, in the way they access services;
- engage with everyone - staff, customers and other stakeholders - at each stage of the business; and
- use resources efficiently and effectively.

Values

We will value:

- customers - putting our customers first;
- achievement - valuing our people and their contributions to service delivery;
- leadership and teamwork - giving people the freedom and support to succeed;
- personal responsibility - doing as we promise and making a difference; and
- diversity - recognising that we are all different.

Our business

The Tribunals Service	2009-10	2008-09
Number of appeals and claims disposed of in-year	639,600	558,400
Staff (as at 31 March, excluding short term contracts and agency)	2,922	2,737
Gross cost of operations	£355m	£339m
Net cost of operations	£303m	£309m

Created in April 2006, the Tribunals Service forms a key part of the justice system in the United Kingdom, receiving nearly 800,000 appeals and claims during 2009-10. Many of the disputes in these cases involve society's most vulnerable people and relate to a diverse range of social and regulatory matters including:

- immigration and asylum
- social security and pensions
- employment
- social care and mental health
- special educational needs
- criminal injuries compensation
- property and land
- finance and tax
- transport
- information rights

The Tribunals Service continues to build an effective, efficient and user-focused service by bringing together the administrative and judicial functions of its various jurisdictions. The creation of the Tribunals Service provided the framework for administrative integration.

The administration and the judiciary work in partnership with one another to ensure that the public have the opportunity to exercise their rights and to seek effective redress against government decisions. We also help to settle disputes between employers and employees.

The need to reform the tribunals system was initially set out in a review conducted by Sir Andrew Leggatt, 'Tribunals for Users - One System One Service'. The Tribunals, Courts and Enforcement (TCE) Act 2007 created a unified two-tier structure for tribunals with the establishment of the First-tier Tribunal and Upper Tribunal alongside the Employment and Employment Appeal tribunal. Upon transfer into these two tribunals, individual tribunals are abolished thereby streamlining the process and subsequent appeal route. The primary objective in making these changes is to improve the tribunal services provided to our customers by:

- making clear the complete independence of the judiciary, and their decision making, from government;

- speeding up the delivery of justice;
- making processes easier for the public to understand; and
- bringing together the expertise from each tribunal.

Further information on the implementation of the TCE Act can be found in Section Two and a detailed breakdown of tribunals and their jurisdictions is provided at Annex A.

Our links to the wider Ministry of Justice agenda

In April 2008 the Tribunals Service became part of the newly formed Access to Justice Group, which was set up to deliver more effective and integrated working between Her Majesty's Courts Service (HMCS), the Tribunals Service and other bodies, including the Legal Services Commission.

Since its creation, the Access to Justice Group has been working on delivering synergies and efficiencies across the justice system to provide better access to justice for all at a lower cost to taxpayers. A key part of this initiative is to develop more effective and closer working between its constituent bodies.

The Access to Justice Group leads on delivery of the second of the Ministry's four departmental strategic objectives. This is to:

'Deliver fair and simple routes to civil and family justice'

The key aims of this objective are to:

- increase the efficiency and effectiveness of the civil, administrative and family justice systems;
- provide early advice and support to enable disputes to be resolved out of court or tribunal wherever possible; and
- deliver an accessible justice system that provides support where it is needed.

The Tribunals Service supports this departmental objective through delivering its own strategic objectives, as measured by Key Performance Indicators (KPIs), and participates fully within the group to deliver a better service for our customers.

As the year progressed, the Tribunals Service contributed to the developing Ministry of Justice 'Transforming Justice' agenda. To support this vision for change, the Tribunals Service has continued to work towards the delivery of improved customer services which meet the needs of users, enable a more joined-up approach to ensure people get access to the right services at the right time, and enable resolution to be delivered faster at reduced cost. The programme to integrate the tribunals and courts services is a good example of a restructuring of delivery organisations - to be more efficient and allow the focusing of resources on frontline services.

Our strategic objectives

In 2009-10 our overarching strategic objectives were to:

- deliver effective services within the tribunals;
- focus on customers and the wider community;
- make efficient use of available resources and infrastructure;
- build our capacity to deliver through our people; and
- work effectively with the judiciary and other stakeholders.

The following Sections of this Report expand upon how we performed against these five strategic objectives.

Section 2 - Performance and Progress

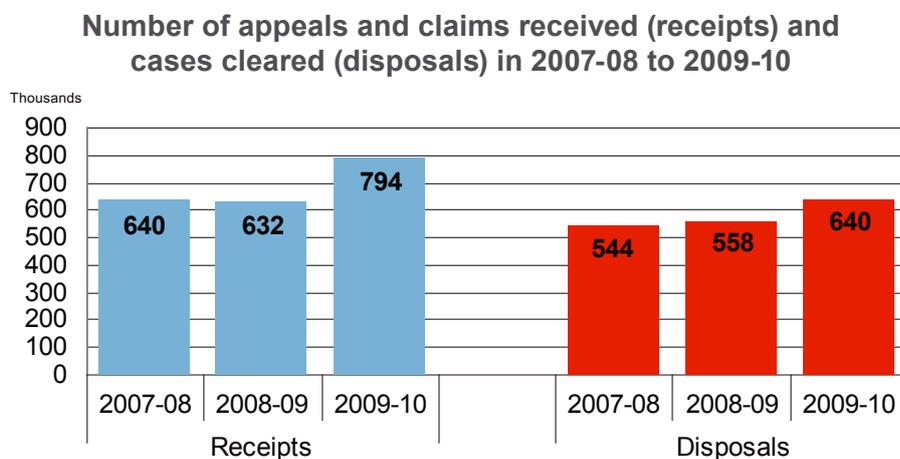
In this section:

- ▶ the demand for our services and our response
- ▶ achievement against Key Performance Indicators
- ▶ the Tribunals, Courts and Enforcement Act 2007
- ▶ modernising the Tribunals Service



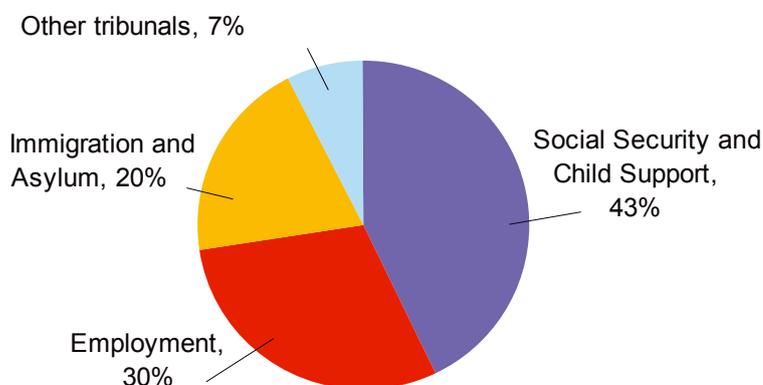
The demand for our services and our response

The recession, and changes in the amount of work generated by other government departments, led to a significant increase in the number of appeals and claims the Tribunals Service received in 2009-10, with an overall increase on the preceding year of 26%. In response to this unprecedented demand, we increased our output - disposing overall of 15% more appeals and claims than during 2008-09.¹



The Tribunals Service is a complex organisation, made up of 36 separate jurisdictions. However, the great majority of the appeals and cases we receive relate to three of them.

Breakdown of receipts (of appeals and claims) by jurisdiction in 2009-10



¹ Full details of receipts and disposals, across all jurisdictions, are at Annex B.

In two of the largest jurisdictions, the increase in appeals and claims - and the Tribunals Service response - was particularly notable.

- In the Social Security and Child Support jurisdiction of the Social Entitlement Chamber, appeals were 40% up on the preceding year, reflecting both economic conditions and a doubling of the number of appeals against Incapacity Benefit/Employment Support Allowance decisions. Despite amending our procedures so that fewer appeals are 'struck out' at an early stage of an appeal to ensure vulnerable people have greater access to justice (which resulted in fewer appeals being cleared without the need for a hearing), 14% more appeals were disposed of in 2009-10 than the preceding year.
- In Employment tribunals, the number of claims overall increased by more than 50% with 'single claims' increasing by 14% compared with 2008-09 (on top of the 16% increase we experienced during 2008-09). 'Multiple' claims (where there is more than one claimant in an action) rose by nearly 90% on the preceding year. In response, the Tribunals Service disposed of 22% more claims than in 2008-09.

While overall appeal numbers in our third large jurisdiction (the Immigration and Asylum Chamber) did not increase, volumes of 'in-country' (Asylum and Managed Migration) cases - which are the most costly to resolve - were significantly greater in 2009-10. Facing this demand, the Tribunals Service disposed of 15% more cases in-year within this Chamber than in 2008-09, clearing more appeals than were received.

We took effective measures during 2009-10 to divert every available resource to our frontline operations. These measures included: increasing our judicial capacity through the recruitment of more judges; pilots to hold hearings outside 'normal' hours; maximising our administrative capacity to concentrate resources on case-working; and ensuring we made the best use of our estate. We



Lynette Tiwari -
Area Manager for Wales and the South West

“

In November 2009 we launched a pilot scheme to trial evening sittings, between 6-8pm, at our Employment tribunal hearing centres in Cardiff, East London and Glasgow. The pilot aims to increase our capacity, but also enables people to fit the hearing in around their usual work commitments. It is a new type of initiative, highlighting our desire to listen and respond to what our customers tell us works for them. The pilot is winning friends!”

”

“Well done to the Tribunals Service - it's a fabulous idea, and means that people might not need to take a day off work to attend the tribunal for straightforward claims.”

The Employment Law Bulletin

“I think this is a very worthwhile initiative which has met with strong approval from the judiciary in Scotland, given its potential to enhance the service we provide to users.”

Shona Simon,
President of Employment tribunals (Scotland)

also intensified our programme to work with other departments to improve initial decision making (to reduce the number of appeals we receive), and on the efficiency and effectiveness of our own business processes through the use of Lean (a way of engaging managers and staff to deliver excellent customer value through structured, continuous improvement).

Achievement against Key Performance Indicators

To monitor how effectively services are delivered we have Key Performance Indicators (KPIs), aimed at measuring three key aspects of our business: the speed of our service; quality of service through customer satisfaction; and our annual running costs.



Speed of service

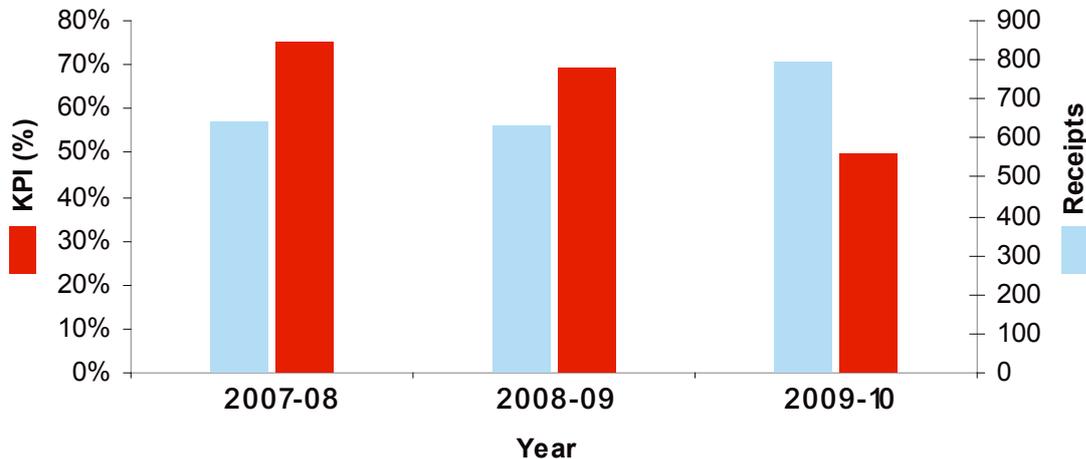
To measure the speed of our service, we have a series of primary performance indicators for each tribunal based on the time taken to process an appeal or claim - from receipt to the hearing or disposal. When consolidated, these primary indicators combine to form KPI 1. For 2009-10, the target associated with KPI 1 was:

'75 % of tribunal applications are dealt with within target time'

The percentage of applications dealt with within target time was 50%, compared to the 69% achieved in 2008-09, and 75% in 2007-08. A full breakdown of our achievement against KPI 1 can be found at Annex C of this document.

The impacts of the recession, and of the unexpected increase in work generated by other government departments, were key to our inability to deliver this target. To safeguard customer service and place the agency in the best possible position for 2010-11, we deliberately focused on our priority to ensure that 'oldest' cases were progressed even though, once they are past their target clearance date, they do not

Comparison between KPI1 and receipts for 2007-08 to 2009-10



'score' positively towards the target. This ensured that we minimised the impact on our customers of significantly increased levels of work in hand in the Employment tribunal and Social Security and Child Support tribunal. Taken together, these factors meant that the agency was not able to achieve the overall KPI 1 target, although the majority of our smaller tribunals did meet their individual targets.

The Ministry of Justice participates in a joint Public Service Agreement (PSA) on migration, shared with the Home Office, which is the lead delivery partner. The Tribunals Service's contribution is in relation to one of the four priorities within this PSA: fast-tracking asylum decisions, removing those whose claims fail and integrating those who need protection.

By working with the United Kingdom Borders Agency (UKBA) we support delivery of this priority by continuing to focus on the speedy conclusion of asylum appeals, in line with our primary performance indicators. To support the end-to-end joint UKBA/ Tribunals Service PSA target to grant asylum to applicants or remove them from the UK within six months from date of application, our aim is to promulgate 75% of asylum decisions within six weeks of the tribunal receiving the appeal. To achieve this aim, we endeavour to:

- list all asylum appeals within 28 calendar days of receipt (in 2009-10 we achieved this for 89% of appeals); and
- promulgate all appeal decisions within 10 working days of the hearing (we met this target for 78% of appeals in 2009-10).

We are continually reviewing our processes and performance in these areas to identify further scope for improving our contribution to the overall PSA target. We are also working closely with UKBA to identify possible changes and improvements to the end-to-end process.

Our Business Plan for 2009-10 committed us to progress the measurement of 'end-to-end' delivery times so that we gauge our performance more from the perspective of the customer, measuring from the time they make their application to the time they are notified of its outcome. Work taken forward during the year, with our judicial colleagues and other stakeholders, meant that we have, for 2010-11, revised targets of this kind for the Immigration and Asylum Chamber (for Family Visit Visas and Entry Clearance Office cases) and also within the Social Security and Child Support jurisdiction and some of the smaller tribunals.

Customers' perception of our service

To measure customer satisfaction we used an indicator that is derived from periodic customer surveys. Our Business Plan for 2009-10 defined the target as:

'The percentage of our customers who are satisfied with the service they receive.'

The target was set at 72%. Details of our performance against this indicator, KPI 2, are set out in Section Three.

Controlling running costs

To measure our annual running costs we use an indicator, KPI 3, which demonstrates annual reductions in operating costs, excluding restructuring and adjusted for workload and inflation. Our KPI 3 target for 2009-10 was:

'To reduce annually the operating costs of the Tribunals Service in real terms'.

Our Business Plan for 2009-10 committed the agency to achieve efficiency savings of £12.1 million. Details of our performance against this indicator are set out in Sections Four and Nine.

The Tribunals, Courts and Enforcement Act 2007

The Tribunals, Courts and Enforcement (TCE) Act 2007 created a new judicial and legal framework for tribunals. The First-tier Tribunal and the Upper Tribunal were established under the Act in November 2008. The First-tier Tribunal is the first-instance tribunal for most jurisdictions. The Upper Tribunal mainly, but not exclusively, reviews and decides appeals from the First-tier Tribunal. It also has the power to deal with judicial review work transferred from the High Court and the Court of Session.

The TCE Act provided for the jurisdictions of most existing tribunals administered by the Tribunals Service to transfer into the new two-tier structure. The main exception to this is the system of Employment tribunals, which remain as a distinct pillar within the tribunals system. The structure is designed to be flexible so that, in the future, when Parliament decides to create a new appeal right or jurisdiction, it will not be necessary to create a new tribunal to administer it.

Both the First-tier Tribunal and Upper Tribunal are divided into chambers that bring together jurisdictions dealing with like subjects or where individual panels need the same types of members.

The first phase of the Act's implementation was completed in November 2008, establishing three of the First-tier Chambers and one of the Upper Chambers:

- the Social Entitlement Chamber incorporating the former Social Security and Child Support (SSCS), Criminal Injuries Compensation (CIC) and Asylum Support tribunals;
- the Health, Education and Social Care Chamber, incorporating Mental Health, Special Educational Needs and Disability, and Care Standards jurisdictions;
- the War Pensions and Armed Forces Compensation Chamber (transferring the Pensions Appeal tribunal); and
- the Administrative Appeals Chamber of the Upper Tribunal, which hears onward challenges on points of law from the First-tier Chambers, as well as some first-instance matters.

During 2009-10, as set out in our Business Plan, we continued with our commitment towards the full implementation of the TCE Act, and several significant milestones were achieved. The second phase of implementation resulted in the following changes to our unified tribunals structure:

- the creation of the Tax Chamber in the First-tier Tribunal in April 2009;
- the creation of the Finance and Tax Chamber in the Upper Tribunal in April 2009. This Chamber is now known as the Tax and Chancery Chamber;
- the Lands Chamber was created in the Upper Tribunal in June 2009;
- the General Regulatory Chamber (GRC) was established within the First-tier Tribunal in September 2009, when four jurisdictions transferred into the GRC with an additional five jurisdictions transferring in January 2010;
- having transferred from the National Health Service Litigation Authority, the Family Health Services Appeals Authority, now named Primary Health Lists, became part of the Health, Education and Social Care Chamber in January 2010;



Mike Reed -
Manager of Upper Tribunal,
Immigration and Asylum Chamber

“ The creation of the Upper Tribunal, Immigration and Asylum Chamber has enabled us to bring together different listing practices and timelines from ten different hearing centres into one centralised model that will ensure greater consistency to deliver the best service to our customers. Additionally, we're now dealing with Upper Tribunal Permission Applications - which has relieved the High Court of a busy area of work and will enable High Court judges to be deployed on other appeals. We're still getting used to things but I'm impressed with how staff and judiciary have worked together to roll out the changes and we're adapting well. ”



Sharon Penn - Manager, First-tier - Local Government Standards, England (formerly the Adjudication Panel for England)

“ There was a substantial amount of preparatory work as this was the first time our jurisdiction has operated under formal rules. A lot of our processes had to be changed, but hopefully the transition was business as usual for customers. We look forward to sharing best practice with our new Chamber colleagues. ”

- the Adjudication Panel for England, now known as Local Government Standards, transferred to the Tribunals Service from the Standards Board for England and now sits in the General Regulatory Chamber;
- two new Immigration and Asylum Chambers were created in February 2010 - one in the First-tier Tribunal and the second within the Upper Tribunal; and
- the Pensions Regulator tribunal and the Financial Services and Markets tribunal moved into the Tax and Chancery Chamber of the Upper Tribunal in April 2010.

A detailed breakdown of tribunals and their jurisdictions can be found at Annex A.

These transfers represent major progress in the implementation of the TCE Act. The changes help to simplify and streamline the appeals process and build services that are increasingly responsive to the needs of our customers. Judicial members within the transferring jurisdictions have moved into the respective Chambers, preserving judicial expertise and ensuring that the experience for tribunal customers remains ‘business as usual’.

Rules

The TCE Act also provided for the establishment of the Tribunal Procedure Committee (TPC), an independent body to make rules for the First-tier and Upper Tribunals. The TPC, whose secretariat is provided by staff of the Tribunals Service and Ministry of Justice lawyers has drafted, consulted on, and made rules for the new tribunals structure, seeking to ensure that a consistent and accessible approach is applied across the jurisdictions.

Judicial review

One aim of the creation of the new tribunals structure was to provide an expert appeal body in the Upper Tribunal which would be able to develop case-law and encourage greater consistency in tribunals law. It was envisaged that appeals on points of law would be to the Upper Tribunal, replacing wherever possible applications for judicial review to the Administrative Court in those jurisdictions for which the Upper Tribunal is responsible. A number of attempts have been made through the courts to challenge these new arrangements. The Tribunals Service has sought to protect the Upper Tribunal’s position, the Secretary of State for Justice being joined to the High Court actions as an interested party, and arguing the case for preservation of the Tribunal’s status as envisaged by Parliament. To date these attempts have met with success and the Tribunals Service will continue to defend the status of the Upper Tribunal as legal challenges arise.

Modernising the Tribunals Service

We are only able to continue to provide an effective and efficient tribunals administration, responding flexibly to the appeals and claims made to us, if we maintain our focus on our programme of modernisation and change. Some elements of our original Transforming Tribunals Programme were paused in 2008-09 so that opportunities could be identified to make service improvements and savings in close parallel with Her Majesty's Courts Service. However, our overall modernisation programme has continued apace and this section describes key aspects of it.

Multi-jurisdictional hearing centres

Although the wider Transforming Tribunals Programme has paused, our strategy remains to take opportunities to consolidate our estate and, wherever possible, seek flexibility across jurisdictions in delivering our services. Our Business Plan for 2009-10 committed us to opening a new, purpose-built hearing centre in East London to replace the Employment tribunal office and hearing centre in Stratford. Anchorage House in East London opened as a multi-jurisdictional venue in September 2009 on time and within budget. It accommodates tribunals dealing with appeals and claims relating to employment, social security and child support, and asylum support.



Mick Robins -
Senior Operations Manager, Anchorage House



The East London multi-jurisdictional hearing centre in Anchorage House brings together the Employment tribunal and Social Security and Child Support (SSCS) tribunal formerly based in Stratford and the Asylum Support tribunal from Croydon.

These tribunals moved into the new accommodation over the last weekend of September 2009. The planning and business transfer went very smoothly and was completed to time. This success can be seen by the fact that the Asylum Support tribunal held its last hearing in Croydon on Thursday 24 September and the first hearing at Anchorage House on Monday 28 September. The Employment and SSCS tribunals began hearings on Wednesday 30 September.

Anchorage House is a modern building with excellent transport links across London. It has state of the art facilities such as independent climate control, video conferencing and Wi-Fi. There are 15 hearing rooms, two waiting rooms and four consultation rooms, a fully equipped medical room, and separate rooms for interpreters and presenting officers.

We have received numerous positive comments from our customers. For example: "I found the service and facilities fantastic" and "the administrative staff were very helpful, they made the tribunal experience good and eased the stress. Information provided was very helpful, facilities were clear and present."





Joy Coles -
Change Director, Tribunals Service

“ The day spent at our Immigration and Asylum office as part of the Lean for Leaders course was my ‘light bulb moment’. We looked at the bail application process in Immigration and Asylum. I have no personal experience of working in that jurisdiction so was not really sure at first how useful my input would be. I thoroughly enjoyed our day talking to people about their role in the process, asking why various activities happened in a certain way. I discovered that you do not need to have experience of the work; in fact, it really is best to have a mix of people at these events.

We presented our findings to the management team but accepted that they had more experience in this area than any of us, so would fully understand their objections. I was absolutely delighted to discover that they had accepted our proposals and that I had been able to contribute in such a practical way to the continuous improvement of the bail process. ”

Lean in the Tribunals Service

We have embraced Lean as a long-term strategy and are committed to becoming a Lean organisation. Lean is recognised internationally and across sectors as a way of engaging managers and staff to deliver excellent customer value through structured, continuous improvement. It focuses on reducing waste and duplication and increasing value and quality of services, emphasising standardised processes to meet customer needs.

We successfully piloted Lean working during 2008-09 and, during 2009-10, commenced its roll-out across the agency. Key milestones included the following.

- Building Lean capability. Working with the Ministry of Justice Lean Academy we had trained 18 members of staff as Lean Practitioners by the end of 2009-10, enabling them to become Lean Change agents within the Tribunals Service. The agents facilitate Lean events in tribunals offices, develop Lean thinking, implement Lean tools and help staff and managers understand the principles of continuous improvement. The Tribunals Service Executive Team (TSET) piloted a Lean Transformation for Leaders course, which included hands-on experience of the Lean Value Stream Mapping problem solving approach. Nearly 20% of Tribunals Service people had the opportunity to attend a Lean event or problem solving workshop by the end of 2009-10.
- Developing and testing Standard Operating Procedures (SOPs). SOPs are a simplified breakdown of key administrative tasks which document critical quality points in our processes and identify the current best working method. They act as a reference point to provide guidance and consistency and a baseline for continuous improvement activity. During 2009-10 we worked to standardise processes and designed and tested SOPs within our largest jurisdictions so that they can be introduced across the Tribunals Service as national versions. We also redesigned our internal structures to ensure that:
 - judicial colleagues understand and support the standardised administrative processes;

- prioritised changes to the processes are only introduced once and nationally; and
 - our operating guidance and learning and development interventions flow from the processes themselves.
- Establishing a Lean 'Beacon Office'. We are committed to developing a 'deep implementation' of Lean within our Administrative Support Centre in Birmingham, embedding the Lean philosophy, culture, tools and techniques with our staff and managers. The Beacon Office will both demonstrate the potential of fully embedding Lean across a whole office (for example, through the use of Team Information Boards), and also inform the future use of Lean within the Tribunals Service, helping establish our continuous improvement strategy.
 - Working jointly with the Department for Work and Pensions (DWP), identifying and trialling changes to our shared processes to improve the service our shared customers experience. This work is set out in more detail in Section Six.

Caseflow

A joint project between the Tribunals Service and Acas, Caseflow is an electronic case management system that will bring greater efficiency and flexibility to processing and administering claims to the Employment tribunal. Our customers are increasingly contacting us electronically and Caseflow moves our handling of claims from being predominantly paper-based, to electronically-based. Caseflow went live in our Nottingham office in November 2009 on a pilot basis and in May 2010 the scope of the pilot was extended to include Leicester. We will begin rolling out nationally once the pilot has been evaluated and we are confident that Caseflow will improve our overall business processes for the benefit of our customers.

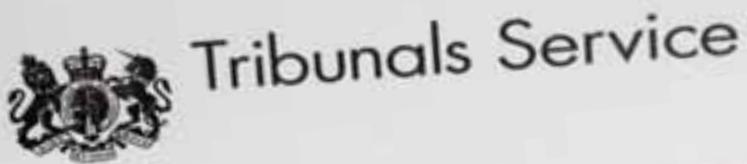
Birmingham Administrative Support Centre (ASC)

Following the move of the Midlands area work from Social Security and Child Support (SSCS) and in-country work from the Immigration and Asylum Chamber (IAC) into the ASC Birmingham in 2008, the final tranche of work to be moved there will be that from the Birmingham and East Midlands regions of the Employment tribunal.

Section 3 - Our Customers

In this section:

- ▶ achievement against our customer service Key Performance Indicator
- ▶ improving customer service in the tribunals
- ▶ dispute resolution
- ▶ equality and diversity



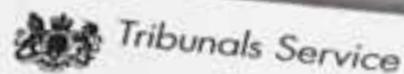
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The Tribunals Service strives to improve customer service delivery across the organisation and we aim to put our customers at the heart of everything we do. During 2009-10 we made significant steps in our customer service, performing well against our customer service target despite the rise in business volumes and the inevitable impact that this had on customer waiting times.

Achievement against our Customer Service Key Performance Indicator

We use a Key Performance Indicator (KPI 2) to help us define and evaluate the success of our customer service. Since we established our customer survey in 2007 we have consulted nearly 10,000 customers from across the majority of our tribunals. The measure beneath the target is the percentage of respondents who describe themselves as 'fairly' or 'very' satisfied when asked the question:

"Now thinking about the administrative process and procedures involved in your case and not the final outcome, how satisfied are you with the overall service you received from the Tribunals Service?"

The survey results, together with the information provided by our customer complaints, comments and praise, enable us to gain a better understanding of our customers' needs and give us a valuable insight into what we are doing well, as well as highlighting those areas where we need to improve. In the survey we ask our customers what matters most to them in terms of the service we provide, find out what their expectations and experiences are, and ask them to rate their overall satisfaction with our processes and procedures. This feedback shapes our programme to improve customer service, as set out later in this section.

The KPI 2 target in 2009-10 was for 72% of our customers to be satisfied with the level of service received. We achieved a performance of 71.4%², missing the target by the narrowest of margins. In fact, despite the 26% rise in the number of appeals and claims we received in 2009-10 our level of customer satisfaction remained steady and overwhelmingly positive, reflecting the efforts and approach of Tribunals Service people across the business. The more detailed results show:

- 80% of those contacting their tribunal by telephone thought that the call was answered quickly;
- 87% of those surveyed about their telephone contact said that the call was dealt with quickly;
- 78% described the staff dealing with their call as knowledgeable; and
- 94% felt the staff they spoke to on the phone were polite and respectful, with 85% also perceiving them as fair and sensitive.

² The sampling tolerance around the overall rounded satisfaction score of 71% is +/- 1.5%. We are 95% confident that the true score will fall somewhere between 69.5% and 72.5%.

Understandably, some customers' assessment of our service is influenced by the outcome of their tribunal and, during 2009-10, we sought to reduce that effect - so that we can best understand the level of service we provide - by changing the location within the telephone survey of the question seeking their overall satisfaction level. Originally, the question was asked towards the beginning of the survey, just after the point in which customers were asked whether they were successful. The new methodology (producing the 71.4% satisfaction figure described above) asked the question later in the survey, when the focus is on the administrative service they received, seeking to reduce the effect of the outcome and capture most accurately the satisfaction they felt. This change was made in line with the required statistical methodology and was announced and described in detail on our website. To ensure we understand fully the impact of the change, during 2009-10, we also continued to ask the question at the beginning of the survey. Doing so produced a satisfaction rating of 67% for 2009-10, compared with 65% in 2008-09.

Customer Service Indicators

To support our goal of achieving KPI 2, and to ensure that our customers can expect a consistent level of customer service from whichever part of the Tribunals Service they use, our Business Plan contained a set of customer service timeliness standards in respect of general correspondence, complaints, telephone answering, Data Protection and Freedom of Information requests, ministerial and 'treat official' correspondence.

The Tribunals Service achieved a performance of 99.5% against the standard of replying to 95% of ministerial correspondence within target. In November 2009, the Ministry of Justice reduced the end-to-end target from 20 to 15 working days. We have continued to maintain our performance despite this shortened timescale. Performance in handling correspondence from members of the public to ministers or officials within the Ministry of Justice ('treat official' correspondence) for 2009-10 was 92% within 15 working days against a standard of 80%, with performance rising as high as 97% for the second half of the year.

We have now developed and introduced comprehensive qualitative telephone answering standards in addition to our existing quantitative standards. From early in 2010-11 we will conduct 'mystery shopping' on a quarterly basis to measure our performance against these standards.

Customer feedback

We performed well against our target for replying to administrative complaints within ten days of receipt - achieving 93% against our target of 90%. This is the first time we have achieved this target since the Tribunals Service was established.

There was an increase in the number of complaints resolved in 2009-10 compared with the preceding year - we handled 2,392 complaints, against 1,873 in 2008-09, returning

to roughly the level of complaints received in 2007-08 (2,222). While the increase in complaints in 2009-10 was roughly equivalent to the increase in our business volumes, we did not see a commensurate deterioration in our KPI 2 performance and the proportion of complaints remained both static and low at around 0.3% of total receipts (or one complaint for every 330 appeals and claims we received).

In 2009-10 the Tribunals Service also received 501 customer comments and suggestions, and praise on 1,522 occasions, about the level of administrative service provided. During the year we introduced a standard comment form which has provided us with a sharper insight into what is important to our customers when they attend tribunal hearings.

Customer forums and groups

In many of our tribunals, customers - or their representative groups - can engage directly with judicial, administrative, or policy-making staff, to talk about the Tribunals Service and how further improvements can be made to the service that we offer.

These arrangements include a national forum where representatives of appellants within the Social Security and Child Support jurisdiction can discuss their concerns with Tribunals Service managers, and the Chamber President. Similar arrangements are in place within the Immigration and Asylum jurisdiction, and for Employment tribunals. In addition, local user groups are consulted - for example, in the Employment tribunals there are user groups which meet in 25 major towns and cities.

Improving customer service in the tribunals

A Customer Service Board was established in April 2009 to lead the organisation in driving forward customer service improvements. The board meets every six weeks and is supported by the corporate Customer Service Unit and a Customer Service Network which includes representatives from all geographical operational areas.

A detailed national Customer Satisfaction Delivery Plan was agreed and implemented which set out our aim to improve our customer satisfaction performance and provided area managers with the basis to produce their own localised plans to improve service delivery. The main focus of the plans is the priority areas identified from our national survey where customers say we need to improve. These are:

- informing them about what will happen on the day of the hearing;
- providing them with a good explanation for the outcome of the hearing;
- having knowledgeable staff; and
- keeping them informed of progress throughout the tribunal process.

Providing up-to-date, relevant, information to our customers at every contact stage is important, so reviewing our communication channels was a key issue for us in 2009-10.

We improved the quality and timeliness of the information we provide in terms of our leaflets, further refined our website and extended our use of DVDs designed to help our customers.

Dispute resolution

During the year the Tribunals Service undertook a range of work internally, and with other government departments, to improve the end-to-end dispute resolution process for customers, improve efficiency, and where possible ensure that disputes are settled at the earliest point in the process, ideally with the initial decision making authority.

The benefit to the Tribunals Service of working with decision making agencies to improve processes outside of our direct responsibility is that the current volume of appeals that we have to deal with (many of which are upheld or withdrawn) may be substantially reduced as they are resolved without the need to make a formal appeal. There is a wider benefit to our customers and other government departments in that disputes may be resolved more speedily. More detail is provided in Section Six.

Independent evaluation reports of two alternative dispute resolution pilots, 'Early Neutral Evaluation' in the Social Entitlement Chamber and 'Judicial Mediation' in the Employment tribunal, were published in 2009-10. Both reports indicated mixed results from the pilots and the implications for further use of these procedures will be considered as part of a wider review of the scope for introducing further proportionate dispute resolution processes in tribunals which is currently underway.

Equality and diversity

In September 2009, the Tribunals Service asked the Ministry of Justice Corporate Equality Division to carry out an Equality Audit Toolkit workshop. This is a diagnostic tool which allows a business area to assess itself against key questions on equality and diversity. The recommendations from this work were incorporated into the Tribunals Service Equality



Ian Miller - Area Manager for Greater London and the South East

Matt Willis - Area Support Manager for Greater London and the South East

“ As part of a local focus to improve customer service, an area customer service group was formed to identify potential improvements to customer service within our tribunal centres here. One idea coming from the group was to trial placing a member of staff within the reception area of centres, primarily where Employment tribunals take place, on a full time basis. The aim for these receptionist posts was to answer general queries, inform customers of the next stage of the appeal process, and promote the use of feedback from all customers so that local improvements can be made. The pilot commenced in seven offices in January 2010 and will run until the end of June 2010 when a review will take place. Early indications show there has been an increase in the number of comment cards received from customers, most providing positive feedback. ”

Action Plan. Also in 2009-10, our Internal Audit Division conducted a detailed audit of the Tribunals Service's Equality Impact Assessment processes and governance arrangements. The recommendations from the audit (which will further enhance our ability to assess our policies and initiatives to ensure compliance with equality legislation, and progress our equality and diversity agenda) were agreed and their implementation began within the business year.

We also produced revised and comprehensive Reasonable Adjustment Guidance for our staff. The guidance: provides information on the Disability Discrimination Act and our duties under it; helps our people understand what is a 'reasonable adjustment'; and includes a reasonable adjustment 'log' to record the details of any request so that we can identify any issues and share best practice. It is accompanied by fact sheets with useful information on some of the most common types of disability, and offers communication tips and advice on the most appropriate language to use in describing a person's disability.

The Tribunals Service complies with the Ministry of Justice policy in respect of disability. The aim of this policy is to ensure people with disabilities are supported and encouraged to apply for employment and to develop and progress throughout the Tribunals Service. We value the many and varied skills that people with disabilities bring to the business. We will provide developmental opportunities and make reasonable adjustments to ensure they realise their full potential. Benefits include:

- better representation of our stakeholders;
- bringing a diverse range of experiences and skills to our workplace;
- building organisation loyalty;
- avoiding legal action and adverse publicity; and
- making efficiency gains - for example, responsive management and improved retention rates.

We aim to encourage a culture in which we remove or avoid creating barriers for people with disabilities. We will positively promote equality of opportunity for people with disabilities and actively seek to enable the talents of all our people.

Section 4 - Our Resources and Infrastructure

In this section:

- ▶ efficiency
- ▶ strategic IT development
- ▶ estates
- ▶ staffing
- ▶ health and safety
- ▶ sustainable development
- ▶ fees



Efficiency

For 2009-10 we were set a new efficiency target of £12.1 million. Initially, we expected to deliver this through a combination of a net £6.5 million from operational and procurement efficiencies, £2.9 million of estate savings, and a further £2.7 million of judicial cost savings.

In overall terms our financial efficiency/productivity is measured by our Key Performance Indicator (KPI 3) which compares total cost with a combined index of receipts and disposals. Using this measure, for 2009-10 we achieved efficiency/productivity savings equivalent to £39.3 million (10.6%) - considerably in excess of the target. This was achieved through a policy of continuously bearing down on support and general administrative costs, thus maximising resources available for frontline service delivery. Despite having to retain our Procession House premises in London (which we originally expected to vacate at the start of the financial year) until the end of 2009 in order to provide emergency accommodation for the operations displaced by the fire at Field House, we were still able to realise estate savings of £1.5 million. On reducing judicial costs, through working closely with the judiciary the target savings were achieved.

Strategic IT development

Building on our existing IT Strategy we continued to work towards reducing our IT costs, and to identify areas in which IT can be used to contribute to more efficient business processes.

During 2009 we successfully moved our Employment tribunal's IT services onto the Ministry of Justice's Wide Area Network. This means that our entire IT estate is now managed under one contract, enabling efficiencies of scale and a joined-up approach to IT service delivery. Benefits include: improved security of our IT estate; the provision of a single helpdesk facility for all users of IT across the Tribunals Service; and greater flexibility to move our people between offices.

We also started work on consolidating our IT business applications through working with our IT partners to make changes to one of our core IT systems so that we can easily and cheaply add further tribunal jurisdictions to it. Over time this will reduce the risk and cost associated with our diverse IT estate and will enable more effective deployment of our staff to deal with changing workloads.

A pilot to test the benefits of digital recording equipment in tribunal hearings started in October 2009. Working closely with our judicial colleagues, the pilot is being run in six centres nationwide, across our three largest jurisdictions. The technology enables the

tribunal judge to take a more active role in the hearing, and early feedback suggests that the introduction of digital recording technology could improve the integrity of proceedings by contributing to a reduction in certain types of complaints and, in some cases, reduce onward appeals. The technology may also assist in other areas, such as the production of decision notices, to support wider service improvements to our users. A full evaluation of the pilot will be conducted during 2010-11.

Finally, we began the programme of changing the way we manage our websites to make it easier for members of the public and businesses to find information about us through the Directgov, Businesslink and NHS Choices 'supersites'.

Estates

The Tribunals Service, during 2009-10, continued our three-pronged policy of:

- taking every opportunity to work with Her Majesty's Courts Service (HMCS) to make better use of our combined estate. For example, the move of our Social Security and Child Support operation in Manchester from the separate Boulton House premises to co-locate in the Manchester Civil Justice Centre resulted in savings of £173,000 per annum;
- rationalising our estate as and when cost effective opportunities arise. In particular, the release of two major properties in London - Cardinal Tower and Procession House - led to savings of £3.6 million per annum; and
- renegotiating the terms of our occupation of those premises viewed as a long-term business requirement. Over the length of the leases involved we negotiated savings in excess of £3 million during the year.

There were two major estates developments during the year. The largest, in terms of cost, was the re-instatement of our Field House site which was substantially damaged by a fire in March 2009. This re-instatement, which was managed as a joint project with the HMCS London Regional Estates Team, was delivered to budget and on time, enabling the release of Procession House. The second major event was the completion and opening of the new multi-jurisdictional hearing centre in East London, as described in Section Two.

Going forward, while continuing with our estates policy, and ensuring the needs of the users of the Tribunals Service are properly and fully catered for, we will play our full part in the wider Ministry of Justice and pan-government estate initiatives currently being procured or under consideration.

Staffing

Section Two set out the business volumes faced by the Tribunals Service in 2009-10. We have sought to maximise our administrative capacity through, for example, the use of short notice clerks³, and the more flexible deployment of ushers to free up experienced case workers' time to protect customer service. Given the 26% rise in workload we also increased our workforce. At the close of the year, the Tribunals Service headcount was 2,922, compared with 2,737 in March 2009 (an increase of 7%).

There was a small overall reduction in the number of days lost through sickness during 2009-10: an average of 10.24 days per person compared to 10.33 at the end of 2008-09. Despite this positive trend, which builds on past reductions, we recognise that sustained effort in the future is needed to improve levels of attendance towards achieving our target of an average of 7.5 days sickness per full-time equivalent staff member for the year.

Priorities, roles and responsibilities in relation to improving levels of attendance were drawn together into a focused Attendance Management Action Plan. This helped to ensure that lessons learnt were shared across the Tribunals Service and the wider Ministry of Justice family, and the well-being agenda was supported at all levels. The Action Plan focuses on three main areas:

- control measures;
- preventative action; and
- support to managers.

A programme of 'Improving Managing Attendance Skills' workshops, developed by our Human Resources Business Partners, has been completed. This provided an opportunity for significant numbers of managers to work with colleagues and human resources experts in a coaching environment to develop their skills in applying the managing attendance policy consistently and effectively.

Managers at all levels are responsible for managing attendance and had a key work objective to reduce absence levels in their teams while developing a culture that encourages people to be at work. They were supported by our network of Attendance and Wellbeing Champions. The Champions provide support to enable people to remain at work or return as soon as appropriate following an absence, and play an important part in their local offices to support national healthy living and lifestyle initiatives which can help minimise preventable absences.

The Attendance Management Action Plan has continued in the 2010-11 financial year. Our overall absence at the start of 2010-11 has already shown a significant further reduction and the average working days lost figure is proportionately in line with our 7.5 day target.

³ Individuals required by the agency to deal with tasks, which occur on an irregular basis, clerking tribunal hearings as and when required.

Health and Safety

A robust system of accident reporting is in place within the agency and, during the year, 166 accidents were reported. This represents a reduction of 17 (9%) compared with 2008-09. The information provided by these reports is studied and analysed on an ongoing basis to identify emerging trends and risks and ensure appropriate action is taken. Health and Safety concerns and issues are discussed with trade union representatives at the regular meetings of the Health and Safety Committee.

Our Health and Safety team continues to carry out a programme of site visits to monitor compliance with requirements. Forty seven, rather than the planned forty two, visits were actually carried out in 2009-10, and advice and guidance provided.

Sustainable development

We consolidated our Environmental Management System (EMS)⁴ initiative in the 10 sites in which it was introduced during 2008-09. All sites passed their initial external audit by April 2009, and the three sites which applied for their annual re-accreditation for 2009-10 were successful. The remainder of the sites will be externally accredited over the coming months.

Representatives from each of the accredited sites ensured the continued progress of the EMS within their regions with the introduction of a number of local initiatives. This work helped the sites reduce their carbon footprints, and enabled the Tribunals Service to report more accurately on the Sustainable Development in the Government Estates (SDiGE) targets. In line with ISO standards we plan to extend the EMS to a further 13 Tribunals Service sites during 2010-11, increasing the number of sites running the system to a total of 23.

Fees

We undertook a review of the fees charged by the Tribunals Service during 2009-10 and will consider whether there is further scope for charging fees, without restricting access to justice, in 2010-11.

In April 2010, after consulting with the Senior President of Tribunals, and the Administrative Justice and Tribunals Council, we introduced the first increase to the fees in the Gambling jurisdiction since the creation of the tribunal in January 2007. The increase was 7.6%, in line with inflation since 2007. While we also examined the possibility of increasing the Gender Recognition Panel application fees, it was determined that it would not be appropriate to increase them above their current level.

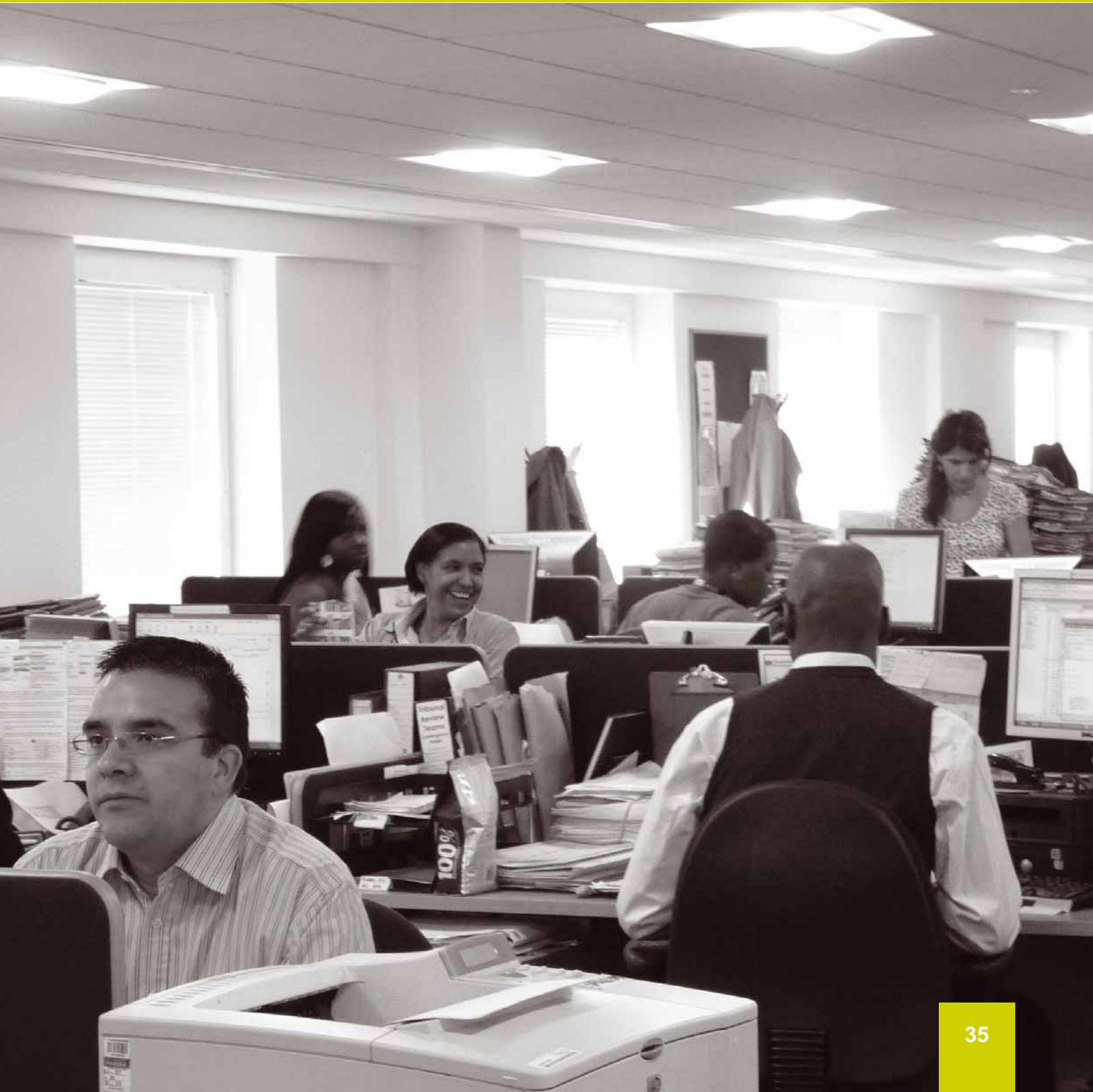
⁴ An Environmental Management System (EMS) is a comprehensive and structured framework for managing an organisation's environmental policies. The requirements for successfully adapting an EMS are specified by BS EN ISO 1400. This is a recognised British and European standard which provides a management system for organisations to effectively control the environmental impacts of activities, products and services and continually improve their environmental performance.

In December 2009 we embarked on a 12-week public consultation exercise on proposals to increase Lands tribunal fees. Responses will be analysed with a view to implementing any increases in the autumn of 2010.

Section 5 - Our People

In this section:

- ▶ taking forward learning
- ▶ recognising and building talent
- ▶ engagement
- ▶ moving forward





Leadership Development in the Tribunals Service
Jason Yaxley - Project Manager

“ The leadership programme has inspired me, as well as giving me the tools, to change the way I look at leadership and how I actually go about doing it. Of the two, I think the real success of the leadership development programme is the innovative way that it motivates people to change the way they think and act.

It has moved me from thinking that management is the same as leadership, to a much greater appreciation and understanding of the difference and what I have to do, personally, and with others, to not only change my own leadership style (and its effectiveness) but improve leadership across the whole organisation.

The programme is very well structured with a mix of teaching, self-learning, and joint discovery with colleagues, and takes the participants on a journey which gives you the optimism, drive, and desire to be a better leader. Critically, the programme gives you the route map to achieve this too.

I will now focus as much energy into leadership as I used to solely channel into just getting my work done.



Our 2009-10 Business Plan set out our continued intention to ensure that our frontline, operational and corporate staff have the necessary capabilities and skills to deliver an excellent service to our customers. Our strategy of optimising people capability during the year focused on: leadership; succession planning and talent management; skills and capability; and employee engagement - all underpinned by a new Learning and Development framework. We did not slow our programme of staff development and engagement as a result of the business volumes we faced, recognising the value of investing in our people to meet the unprecedented demand for our services.

Taking forward learning

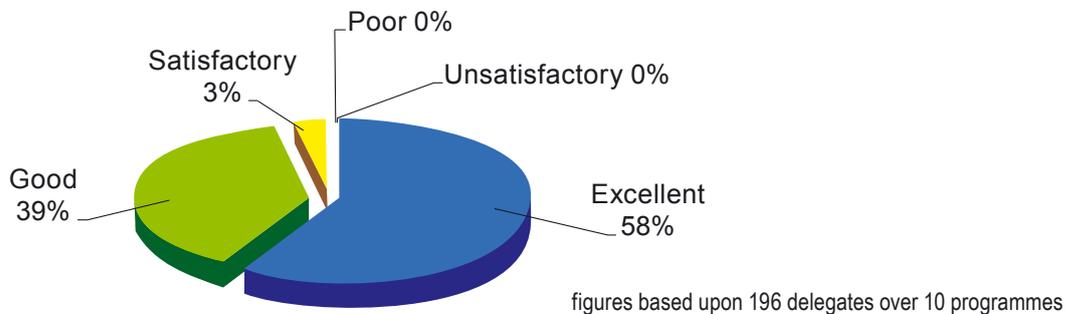
During 2009-10 we built on the sound base provided by our business-wide Learning Needs Analysis, as well as acting upon the very clear views of our people expressed through Employee Engagement work we did in 2008-09. To boost our learning and development programme, a senior manager with strong operational experience was asked to identify, develop and deliver a wide portfolio of opportunities.

Leadership

Building upon the pilot event of 2008-09, we introduced and rolled-out a Leadership Development Programme, delivered by an external training partner, and aimed at all our managers from Band C to the Tribunals Service Executive Team (TSET). So far, 200 of our leaders have taken part and the formal evaluations have been extremely positive.

Using tried and tested methods, including 360 degree feedback, and learning around approaches to change, this powerful programme helped our senior people develop their leadership techniques, engage openly and honestly with colleagues, and move towards a coaching style of management. The programme has established a shared set of ideas, principles and behaviours, and a common vocabulary, emphasising the importance of leadership in getting the best from people. To ensure this effect continues right through the organisation, we also developed a leadership programme for first line managers which is planned to start in 2010-11.

Leadership Development Programme overall satisfaction ratings



Recognising that building a leadership culture requires ongoing investment, the learning from the Leadership Programme was reinforced over the year by a short series of follow-up forums where 70 of our people reflected on how their behaviours had changed and shared their future development plans. For those wishing to take the next step, we developed an Appreciative Leadership Programme and also designed and deployed a Coaching Programme. Additionally, working with the National School of Government, we have in place a negotiating and influencing event for our managers, as well as a development programme aimed at our people involved in policy work.

Our Learning and Development team have also responded to targeted requests for support, developing and delivering interventions required by colleagues locally. A bespoke Leadership Programme and all-staff event were delivered in our Leicester/ Loughborough Administrative Support Centre. This enabled our managers there to build the team and lead their staff through the significant changes they were facing, as well as embracing the Lean agenda. Leading also means our managers having the confidence to use and an understanding of our human resources policies - particularly in difficult areas such as attendance management, misconduct and challenging poor performance. Responding to clear feedback from a management event in Central London, the area management team developed and delivered a one-day workshop, helping over 70 of our leaders build confidence in these areas.

Apprenticeships, National Vocational Qualifications (NVQs), and supporting skills development

Responding to the target of 95% of public sector workers reaching at least NVQ Level 2 by 2011, the Tribunals Service conducted a qualifications audit to identify the number of staff without qualifications. Around 200 people fell into this category. All were contacted and offered the opportunity to study for a work-related apprenticeship in subjects such as Team Leading and Management; Customer Service; and Business Administration - all available at NVQ Levels 2 and 3. The take up rate was high (75 people put themselves forward) and ensured that the Tribunals Service exceeded the target at the end of the financial year. However, we also wanted to ensure that those staff who already had qualifications, yet were motivated to further their work skills, were

not excluded from the apprenticeship opportunity and 44 people took up this offer. We also worked with 'Skills for Justice' to set our own National Occupational Standards for frontline staff. These were accepted first time by the awarding body and the Tribunals Service has now further developed these into an NVQ Level 2 in Courts and Tribunals Administration.

The vast majority of people working in the Tribunals Service provide direct customer service to members of the public who have made an appeal or a claim. To ensure they have the skills and knowledge to do so, we have a team of Business Skills trainers who support that learning face-to-face. During 2009-10, working from a programme of prioritised needs dictated by the business volumes we faced, this team delivered 2,285 training days, helping over 1,300 of our people do their job better. As we put in place the Standard Operating Procedures described in Section Two, we will be able to underpin these interventions with computer-based learning, linking the business processes to operational guidance and tailored training material.

Lean learning

Section Two set out how we have built Lean capacity and capability through training 18 members of staff as Lean practitioners, and through piloting the Lean for Leaders course with the Executive Team. Establishing Lean within the Tribunals Service will require a significant acceleration of these interventions. As a first stage, in 2009-10, we focused attention on our Beacon Office, delivering our Leadership Development and Coaching Programmes there as well as holding an event for all staff. We also agreed a series of Lean for Leaders events so that all our Bands A, B and C understand why and how we are working towards being a Lean organisation, and to familiarise them with the Lean tools and philosophy. By the end of the year, we had decided our learning approach to Lean.

Recognising and building talent

Our Business Plan for 2009-10 committed us to developing a Talent Management Framework to help us identify Tribunals Service talent pools, and to produce a succession planning model, with identified business critical roles.

Our framework is directed at the talent possessed by every individual working in the Tribunals Service, and will help us to make sure that we both make the best use of, and continue to develop, our collective capabilities in meeting the challenges ahead. The focus is on treating everyone as an individual, and recognising their potential, but crucially offering development advice to them and their line managers so their ongoing needs are identified, recorded and met. The result is that, as opportunities arise, we have improved our capability to identify the right people at the right time to fill the business critical roles.

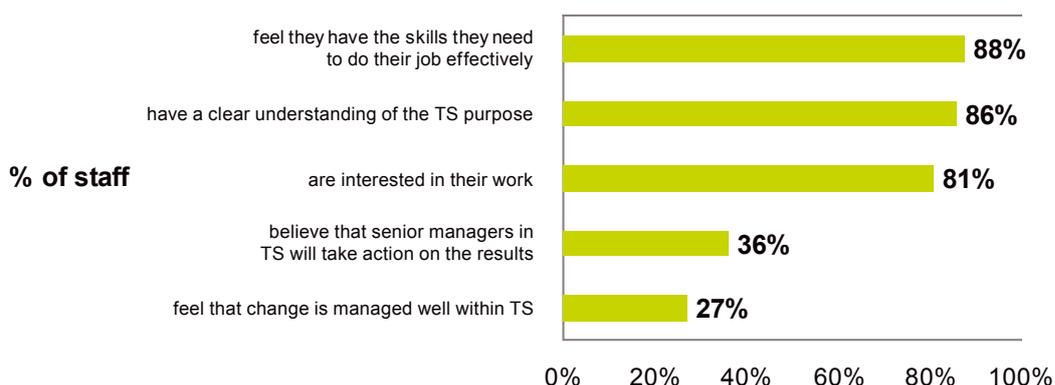
Engagement

Our Employee Engagement approach is to hold annual surveys, listening to what people in the Tribunals Service think, bench-marking ourselves against other parts of the civil service, and incorporating the outputs from those surveys into our 'business as usual' activity and planning. During the year, informed by the 2008 survey (where 55% of our staff responded), all parts of the Tribunals Service held 'Results into Action' workshops and developed focused action plans. This resulted in a 'You Said, We Did' approach where the thoughts and concerns of Tribunals Service people - at all levels in the business - were listened to and acted upon. Activity included: improving the visibility and approachability of senior managers; improving people's knowledge of the wider Ministry of Justice; trying harder to communicate clearly around issues of organisational change; and helping managers tackle poor performance.

The 2008 survey proved the power of engagement. We launched the 2009 survey with great confidence, pleased to be one of the 96 civil service organisations participating, and encouraging all Tribunals Service people to take part, emphasising that the results would be acted upon. This year we were determined to structure the survey so that results would be available at a much more localised level, so that improvements could be discussed at that level.

Our response rate, at 79%, was a significant improvement on the previous year, and well above the civil service average of 64%. The survey produces an overall Employee Engagement Index figure and the Tribunals Service scored 53%: lower than the civil service average at 59%, but higher than the overall Ministry of Justice score of 51% and significantly up on our 2008 score of 36% (although the focus of the questions in 2009 changed from the Ministry of Justice to the Tribunals Service). The Tribunals Service compares reasonably with similar sized organisations across the civil service, with our overall Engagement Index on a par with the majority. The survey identified positive areas to build on and also identified others where we should seek to improve.

Staff Engagement Survey 2009 - Key themes





The results of the survey are available to everyone in the Tribunals Service. Once again, 'Results into Action' workshops will take place early in the 2010-11 business year, supported by the network of Employee Engagement Champions. Local results will determine local activity, and this will be built up into a national picture, informing our benchmarking against other organisations, and setting our national engagement priorities. We will be able to see the impact of our activity in the 2010 survey, due to commence in September 2010, with the results available before Christmas.

Moving forward

None of the initiatives and plans set out in this Section stand alone. Our Employee Engagement results inform our learning needs, and our training interventions are key to driving forward the delivery of Lean which will, in turn, help our people feel more engaged. Taken together, they offer a very powerful opportunity to increase our efficiency and effectiveness; energise our staff; develop a strong, shared sense of purpose; and build a modern organisational culture focused on providing class-leading customer services. As the Tribunals Service enters the 2010-11 business year, we are exploring ways we can help everyone in the organisation be part of the energy these initiatives are creating, and to ensure that they will form a key ingredient of the new tribunals and courts agency.

Section 6 - Judicial Colleagues and our Stakeholders

In this section:

- ▶ the judiciary
- ▶ changes in key legislation
- ▶ judicial pay and conditions reviews
- ▶ working with our stakeholders to improve services



The judiciary

The Tribunals Service and the tribunals' judiciary have maintained a close working relationship, while respecting each other's distinctive constitutional position. Each has its own governing body - the Tribunals Service Executive Team (TSET) for the tribunals administration and the Tribunals Judicial Executive Board (TJEB) for the tribunals' judiciary. But we have established a pattern of joint meetings of TSET and TJEB, co-chaired by the Senior President and the Chief Executive, to deal with common issues. In addition, the Senior President attends Tribunals Service Management Board (TSMB) meetings as an observer and the judiciary are represented on all significant programme and project boards. We have also established jurisdictional boards for the major jurisdictions.

While finance is the responsibility of the Chief Executive as Accounting Officer, there is a protocol in place which ensures judicial involvement in the budget-setting process.

Where leadership responsibility rests with the Senior President or other judicial leaders, much of the work is carried out through TJEB sub-groups. The tribunal judicial groups responsible for training, appointments, communications and medical issues, have met throughout the year and, through their agreed programmes of work - including a unified training programme - they continue to deliver against their remit. Their work is supported by the Tribunals Judicial Office, a small unit within the Tribunals Service established to offer direct support to the senior judiciary in respect of their statutory responsibilities.

We had hoped that we would be supporting the judiciary in the formulation of a three-year programme for judicial training but this did not prove possible, primarily because of a developing agenda to bring tribunals judiciary training into a closer working relationship with courts judiciary training. Likewise, the work we planned on judicial welfare has been restructured to take account of parallel developments in the courts.

The Senior President has published his first Annual Report, which reviews the history of the tribunal reform programme as well as recent developments in the tribunals' judiciary. This is available to view by following the links through the 'Publications' section of the Tribunals Service website at www.tribunals.gov.uk.

Communications and close working

Each chamber President has a designated lead Director for their regular liaison with the Tribunals Service. At a more local level, Area Managers meet frequently with their own judiciary and Centre Managers with regional, district and local judges. While jurisdictional meetings have always taken place, these have recently been formalised with the introduction of Jurisdictional Boards for the larger jurisdictions. These bring together judges and administrators with key responsibilities within the jurisdiction to take an overview of the jurisdiction and focus on the appropriate operational, change and policy issues and make decisions to support the most effective delivery of its services.

The Judicial Appointments Commission

We depend on the Judicial Appointments Commission (JAC) and our colleagues in the Ministry of Justice headquarters to recruit judges and members for tribunals. This is done within a complex and demanding statutory framework designed to ensure that all appointments are made on merit. We have agreed a three-year rolling programme for recruitment with the JAC which will bring more certainty to the arrangements, and participated in workshops to streamline the end-to-end process.

Delivering cost savings in relation to judicial work

Cost savings for 2009-10 were discussed and agreed between the Regional Directors and relevant chamber Presidents. Progress against these savings and for future years is discussed at Judicial Activity Group meetings, comprising senior Tribunals Service management and chamber Presidents.

Changes in key legislation

Regulatory Enforcement and Sanction Act

The new Environment jurisdiction has been created to hear appeals for new civil sanctions made available for certain specified offences for use by Environmental Regulators from April 2010. The First-tier Tribunal (Environment) hears appeals against civil sanctions imposed by the Environment Agency and Natural England under the Environmental Civil Sanctions (England) Order 2010 and the Environmental Sanctions (Misc. Amendments) (England) Regulations 2010. The Environment jurisdiction will be operated and governed under the specific General Regulatory Chamber Rules.

Equalities Act

Throughout 2009-10, we worked with colleagues in the Government Equalities Office, the Department for Business, Innovation and Skills, the Equalities and Human Rights Commission and others on the passage of the Equality Bill. The Bill received Royal Assent on 8 April 2010.

As the Equality Act reforms underlying employment and equality law, it will impact upon the work of Employment tribunals once in force. Currently, for example, Employment tribunals can make a recommendation that the employer change working practices or processes to the benefit of the person who made the claim. A recommendation cannot be made if the claimant no longer works for the respondent. The Act will enable such recommendations to be made in relation to the claimant or for the benefit of the wider workforce, even where the claimant has left the employment of the respondent.

Immigration

The planned transfer of 'fresh claim' judicial reviews from the Administrative Court into the Upper Tribunal Immigration and Asylum Chamber, enabled by section 53 of the Borders Citizenship and Immigration Act 2009, has been delayed following the judgment in *BA (Nigeria) v Secretary of State for the Home Department (and others)* [2009] UKSC 7, at the Supreme Court in November 2009. The *BA (Nigeria)* judgment triggered a number of judicial reviews which sought to argue that the scope of the judgment called into question the ability of the United Kingdom Border Agency (UKBA) to refuse to accept submissions as a 'fresh claim'. Lead cases were expedited and heard in March 2010, with the claims being refused. The claimants in both cases sought permission to appeal to the Court of Appeal and the date for the commencement of section 53 of the 2009 Act is not currently known and is unlikely to be set until the above mentioned cases are heard in the Supreme Court, in late 2010 at the earliest. Tribunals Service officials are continuing to undertake preparatory work for the commencement of section 53.

Judicial pay and conditions reviews

The government's response to the Senior Salaries Review Body (SSRB) report on Tribunals judiciary remuneration was announced in Parliament in July 2009, when the government set out its plans to align the pay of legally-qualified judiciary and phase in any increases over five years. The first phased increase was implemented as from November 2009 for both salaried and fee-paid judiciary. The government did not accept the SSRB's recommendations in respect of non-legally qualified tribunal members. A review of the fees payable to medically-qualified tribunal members was subsequently undertaken in the light of recruitment and retention issues.

The outcome of the Review of Judicial Terms and Conditions for both salaried and fee-paid judiciary was announced in June 2009 and new memoranda on conditions of appointment and terms of service took effect from April 2010. The emphasis has been on working towards alignment of terms and conditions across the Tribunals Service with the key issues being:

- training fees being set at 50% of a daily fee;
- new arrangements for claiming cancellation fees; and
- consistent taxation policy on home to office travel for fee-paid judiciary.

A new revised 'Judicial Financial Guidance for Fee Paid Office Holders', to support the new terms and conditions, was issued in March 2010.

Working with our stakeholders to improve services

During 2009-10, we continued to work with our stakeholders and other government departments to ensure we consult thoroughly on potential new tribunal policy, funding and other issues, and - jointly - to improve customer service.

Closer working with Her Majesty's Courts Service

During the operational year senior leaders in both Her Majesty's Courts Service (HMCS) and the Tribunals Service worked together to realise a wider range of opportunities, not only in terms of benefiting frontline operational delivery, but also in supporting the development of our people. We built a stronger mutual understanding of our respective businesses, and their priorities and pressures. Dialogues and planning took place at national, regional and area level, leading to a number of operational initiatives. These included making better use of the available hearing facilities, particularly of court venues, by holding Tribunals Service hearings there in order to improve customer service whilst reducing costs. Both organisations have embraced Lean and our Lean agents worked together to seek mutual business benefits.

We also worked together to ensure that workforce planning was managed effectively. The work in this area extended to succession planning and the development of talented individuals in order that their full potential can be realised earlier by offering a wider range of development opportunities.

Working with the Department for Work and Pensions

Following the transfer of the Social Security and Child Support tribunal into the new unified tribunals structure, we worked throughout the year with the Department for Work and Pensions (DWP) to consider ways of dealing with the significant increases in appeals received, and to improve the end-to-end appeals process for the customer.

Using our Lean business improvement methodology, value stream mapping events were conducted with The Pensions, Disability and Carers Service - and Jobcentre Plus - reviewing State Pension Credit, Income Support and Employment Support Allowance appeals.

The outcomes from those events have enabled both the Tribunals Service and DWP to identify significant improvement opportunities which have been prioritised and form the main basis of our future work plan for business change proposals.

The Tribunals Service is also engaging closely at a senior level with the Jobcentre Plus programme to migrate Incapacity Benefit cases to Employment Support Allowance.

Working with the United Kingdom Border Agency

In cooperation with the United Kingdom Border Agency (UKBA), we achieved a significant milestone in transferring the Asylum and Immigration tribunal into the new tribunals structure. We also engaged with UKBA:

- to implement further improvements in our caseload management, contributing to the joint Public Service Agreement end-to-end target (set out in Section Two);
- on their expansion of Immigration Detention Centres by ensuring that both the First-tier and Upper Tribunal Immigration and Asylum Chambers are adequately resourced for the future handling of video-link bail applications, and to ensure a cost effective and quality service to immigration detainees;
- to manage forecasts and improve communication links; and
- at various levels with regular forums to resolve joint operational issues and identify and implement joint service and performance improvements.

Tribunal Procedure Committee

The Tribunal Procedure Committee (TPC) is an advisory non-departmental public body, sponsored by the Ministry of Justice. The Tribunals, Courts and Enforcement Act 2007 provides for the Committee, which was created in May 2008. Its purpose is to make rules governing the practice and procedure in the First-tier Tribunal and Upper Tribunal of the Tribunals Service. The committee meets regularly throughout the year.

The Administrative Justice and Tribunals Council

The Administrative Justice and Tribunals Council (AJTC) was created by the Tribunals, Courts and Enforcement Act 2007 to be the independent and authoritative voice to monitor and improve the way public bodies make decisions affecting individuals and the workings of redress mechanisms, including tribunals. The AJTC is uniquely placed to consider the administrative justice system as a whole - from the initial decision affecting the citizen to the final outcome of any complaint or appeal. The Tribunals Service provides assistance and information necessary for the AJTC to carry out its statutory functions of keeping under review, and reporting on, the constitution and working of the tribunals within its oversight. The council provides feedback to the Tribunals Service on the workings of the particular tribunals it oversees. The Tribunals Service also works with the AJTC in its broader role in relation to the administrative justice system.

The AJTC is seen as a 'critical friend', particularly in respect of customer service issues; the Chairman attends Tribunals Service Management Board meetings as an observer, and the AJTC is represented at the Tribunals Service Customer Service Board. During 2009-10 the AJTC also continued to facilitate the stakeholder groups for the Mental Health and War Pensions and Armed Forces jurisdictions, and is

represented on the Tribunal Procedure Committee. The Chairman and members continue to meet Tribunals Service officials on an informal and regular basis to discuss matters of common interest.

In September 2009, Richard Thomas succeeded Lord Newton as Chairman of the AJTC and, in February 2010, the AJTC published its strategic plan setting set out the Council's key priorities for 2010-13.



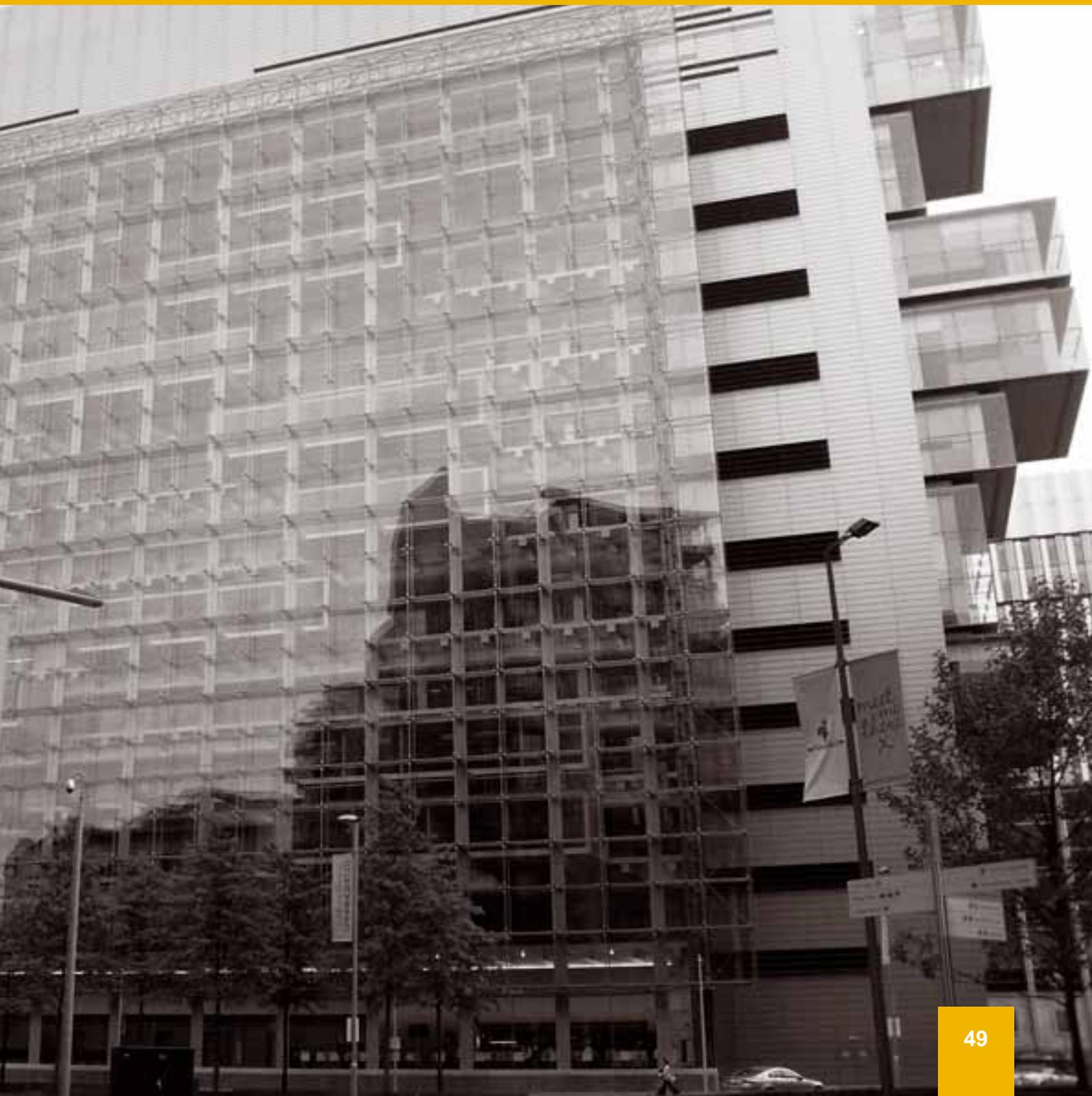
Richard Thomas -
Chair of the Administrative Justice
and Tribunals Council

“ The AJTC has a wide remit and limited resources. We have to be selective and set out our priorities. We will be highlighting examples of good practice so that different parts of the public service can learn from elsewhere. But we will not hesitate to spotlight poor practice where change is needed to make processes as easy and stress-free as possible. ”

Section 7 - Our Future

In this section:

- ▶ business priorities for 2010-11
- ▶ organisational change



We deal with almost 800,000 cases a year, involving some of the most vulnerable people in society. It is crucial, therefore, that we continue to develop the Tribunals Service to deliver the best possible service for our customers. This section is about how we will build on our achievements through focusing on business priorities and our commitment to our customers.

Business priorities for 2010-11

In our Business Plan for 2010-11 we set out our business objectives and priorities for the year ahead. The plan details how we continue to focus primarily upon maintaining our service levels, while also making progress on our long-term strategy, including our journey towards becoming a Lean organisation.

Our performance framework for 2010-11 retains the three targets that measure the key performance aspects of our business:

Speed of our service

Our primary target is to improve on the overall speed of our service achieved in 2009-10, so that 75% of tribunal applications are processed within target time.

Customer satisfaction

We will continue to measure and respond to customer satisfaction levels.

Reducing our operating costs

We will deliver a reduction in our net operating costs, adjusted for inflation and workloads. We aim to do this while maintaining the quality of decision making through improvements in processes. Set against a backdrop of increasing workloads, this represents a challenging agenda for the Tribunals Service to deliver.

In particular we will focus our effort on the following key business priorities, each of which will play a central role in achieving our objectives:

- performance: deliver best possible performance in the face of unprecedented levels of demand for our services;
- resources: use our resources effectively and efficiently, driving up productivity and driving down overhead costs;
- improvement: continue our journey towards becoming a Lean organisation;
- decision making: work in partnership with others to improve the quality of original decision making and reviewing the end-to-end processes from a customer perspective; and

- engagement: engage honestly with our people, building commitment and capability through listening and acting upon what they say.

Each of these key themes is set out in further detail within the Tribunals Service Business Plan 2010-11, available through the links on the 'Publications' section of our website at www.tribunals.gov.uk.

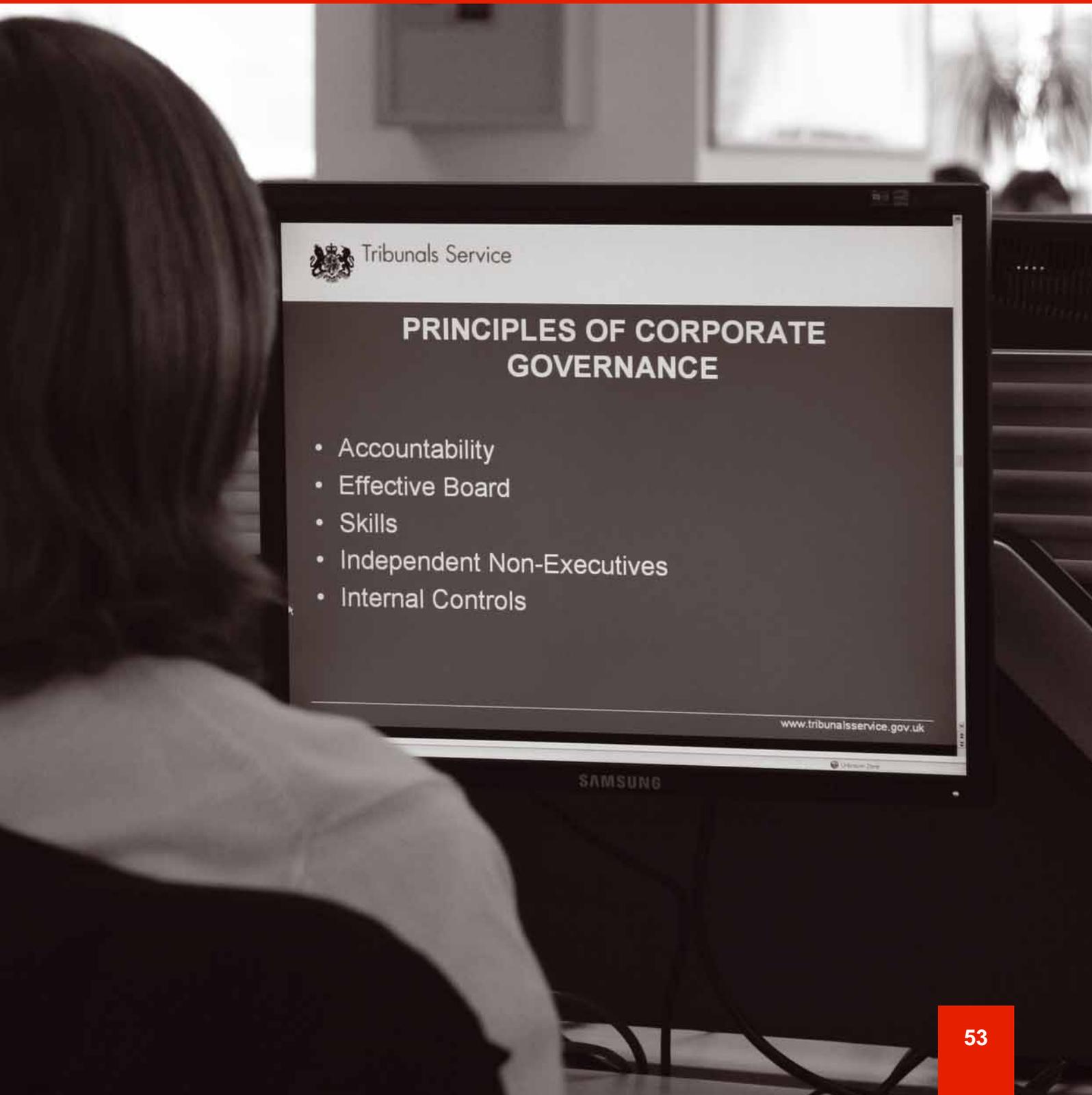
Organisational change

In his Budget in March 2010, the then Chancellor of the Exchequer announced that the Ministry of Justice would be bringing Her Majesty's Courts Service (HMCS) and the Tribunals Service into a new, single organisation. Both organisations share the common purpose of providing access to justice, whether in the criminal, civil or administrative justice fields. Creating a unified service holds the prospect of significant benefits to the users of courts and tribunals, to the taxpayer and to the administration of justice generally. There is the potential for improved service provision for users through joint administration and shared hearing venues. The new arrangements will also facilitate the building of a unified judicial family in England and Wales. We will work enthusiastically and constructively with colleagues in HMCS and the wider Ministry of Justice to create the new organisation, building on the best of both agencies to improve efficiency and services for our customers.

Section 8 - Our Governance

In this section:

- ▶ Tribunals Service Management Board
- ▶ Tribunals Service Executive Team
- ▶ Tribunals Service Audit Committee



Tribunals Service Management Board

The Tribunals Service Management Board (TSMB) provides strategic oversight and direction to the agency. TSMB undertakes the following activities to support the Chief Executive:

- leads and oversees the process of change and innovation to ensure delivery of strategic business objectives;
- agrees and reviews achievement against strategic and business plans to achieve the Tribunals Service's (and wider Ministry of Justice) strategic aims and objectives;
- advises on allocation of the Tribunals Service's financial and human resources to achieve those aims, and review and scrutinise their management;
- ensures delivery of excellent services to tribunal users;
- ensures compliance with the Freedom of Information Act (FOI) and other guidance on information handling, including prompt response to public requests for information;
- champions the promotion of diversity throughout the organisation;
- ensures that the agency operates sound environmental policies and practices in accordance with government guidance;
- assesses and manages risk; and
- complies with corporate governance principles.

The members of TSMB during the year to 31 March 2010 were:

Kevin Sadler	Chief Executive
Chris Ball	Director of Human Resources - Access to Justice (from 3 August 2009)
Nick Chibnall	Policy Director
Joy Coles	Change Programme Manager
Dennis Collins	Acting Director of Finance and Resources
Norman Egan	Regional Director, North
Paul Shipley	IT Director - Access to Justice
Paul Stockton	Director of Tribunals Judicial Office
Guy Tompkins	Regional Director, South
Steve Verdon	Director of Human Resources - Access to Justice (1 April 2009 to 2 August 2009)
Greg Watkins	Head of Operational Support (from 25 August 2009)
Francis Dobbyn	Non-Executive Director
Howard Cressey	Non-Executive Director (from 1 April 2009)
John Butler	Non-Executive Director

The following are not members of TSMB, but attend meetings in an observational capacity:

The Rt Hon. Lord Justice Carnwath CVO	Senior President of Tribunals
The Rt Hon. Lord Newton of Braintree OBE, DL	Administrative Justice and Tribunals Council (until 31 August 2009)
Richard Thomas	Administrative Justice and Tribunals Council (from 1 September 2009)

Tribunals Service Executive Team

The Tribunals Service Executive Team (TSET) is responsible for the day-to-day operational management of the agency to ensure it delivers against its objectives and key performance indicators. The members of TSET during the year to 31 March 2010 were:

Kevin Sadler	Chief Executive
Chris Ball	Director of Human Resources - Access to Justice (from 3 August 2009)
Nick Chibnall	Policy Director
Joy Coles	Change Programme Manager
Dennis Collins	Acting Director of Finance and Resources
Norman Egan	Regional Director, North
Paul Shipley	IT Director - Access to Justice
Paul Stockton	Director of Tribunals Judicial Office
Guy Tompkins	Regional Director, South
Steve Verdon	Director of Human Resources - Access to Justice (1 April 2009 to 2 August 2009)
Greg Watkins	Head of Operational Support (from 25 August 2009)

Joan Watson (Head of Communications) attended meetings as required.

Tribunals Service Audit Committee

The Tribunals Service Audit Committee supports the Tribunals Service Chief Executive in the discharge of his responsibilities for the management of resources and assets, financial reporting, audit arrangements, risk management, internal control, governance and associated assurance. The Chair of the Audit Committee submits a written report to TSMB after each Audit Committee and presents an annual report to the Chief Executive. The report will be published late July and will be available on the Tribunals Service website.

Members of the Audit Committee during the year to 31 March 2010 were:

John Butler	Non-Executive Director and Chair
Howard Cressey	Non-Executive Director

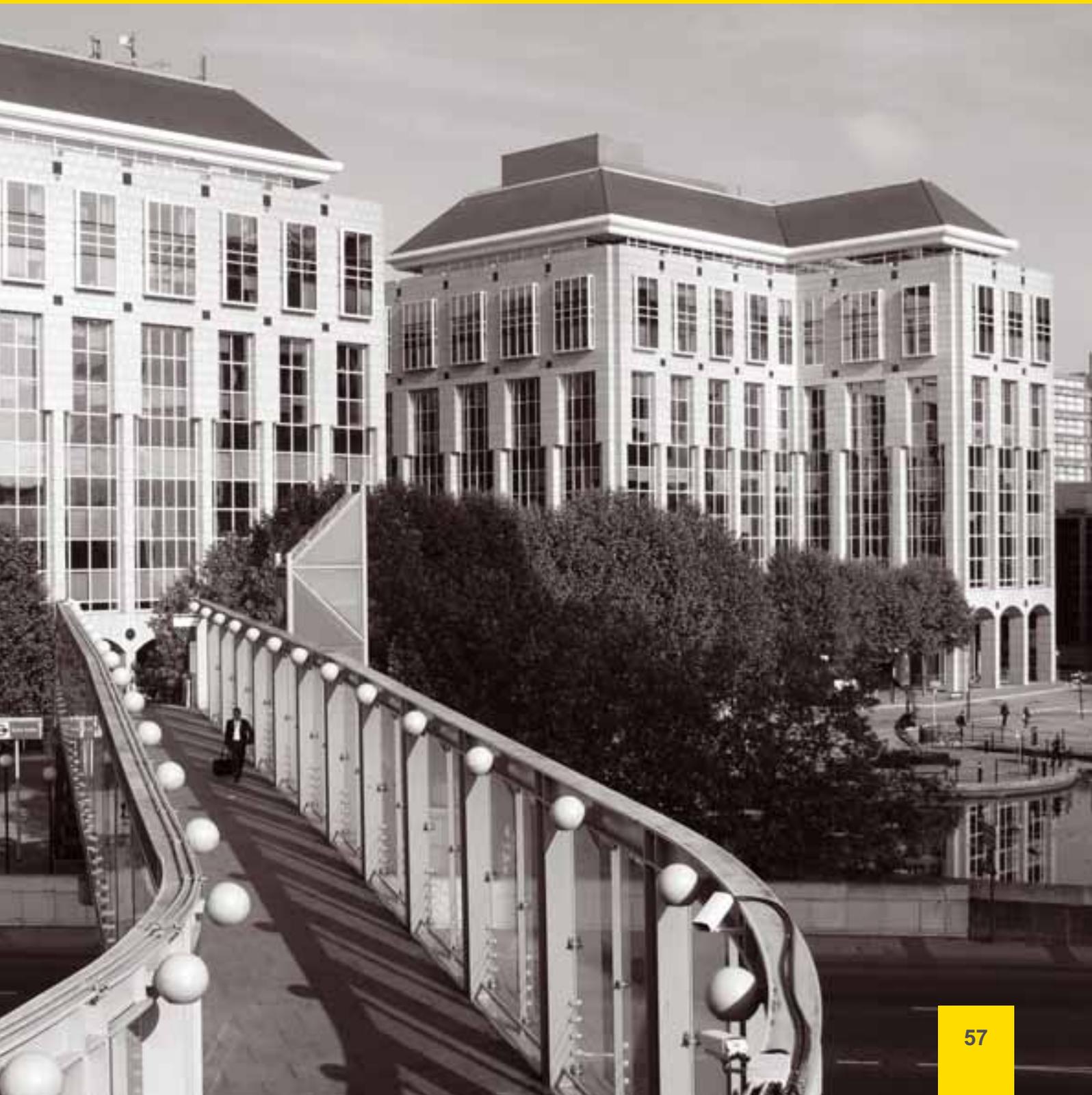
The Chief Executive is not a member of the committee but attends its meetings, as do the Acting Director of Finance and Resources and representatives of the Ministry of Justice Head of Internal Audit and external auditors (the National Audit Office). In addition, Colin Bishopp attends in the capacity of judicial representative.

No committee member had any other directorship or significant interest, which conflicts with their responsibilities as a member of the Tribunals Service Audit Committee. The committee maintains a forward agenda and met five times during the financial year.

Section 9 - Financial Performance

In this section:

- ▶ Accounts
- ▶ Financial Summary



Accounts

The annual accounts of the Tribunals Service for 2009-10 are on pages 82-124. The accounts have been prepared in accordance with the accounts direction issued by HM Treasury on 22 December 2009 under section 7(2) of the Government Resources and Accounts Act 2000, and the Secretary of State for Justice on 30 May 2007 in accordance with the Criminal Injuries Compensation Act 1995 and Criminal Injuries Compensation Scheme 2001. The latter accounts direction is a legacy of the Criminal Injuries Compensation Appeals Panel's (CICAP) previous existence as a non-departmental public body and the need for it to produce its own statement of accounts. To meet his statutory obligation, the Secretary of State has issued an accounts direction requiring a statement of accounts for CIC to be provided as a note to the Tribunals Service annual account (see page 124).

Accounting Policies

The Tribunals Service adopts the accounting policies of the Ministry of Justice except where the recognition criteria may need to be adjusted to reflect the size and nature of the agency. This is in keeping with the government policy of achieving consistency of accounting policies across government to support the integrity of Whole of Government Accounts (WGA).

The Financial Controller is a member of the Ministry of Justice's Accounting Policies Forum which has been created to discuss and develop accounting policies consistently across the Ministry of Justice family.

Financial Summary

Gross expenditure on operating costs for 2009-10 amounted to £355.4 million, an increase of £16.6 million (4.9%) over the 2008-09 costs after the latter have been restated under International Financial Reporting Standards (IFRS) requirements. As can be seen from the Operating Cost Statement this primarily reflects an £18 million increase within programme staff and judicial costs.

Note 5 illustrates that £15 million of this is attributable to increased judicial activity arising from unprecedented workloads in the Social Security and Child Support and Employment tribunals, in which the number of sessions held in 2009-10 show a year-on-year increase of 14,077 (29%) and 1,846 (6%) respectively over 2008-09. The increase in total staff costs of £2.8m (3.7%) although proportionately lower, was also a direct consequence of the increased workload and the need to support the increased level of hearing activity.

While in absolute terms gross expenditure increased, after adjusting for the effects of workload increases measured against a combined index of receipts and disposals, excluding non cash, the above outturn represents an efficiency achievement of 10.6% - considerably greater than the 3% target required by our Key Performance Indicator 3.

Income received rose from £29.3 million in 2008-09 to £52.6 million, an increase of £23.3 million. This was primarily due to a revised and increased contribution to our costs from the National Insurance Fund (NIF) administered by HM Revenue and Customs (HMRC) in respect of national insurance related benefit appeals to the Social Security and Child Support tribunal.

Capital expenditure totalled £14.7 million, the major elements of which were completion of works on the new multi-jurisdictional hearing centre in East London and ongoing work on the Casflow case management system for the Employment tribunal.

Going Concern

In common with other government departments, the future financing of the Ministry of Justice's (including the Tribunals Service's) liabilities is to be met by future grants of supply and the application of future income, both to be approved annually by Parliament. There is no reason to believe that future approvals will not be forthcoming. Accordingly, it has been considered appropriate to adopt a going concern basis for the preparation of these financial statements.

Payment to suppliers

The Tribunals Service follows the Ministry of Justice's policy for payment of suppliers. From 2009-10 the Ministry of Justice's policy has been to pay suppliers in accordance with the former Prime Minister's commitment of 8 October 2008 that government departments should pay suppliers within 10 days of receipt of a valid invoice at the correct billing address.

For the financial year 2009-10, the Tribunals Service paid 88.9% (2008-09: 97.1%) of invoices within the above payment terms based on the date of receipt at Liberata, which provides the payment function for the Tribunals Service. The percentage reported for 2008-09 is in accordance with the then policy of 30 days.

Pension Liabilities

Tribunals Service administration staff are members of the Civil Service Pension Scheme; details can be found in note 5.1.2 to the annual accounts at page 101. Salaried judiciary are members of the Judicial Pensions Scheme; details can be found in note 5.2.2 to the annual accounts at page 102.

International Financial Reporting Standards (IFRS)

In 2009-10 the Tribunals Service transitioned from producing accounts under UK Generally Accepted Accounting Practice (GAAP) Financial Reporting Standards (FRS) to being fully compliant with IFRS. This was managed through a 'Trigger Point' process of which the following trigger points were successfully completed during the financial year:

- Trigger Point 3 - reporting entities were required to complete their 2008-09 'shadow accounts' and submit them to their National Audit Office (NAO) audit teams by 10 September 2009; and
- Trigger Point 4 - the NAO completed its dry-run audit of the 2008-09 'shadow accounts' and reported the initial results to the audited bodies, by 31 December 2009.

Trigger Points 1 and 2 related respectively to the restatement of the 31 March 2008 Statement of Financial Position on an IFRS basis and the completion of a dry-run audit by the NAO. These trigger points were completed successfully in 2008-09 and the results reported to the agency.

Audit

These accounts have been audited by the Comptroller and Auditor General. The notional cost of the audit for 2009-10 is £145k (2008-09: £121k). The increase is due to additional audit work for the completion of the 2008-09 Shadow Accounts in preparation for the move to reporting under IFRS in 2009-10. The charge for the latter service was £29k (2008-09: £11k). No charge was made for non-audit work. In so far as the Accounting Officer is aware, there is no relevant audit information of which the entity's auditors are unaware, and the Accounting Officer has taken all the steps that he ought to have taken to make himself aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

Section 7 of the Government Resources and Accounts Act 2000 require the Comptroller and Auditor General to examine, certify and report on the accounts before they are laid before Parliament.

Section 10 - Accounts

In this section:

- ▶ Remuneration Report
- ▶ Statement of Chief Executive's Responsibilities
- ▶ Statement on Internal Control
- ▶ Audit Certificate
- ▶ Financial Statements and Supporting Notes



Remuneration Report

Remuneration of Chief Executive and other TSMB members

This Remuneration Report has been prepared in accordance with Chapter 6 of part 15 of the Companies Act 2006 and the requirements of the Government Financial Reporting Manual (FRoM) as issued by HM Treasury. The report provides information on Tribunals Service policy for the remuneration of TSMB members and senior managers. It also contains details of the contracts of employment for these individuals along with information relating to their pension benefits.

Ministers with responsibility for the Tribunals Service during the financial year were:

- Lord Chancellor and Secretary of State for Justice, The Rt. Hon. Jack Straw MP
- Parliamentary Under Secretary, Bridget Prentice MP

Neither this report nor the 2009-10 Tribunals Service annual accounts include any details or amounts relating to ministerial salaries; these are disclosed and reported by the Ministry of Justice and can be found in the Ministry of Justice Accounts for 2009-10.

Remuneration policy

The remuneration of senior civil servants is set by the Prime Minister following independent advice from the Senior Salaries Review Body. In providing this advice, the Review Body considers a wide range of issues that include:

- the need to recruit, retain and motivate suitably qualified people to exercise their different responsibilities;
- regional and local variations in labour markets and their effects on the recruitment and retention of staff;
- government policies for improving public services, including a requirement to meet the output targets for the delivery of service;
- the funds available to departments and agencies as set out in the government's departmental expenditure limits;
- the government's inflation target; and
- evidence about wider economic considerations and the affordability of its recommendations.

TSMB members' remuneration (audited)

The salaries of the TSMB members were determined by the Permanent Secretary of the Ministry of Justice in accordance with the rules set out in Chapter 7.1, Annex A of the Civil Service Management Code.

Table 1 - Salaries paid to TSMB members, and benefits in kind they received during the financial year.

Name	2009-2010		2008-2009	
	Salary (excluding pension contributions) £'000	Benefits in kind (rounded to nearest £100) £	Salary (excluding pension contributions) £'000	Benefits in kind (rounded to nearest £100) £
Kevin Sadler Chief Executive	110 - 115	Nil	20 - 25 (95 -100 full year equivalent)	Nil
Chris Ball Director of Human Resources - Access to Justice (from 3 August 2009)	60 - 65 (90 - 95 full year equivalent)	Nil	Nil	Nil
Nick Chibnall Policy Director	95 - 100	Nil	40 - 45 (85 - 90 full year equivalent)	Nil
Joy Coles Change Programme Manager	70 - 75	Nil	25 - 30 (55 - 60 full year equivalent)	Nil
Dennis Collins Acting Director, Finance & Resources	70 - 75	Nil	45 - 50 (70 - 75 full year equivalent)	Nil
Norman Egan Regional Director, North	80 - 85	Nil	80 - 85	Nil

Paul Shipley IT Director - Access to Justice	120 - 125	Nil	100 - 105	Nil
Paul Stockton Director of Tribunals Judicial Office	90 - 95	Nil	95 - 100	Nil
Guy Tompkins Regional Director, South	80 - 85	Nil	75 - 80	Nil
Steve Verdon Director of Human Resources - Access to Justice (from 1 April 2009 until 2 August 2009)	35 - 40 (85 - 90 full year equivalent)	Nil	Nil	Nil
Greg Watkins Head of Operational Support (from 25 August 2009)	40 - 45 (70 - 75 full year equivalent)	Nil	Nil	Nil
John Butler Non-Executive Director	5 - 10	Nil	5 - 10	Nil
Howard Cressey Non-Executive Director (from 1 April 2009)	5 - 10	Nil	Nil	Nil
Francis Dobbyn Non-Executive Director	5 - 10	Nil	20 - 25	Nil

Notes to table 1:

- Salary includes gross salary; performance pay or bonuses; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances and any other allowances to the extent that it is subject to UK taxation. Performance pay or bonuses are based on an assessment against a consistent set of criteria designed to measure the individual's scale of performance against the objectives and targets as set and agreed by the individual with their manager.
- There were no amounts payable to third parties in respect of members of the TSMB in 2009-10.
- Unless otherwise indicated all members of the TSMB were in-post for the full reporting year.

- Where a member was appointed to, or resigned from TSMB during the financial year the salary and other reported costs reflect only the amounts received whilst they were a member of TSMB.
- The costs of the salary and any benefits in kind in respect of Steve Verdon, Chris Ball and Paul Shipley, who are or were Directors of the Access to Justice Business Group and not specifically Tribunals Service, are not borne directly by the Tribunals Service. They have been disclosed, as all are or were members of TSMB.
- The TSMB meetings are also attended by the following individuals in an observational capacity and, as such, disclosure of their salaries is not required:
 - The Rt Hon. Lord Justice Carnwath CVO (Senior President of Tribunals);
 - The Rt Hon. Lord Newton of Braintree OBE, DL (Administrative Justice and Tribunals Council - until 31 August 2009);
 - Richard Thomas (Administrative Justice and Tribunals Council - from 1 September 2009); and
 - Joan Watson (Head of Communications).
- Non-Executive Directors' salaries are based on an annual time commitment which varies between 6-12 days. In addition to this payments may be claimed in respect of work performed at agreed daily rates.

Benefits in kind

- The monetary value of benefits in kind covers any benefits provided by the employer and treated by Her Majesty's Revenue and Customs as a taxable emolument.

TSMB members' service contracts

- Civil service appointments are made in accordance with the Civil Service Commissioners' Recruitment code, which requires appointments to be on merit on the basis of fair and open competition but also includes the circumstances when appointments may otherwise be made.
- Unless otherwise stated the officials covered by this report are employed on contracts that are open-ended until they reach normal retirement age. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.
- Further information about the work of the Civil Service Commissioners can be found at www.civilservicecommissioners.gov.uk.

Table 2 - TSMB members' pension benefits and the cash equivalent transfer values (CETV) of those benefits during and at the end of the financial year.

Name	Real increase in pension and related lump sum at pension age £'000	Accrued pension at pension age as at 31 March 2010 and related lump sum £'000	CETV at 31 March 2010 £'000	CETV at 31 March 2009 £'000	Real increase in CETV £'000
Kevin Sadler	0 - 2.5 plus 5.0 - 7.5 lump sum	30 - 35 plus 90 - 95 lump sum	539	478	28
Chris Ball	0 - 2.5 plus 0 - 2.5 lump sum	0 - 5 plus 0 - 5 lump sum	12	NIL	10
Nick Chibnall	0 - 2.5 plus 2.5 - 5.0 lump sum	20 - 25 plus 65 - 70 lump sum	397	348	25
Joy Coles	2.5 - 5.0 plus 7.5 - 10.0 lump sum	20 - 25 plus 60 - 65 lump sum	421	350	51
Dennis Collins	0 - 2.5 plus 2.5 - 5.0 lump sum	5 - 10 plus 25 - 30 lump sum	216	176	30
Norman Egan	0 - 2.5 plus 2.5 - 5.0 lump sum	35 - 40 plus 110 - 115 lump sum	911	832	34
Paul Stockton	0 - 2.5 plus 0 - 2.5 lump sum	30 - 35 plus 65 - 70 lump sum	765	718	44
Guy Tompkins	0 - 2.5 plus 2.5 - 5.0 lump sum	20 - 25 plus 70 - 75 lump sum	411	368	21
Paul Shipley	2.5 - 5.0 plus 0 - 2.5 lump sum	10 - 15 plus 0 - 5 lump sum	191	113	54
Steve Verdon	0 - 2.5 Plus 2.5 - 5.0 lump sum	5 - 10 Plus 20 - 25 lump sum	150	131	16
Greg Watkins	0 - 2.5 plus 0 - 2.5 lump sum	20 - 25 plus 65 - 70 lump sum	362	348	10

- Where members were appointed to, or resigned from the TSMB during the financial year, the figures given refer only to the period in which they were members of the Board.

Pension benefits

- Pension benefits are provided through the civil service pension arrangements. From 30 July 2007, civil servants may be in one of four defined benefit schemes; either a 'final salary' scheme (classic, premium or classic plus); or a 'whole career' scheme (nuvos). These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus and nuvos are increased annually in line with changes in the Retail Prices Index (RPI). Members who joined from October 2002 could opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).
- Employee contributions are set at the rate of 1.5% of pensionable earnings for classic and 3.5% for premium, classic plus and nuvos. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years' pension is payable on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. Classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is uprated in line with RPI. In all cases members may opt to give up (commute) pension for lump sum up to the limits set by the Finance Act 2004.
- The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 3% and 12.5% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of three providers. The employee does not have to contribute but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).
- The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus and 65 for members of nuvos.

Further details about the civil service pension arrangements can be found at the website www.civilservice-pensions.gov.uk

Cash Equivalent Transfer Values

- A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies. The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out 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 taken.

Real increase in CETV

- This reflects the increase in CETV that is funded by the employer. It does not include the increase in accrued pension due to inflation or contributions paid by the employee (including the value of any benefits transferred from another pension scheme or arrangement), and uses common market valuation factors for the start and end of the period.

Kevin Sadler
Accounting Officer and Chief Executive
12 July 2010

Statement of Chief Executive's responsibilities

Under Section 7(2) of the Government Resources and Accounts Act 2000, HM Treasury has directed the Tribunals Service (the agency) to prepare for each financial year a statement of accounts in the form and on the basis set out in the Accounts Direction. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the agency at the financial year-end and of its net cost of operations, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the FReM and in particular to:

- observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosure requirements and apply suitable accounting policies on a consistent basis;
- observe the Accounts Direction issued by the Lord Chancellor and Secretary of State for Justice on 30 May 2007 in accordance with Section 6(3)(a)(ii) of the Criminal Injuries Compensation Act 1995 and paragraph 4 of the Criminal Injuries Compensation Scheme 2001;
- make judgements and estimates on a reasonable basis;
- state whether applicable accounting standards as set out in the FReM have been followed and disclose and explain any material departures in the annual accounts; and
- prepare the annual accounts on a going concern basis.

The Accounting Officer for the Ministry of Justice has designated the Tribunals Service Chief Executive as the agency's Accounting Officer. The responsibilities of an Accounting Officer, including responsibility for the propriety and regularity of public finances for which the Accounting Officer is answerable, for keeping proper records, and for safeguarding the agency's assets, are set out in the 'Accounting Officers' Memorandum' issued by HM Treasury and published in 'Managing Public Money'.

Statement on Internal Control

1 Scope of responsibility

As Accounting Officer and Chief Executive, I have responsibility for maintaining a sound system of internal control that supports the achievement of the Tribunals Service agency's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in 'Managing Public Money'.

My responsibilities as Accounting Officer and Chief Executive are more fully defined in a letter from the Permanent Secretary. This provides that I am responsible to the minister and accountable to Parliament for the agency's use of resources in carrying out its functions.

2 The purpose of the system of internal control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to:

- identify and prioritise the risks to the achievement of departmental policies, aims and objectives;
- evaluate the likelihood of those risks being realised and the impact should they be realised; and
- manage them efficiently, effectively and economically.

The system of internal control has been in place in the Tribunals Service for the year ended 31 March 2010 and subsequently up to the date of approval of the Annual Report and Accounts, and accords with HM Treasury guidance.

3 Capacity to handle risk

I provide leadership on the management of risk in the Tribunals Service, through my Executive Team (TSET) which is responsible for championing risk management across the agency. The team meets twice monthly, with consideration and review of the Strategic Risk Register - the issues considered to be the major threats to achievement of our targets and objectives, being a standing item at one of those meetings. My senior team operate similar arrangements within their directorates and through these mechanisms the importance of the consideration of risk is highlighted to all staff and dealt with appropriately.

I have been supported during 2009-10 by a management structure that included:

- the Tribunals Service Management Board (TSMB), which met on four occasions throughout the year. This Board, which is chaired by me and whose membership comprises of three Non-Executive Directors and is attended by representatives from the AJTC and the judiciary, together with my TSET, is responsible for the overall direction of the agency;
- the Tribunals Service Risk Management Committee, which met quarterly during the year. This committee is chaired by the Acting Director of Finance and Resources and is responsible for ensuring that risk management is operating effectively across the organisation through challenge, oversight and review of all the risks facing the agency. It approves all new, closed and de-escalated risks, and ensures strategic risks are escalated as appropriate, together with considering the adequacy of the arrangements in place;
- the Tribunals Service Audit Committee which met five times during the year. This committee is chaired by a Non-Executive Director and provides independent assurance, assistance and comment upon the effectiveness of the governance, risk management and control framework in place;
- the Tribunals Service Security and Business Continuity Steering Group;
- the Tribunals Service Change Board (Formerly the Transforming Tribunals Programme Board (TTP) which met nine times during the year;
- a Senior Information Risk Owner (SIRO) within Tribunals Service; and
- the Tribunals Service Health and Safety Committee which is chaired by the Acting Director of Finance and Resources and met three times during the year.

In addition, a dedicated service provided by Ministry of Justice Internal Audit provides me with support and independent and objective audit opinion on the assurance I can take on the governance, risk management and control arrangements in operation, through a programme of risk based audits. Internal Audit also provide an attendee and input at the Tribunals Service Audit Committee, Risk Management Committee, Change Board and Security and Business Continuity meetings as well as periodic working groups and are quarterly attendees at TSET meetings.

The Tribunals Service has a dedicated Corporate Governance team and has developed its own 'Risk Management Strategy and Policy' which was approved and published in December 2008. The policy, which sets out the roles and responsibilities of all management, staff and the various boards involved in the risk management process, is aligned to that of the Ministry of Justice and is available to all staff on the Tribunals Service intranet. A shorter overview document has also been published which provides a quick guide on implementation. Risk management training, involving a wide range

of staff, has been delivered over a two year rolling programme. This has ensured the Tribunals Service risk awareness culture and knowledge of risk concepts and tools, has been maintained and built upon.

My Corporate Governance team provide targeted training, facilitate risk assessment and management workshops and meet with directors on a regular and ongoing basis to review existing and consider emerging risks and advise where required. To ensure our approach is adapted to take account of changes in the risk environment, a training needs analysis will be carried out during 2010-11 and a programme of further targeted training developed, based on the results.

4 The risk and control framework

A risk and control framework is in place to identify, monitor, manage and report the risks or threats to the achievement of the agency's objectives. The key features of this, which are set out in our Assurance Map and Directory, include:

- a governance consisting of the TSMB, Risk Management and Audit Committees and TSET;
- a risk management strategy and policy consistent with that in operation throughout the wider Ministry of Justice. Risks that threaten the achievement of the agency's objectives are identified and analysed in terms of their impact and likelihood and reported regularly at Area, Region, Directorate and Corporate levels. This process is fed by the output from team meetings at all levels;
- a defined reporting process that ensures risks are communicated within Tribunals Service, to the Access to Justice Business Group and onwards to the Ministry of Justice where appropriate;
- a dedicated Information Assurance team directed by an Information Assurance Board to ensure appropriate management of information risk; and
- an assurance and Internal Control Framework to support risk management strategy with plans for further development.

As an executive agency, the Tribunals Service has in place an organisation-wide system of internal control processes to provide management with financial and operational assurance. These include:

- financial and administrative procedures including delegations of authority and segregation of duties;
- formal approval of business plans and their regular review; and
- regular review by management at all levels, of financial and other management information providing detail of achievement against targets.

The Ministry of Justice has set its delegated risk appetite for the Tribunals Service as 4 (Impact) x 4 (Likelihood). The Tribunals Service risk appetite has been set by the TSMB. In deciding the risk appetite and delegated risk appetite (risk tolerance levels) TSMB considered:

- the amount of risk that is acceptable (what risk could be justified if it actually happened); and
- the Tribunals Service and individual directorates capacity to bear risk.

TSMB, TSET and Risk Management Committee

TSMB and TSET assess the organisation's management of risk during its annual planning and monthly and quarterly performance review cycle. The Risk Management Committee reviews and approves which risks are to be included, de-escalated or closed on the strategic risk register, which is then reviewed at TSMB and TSET level.

Stakeholders and partners

Risks are managed with stakeholders and partners in a variety of ways. Regular meetings are held with delivery partners in other government departments. These include the Department for Work and Pensions (DWP), UK Border Agency (UKBA), Department for Business, Innovation and Skills (BIS), Advisory, Conciliation and Arbitration Service (Acas) and the Department for Education. Topics discussed include performance management, the extension of end- to-end dispute resolution targets and their measurement, emerging workload pressures and risks and crucially, opportunities for closer working to avoid or manage those risks. The Tribunals Service has a seat on the UKBA Board and attends the Removals and Conclusions Board.

With regard to stakeholders, the Tribunals Service and the AJTC continue to maintain a close working relationship that respects the statutory independence of the council.

The Tribunals Service provides assistance and information necessary for the council to carry out its statutory functions of keeping under review, and reporting on, the constitution and working of the tribunals within its oversight. The Council provides feedback to the Tribunals Service on the workings of the particular tribunals and chambers that it administers. In addition, the Employment Tribunals System Steering Board (ETSSB) meets to consider service delivery across the employment dispute landscape. There is significant external representation on this board.

Whilst recognising and understanding their status as data controllers in their own right, we have worked closely with the judiciary to support the considerable efforts they have made to heighten the awareness, understanding and compliance with the processes required to manage the risks relating to data security they face in effecting their responsibilities.

Business continuity

Each Tribunals Service site has both a Crisis Management plan and a Business Continuity (recovery) plan. A tiered system of Area and National Crisis Management plans is in place for incidents that require an escalated response. These plans show critical activities and tolerable downtimes. In addition, the Tribunals Service has also agreed cross jurisdictional priorities at the operational level should availability of resources become a constraint.

The Tribunals Service Business Continuity manager is a trained auditor of the British Standard of Business Continuity BC 25999. All Business Continuity plans were fully updated in 2009 and will be refreshed on a bi-annual basis. Area plans have been tested through scenario based exercises during the year and managers have ensured staff are aware of these plans. The Tribunals Service continues to be represented on the departmental Business Continuity Board, the Access to Justice and IT Business Continuity Boards ensuring practices are consistent across the department and best practice is followed.

Security

The security regime continues to address risks to assets and internal security, including maintenance of a fixed asset register and associated asset checks. The Tribunals Service has a clear security policy in place which describes the relevant roles and responsibilities for all levels of management and is aligned with departmental policy. All sites covered by the PRIME contract have undergone a security inspection by the contractor. The Tribunals Service is currently undertaking an inspection of all non PRIME sites. Throughout the year, the agency has had robust security incident reporting and investigation systems in place.

Information assurance

The Tribunals Service has an Information Assurance Board, chaired by a TSET member. The membership includes both operational directors and judicial and IT representation, which leads a programme to improve the understanding and control of information risk and ensure compliance with the standards set out in the Security Policy Framework which incorporates the requirements of the Cabinet Office Data Handling Report. The board is supported by a small dedicated team which works with the business to take the Information Assurance agenda forward.

The key achievement during the year is the attainment of Level 2 of the Information Assurance Maturity Model as measured by the Information Risk Return. All information assets have assigned Information Asset Owners accountable for the protection of the information and a system of quarterly risk assessments considering confidentiality, integrity and availability of information is in place. There is regular communication to all

staff on information assurance policy, procedures and processes to raise awareness and regular reporting on progress to the Tribunals Service Audit Committee and TSMB. The Tribunals Service is also represented on the Access to Justice Information Assurance Board.

A rigorous and robust reporting process is in place within the Tribunals Service through which a report providing detail of the incident and an impact checklist, is completed for every data incident. The impact checklist considers the impact to the appellant and all individuals to whom the information relates and the impact to the Tribunals Service business. This process, together with specialist advice from the Ministry of Justice Data Access and Compliance Unit, enables prompt and appropriate onward reporting to ministers and the Information Commissioner as required.

There were 167 personal data incidents during the year, none of which required reporting to the Information Commissioner. Although the number of incidents involving hard copy documents in absolute terms appears high, and we continue to work hard to reduce this, this represents less than 0.001% of our total postal volumes. As a result of the decision that all staff within the Ministry of Justice should undertake the same mandatory annual training and the delay in developing this, we did not meet the requirement to provide training to all staff on this aspect during the year. However, the computer based package is expected to become available shortly and will be rolled-out to all staff without delay. Work is also underway to develop a plan for the accreditation of the IT systems in use and not currently accredited.

Health and Safety

The Tribunals Service Health and Safety Manual provides a Health and Safety Management System, based on the Health and Safety Executive's guidance 'Successful Health and Safety Management' HSG 65, which enables it to discharge its statutory health and safety responsibilities in respect of the provision of a safe workplace and systems of work. Sites are required to complete a 'Key Point Self Assessment' every six months and evidence must be provided to justify their assessment with any shortfalls being addressed in an action plan with clear priorities and scheduled outcomes. All Tribunals Service sites are audited over a 2-3 year rolling calendar to validate the assessments and an outcome report is forwarded to the senior manager on site clearly identifying any shortfalls and action that requires to be taken.

All Tribunal sites have an appointed 'Health and Safety Coordinator' responsible for local issues and for assisting the senior person on site to fulfil their statutory duties to employees. Training is provided to enable the coordinator to fulfil the requirements of their role with senior managers receiving appropriate training to ensure they are aware of their responsibilities.

Sites are required to complete an annual review to ensure all relevant risks are assessed and documented and a range of generic risk assessments have been designed to facilitate this task.

There is in place an accident reporting system which ensures management investigate the accident, identify any breaches of Health and Safety policy that may have contributed to the accident, and put in place control measures to ensure the accident does not recur.

Sustainable development

The Tribunals Service continues to participate in the wider government sustainable development network run by the Sustainable Development Commission and also the civil service North East and Midlands Sustainable Development Networking groups.

We are also working on a simple monitoring system for all Tribunals Service sites to report on the areas of Sustainable Development covered by the central government sustainable development in government estates targets.

Re-accreditation of the ten pilot sites which gained accreditation during last financial year to the International Standard for Environmental Management Systems (ISO14001) is underway and all those for which the audits have been completed have been successful. We remain on track to roll out to a further 14 sites and this programme will continue during the new financial year.

Fraud

The Tribunals Service is a member of the Ministry of Justice Counter-Fraud Group. A Fraud Risk Assessment has been undertaken in the required departmental format, consistent with HM Treasury guidance. The Tribunals Service has four trained fraud investigators and is able to draw more widely across the Department if necessary. Fraud investigations are always carried out either by, or with the advice and guidance of Ministry of Justice Internal Audit and a Tribunals Service Fraud Investigator.

During May 2008 a significant suspected fraud was discovered within the Tribunals Service and investigation of this continued during the year under review. This is the only significant fraud of which we are aware, that has arisen in the agency over the past two years. Controls have been implemented to reduce the likelihood of the incident being repeated. The Tribunals Service Fraud and Whistle Blowing Policy was approved in February 2010, consistent with the Ministry of Justice policy in this area.

5 Review of Effectiveness

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of internal control. My review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the agency who have responsibility for the development and maintenance of the internal control framework, and comments made by the external auditors 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 system of internal control by TSMB, the Audit Committee and the Risk Management Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Audit Committee

The Audit Committee met quarterly in 2009-10 and has also met subsequently to oversee the production of the Annual Report and Accounts for the year. It has continuously discussed the system of internal control, stressed its importance and ensured that issues arising are followed through and appropriate action taken. This focus on internal control is evidenced by the sharp reduction in the number of Internal Audit recommendations not implemented within target dates. In addition, it has received and reviewed reports from the Ministry of Justice Internal Audit Division (IAD) and, as appropriate, the National Audit Office (NAO). The Committee is chaired by a Non-Executive Director and the Committee's terms of reference and membership are in accordance with the HM Treasury publication 'The Audit Committee Handbook'. The Chair of the Audit Committee submits a written report to the board after each Audit Committee and presents an Annual Report to the Accounting Officer and Chief Executive.

Internal audit

The Ministry of Justice's Internal Audit Division (IAD) provides a comprehensive programme of internal audit across the activities of the agency operating to Government Internal Audit Standards. IAD submits regular reports, including the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the Tribunals Service's governance, control and risk management arrangements, together with recommendations for improvement. It works closely with the Tribunals Service management and staff to help ensure that robust systems of prevention, detection, correction and reporting are in place to assist the effective management of the agency. In summary, the IAD Audit Opinion for 2009-10 is that "a High/Medium assurance can be taken by the Accounting Officer on the governance, risk management and control arrangements operating within the Tribunals Service".

Improving risk management

The published Tribunals Service Risk Management Policy and Strategy contains clear guidance on risk management roles and responsibilities. The policy gives a clear risk escalation process for each tier of risk management operating within the agency.

The Corporate Governance Team has facilitated risk management workshops on demand leading to the formation of risk registers and will continue its ongoing training programme for all staff working with risk registers. The facilitated workshops ensured risks were linked to business objectives, and achieved their aim to raise awareness of risk implications within the operational and finance environment.

During 2009-10 the Risk Management Committee met four times, chaired by the Acting Director of Finance and Resources, with executive directors, internal audit and IT/HR partners as members. The committee has considered a range of risks and other governance weaknesses, most of which have subsequently been rectified with action plans drawn up to deal with the remaining areas. These initiatives and actions have contributed to improved outcomes in risk management across the agency.

6 Significant internal control issues

As referred to in the 'Fraud' section above; during May 2008 a significant suspected fraud was discovered in Tribunals Service that is still under police investigation. Our internal findings highlighted a number of control issues which were subsequently addressed and we continue to monitor and strengthen the controls in this area to reduce the risk of recurrence. No significant control issues have arisen in 2009-10.

Kevin Sadler
Accounting Officer and Chief Executive
12 July 2010

Audit Certificate

Tribunals Service Agency

THE CERTIFICATE AND REPORT OF THE COMPTROLLER AND AUDITOR GENERAL TO THE HOUSE OF COMMONS

I certify that I have audited the financial statements of the Tribunals Service Agency for the year ended 31 March 2010 under the Government Resources and Accounts Act 2000. These comprise the Operating Cost Statement, the Statement of Financial Position, the Statement of Cash Flows, the Statement of 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 Chief Executive'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 the financial statements in accordance with applicable law and 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 Agency's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Agency; and the overall presentation of the financial statements.

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

Opinion on Regularity

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

Opinion on the Financial Statements

In my opinion:

- the financial statements give a true and fair view of the state of the Agency's affairs as at 31 March 2010, and of the net operating cost, changes in taxpayers' equity and cash flows for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions made thereunder and directions issued by the Lord Chancellor and Secretary of State for Justice under Section 6(3) of the Criminal Injuries Compensation Act 1995 and the Criminal Injuries Compensation Scheme 2001.

Opinion on other matters

In my opinion:

- the part of the Remuneration Report to be audited has been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000 and directions issued by the Lord Chancellor and Secretary of State for Justice under Section 6(3) of the Criminal Injuries Compensation Act 1995 and the Criminal Injuries Compensation Scheme 2001; and
- the information which comprises About Us, Performance and Progress, Our Customers, Our Resources and Infrastructure, Our Governance and Financial Performance, included in the Annual 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
- the financial statements are not in agreement with the accounting records or returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Statement on Internal Control 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
14 July 2010

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

Financial Statements and supporting notes

Operating Cost Statement

for the year ended 31 March 2010

	Notes	2009-10		Restated 2008-09	
		£'000	£'000	£'000	£'000
Administration Costs:					
Staff and judicial costs	5	10,900		11,081	
Other administration costs	6	27,894		22,511	
		<u>38,794</u>		<u>33,592</u>	
Income	7	(62)		(41)	
Total			38,732		33,551
Programme Costs:					
Staff and judicial costs	5	223,431		205,411	
Other programme costs	6	93,133		99,774	
		<u>316,564</u>		<u>305,185</u>	
Income	7	(52,527)		(29,302)	
Total			264,037		275,883
Net Operating Costs			302,769		309,434

All income and expenditure is derived from continuing operations.

Statement of Financial Position

for the year ended 31 March 2010

	Notes	31 March 2010		Restated 31 March 2009		Restated 1 April 2008	
		£'000	£'000	£'000	£'000	£'000	£'000
Non-current assets:							
Property, plant and equipment	8	35,926		22,582		25,726	
Intangible assets	9	9,765		7,446		4,890	
Total non-current assets			45,691		30,028		30,616
Current assets:							
Trade and other receivables	12	9,652		15,527		9,068	
Cash and cash equivalents	13	14,727		5,041		19,214	
Total current assets			24,379		20,568		28,282
Total assets			70,070		50,596		58,898
Current liabilities:							
Trade and other payables	14.1	(44,385)		(55,538)		(52,496)	
Total current liabilities			(44,385)		(55,538)		(52,496)
Net current assets/(liabilities)			(20,006)		(34,970)		(24,214)
Total non-current assets less net current liabilities			25,685		(4,942)		6,402
Non-current liabilities:							
Provisions	15	(7,615)		(3,694)		(3,886)	
Other payables	14.2	(212)		(146)		-	
Total non-current liabilities			(7,827)		(3,840)		(3,886)
Assets less liabilities			17,858		(8,782)		2,516
Taxpayers' equity							
General fund			9,103		(16,135)		(5,379)
Revaluation reserve			8,755		7,353		7,895
Total taxpayers' equity			17,858		(8,782)		2,516

Kevin Sadler
Accounting Officer and Chief Executive
12 July 2010

The notes on pages 86 to 124 form part of these accounts.

Statement of Cash Flows

for the year ended 31 March 2010

	Notes	2009-10 £'000	Restated 2008-09 £'000
Cash flows from operating activities			
Net operating costs		(302,769)	(309,434)
Adjustments for notional and non-cash transactions	18.1	23,933	23,745
(Increase)/decrease in trade and other receivables	12	5,875	(6,459)
Less movements in receivables relating to items not passing through OCS:			
Inter-departmental capital receivables ⁵		192	-
Bad debt provision	6	(108)	-
Increase/(decrease) in trade and other payables	14	(11,087)	3,188
Less movements in payables relating to items not passing through the OCS:			
Non-current asset payables		1,971	(2,547)
Movement between non-current assets and inter-departmental receivables/payables		(835)	(741)
Movement between general fund and payables		-	(22)
Third party balances	24	(21)	(147)
Transfers from other tribunals ⁶		3	-
Utilisation of provisions	15	(670)	(1,250)
Net cash outflow from operating activities		(283,516)	(293,667)
Cash flows from investing activities			
Purchase of property, plant and equipment, and intangibles	18.2	(15,819)	(4,660)
Proceeds of disposal of property, plant and equipment		-	7
Net cash outflow from investing activities		(15,819)	(4,653)
Cash flows from financing activities			
Funding from Ministry of Justice		309,000	284,000
Net financing		309,000	284,000
Increase/(decrease) in third party balances	24	21	147
Net increase/(decrease) in cash and cash equivalents in the period		9,686	(14,173)
Cash and cash equivalents at the beginning of the period		5,041	19,214
Cash and cash equivalents at the end of the period	13	14,727	5,041

⁵ £192k was received from The Office of the Public Guardian (OPG) with regards to their occupation in 2009-10 of the 4th floor, Hagley Road. The OPG is another agency of the Ministry of Justice (see note 8).

⁶ In 2009-10 three tribunals joined the Tribunals Service (see note 1.2).

The notes on pages 86 to 124 form part of these accounts.

Statement of Changes in Taxpayers' Equity

for the year ended 31 March 2010

	Notes	General Fund £'000	Revaluation Reserve £'000	Total Reserves £'000
Balance as at 31 March 2008	2	(2,362)	7,895	5,533
Changes due to transition to IFRS	2	(3,017)	-	(3,017)
Balance as at 1 April 2008		(5,379)	7,895	2,516
Changes in taxpayers' equity for 2008-09				
Net gain/(loss) on revaluation of property, plant and equipment		-	822	822
Net gain/(loss) on revaluation of intangible assets		-	(27)	(27)
Non-cash charges:				
Cost of capital	6	(302)	-	(302)
External auditor's remuneration	6	121	-	121
Departmental recharge	6	14,977	-	14,977
Transfers between reserves		1,337	(1,337)	-
Net operating cost for the year		(309,434)	-	(309,434)
Actuarial gain/(loss) on pension scheme liabilities	5.3.3	(282)	-	(282)
Total recognised income and expense for 2008-09		(293,583)	(542)	(294,125)
Funding from Ministry of Justice		284,000	-	284,000
CFERs payable to the Consolidated Fund		-	-	-
Fixed asset adjustments		(1,173)	-	(1,173)
Balance as at 31 March 2009		(16,135)	7,353	(8,782)
Changes in taxpayers' equity for 2009-10				
Net gain/(loss) on revaluation of property, plant and equipment		-	1,401	1,401
Net gain/(loss) on revaluation of intangible assets		-	228	228
Machinery of Government Changes		(3)	-	(3)
IFRS Adjustments ⁷	8	(300)	-	(300)
Actuarial gain/(loss) on pension scheme liabilities	5.3.3	(300)	-	(300)
Fixed Asset Adjustments		1,930	-	1,930
Non-cash charges:				
Cost of capital	6	(81)	-	(81)
External auditor's remuneration	6	145	-	145
Departmental recharge	6	16,742	-	16,742
Transfers between reserves		884	(227)	657
Net operating cost for the year		(302,769)	-	(302,769)
Total recognised income and expense for 2009-10		(283,752)	1,402	(282,350)
Funding from Ministry of Justice		309,000	-	309,000
CFERs payable to the Consolidated Fund		(10)	-	(10)
Balance as at 31 March 2010		9,103	8,755	17,858

⁷ In accordance with IFRS requirements land relating to ETS Sheffield, which was previously treated as a non-current asset, has been reclassified as an operating lease. The value of the land (£240k) has been taken to the general fund. The remaining balance relates to a downward revaluation in 2008-09 following a professional valuation by the Valuation Office Agency (VoA) - see note 8.

The notes on pages 86 to 124 form part of these accounts.

Notes to the accounts

1. Statement of accounting policies

These financial statements have been prepared in accordance with the 2009-10 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context.

Where the FReM permits a choice of accounting policy, the accounting policy which has been judged to be the most appropriate to the particular circumstances of the Tribunals Service for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Tribunals Service are described below. They have been applied consistently in dealing with items considered material in relation to the accounts.

The Accounting Officer has determined that these accounts can be prepared on a going concern basis.

1.1 Accounting convention

The accounts have been prepared on an accruals basis under the historical cost convention and modified to account for the revaluation of property, plant and equipment, and intangibles.

1.2 Machinery of government changes and restatement of comparatives

Machinery of government changes, which involve the transfer of functions or responsibilities between two or more government departments, are accounted for using merger accounting in accordance with the FReM. The prior year comparatives are restated as appropriate, so that it appears that the entity has always existed in its present form.

On 1 April 2009 the Reserve Forces Appeal Tribunal (RFAT), Adjudication Panel for England (APE) and the Family Health Services Appeal Authority (FHSAA) transferred to the Tribunals Service. The former departments were:

RFAT - Ministry of Defence

APE - Department of Communities and Local Government

FHSAA - Department of Health

RFAT and FHSAA did not transfer any assets or liabilities to the Tribunals Service, therefore no accounting adjustments were made. APE transferred assets and liabilities with comparatively low values which have been treated as in-year transactions.

1.3 Property, plant and equipment

Valuation basis

Property, plant and equipment are stated at fair value, which is assessed at current value as determined by the application of modified historic cost accounting.

Valuation method

Land and buildings are included at fair value on the basis of professional valuations, which are conducted for each property at least once every five years. Professional valuations are undertaken using the Royal Institution of Chartered Surveyors (RICS) 'Red Book' (RICS Appraisal and Valuation Standards). The most recent valuations performed for the Tribunals Service were conducted by the Valuation Office Agency (VOA) as at 31 March 2009, on its four properties.

Non-property assets are included at cost upon purchase and are restated at each reporting date, using the relevant indices from the Price Index Numbers for Current Cost Accounting (PINCCA) produced by the Office for National Statistics.

Property, plant and equipment under construction are valued at cost. Costs are capitalised where they are directly attributable to bringing the asset into working condition. On completion, they are released from assets under construction into the appropriate asset category.

Componentisation

The Tribunals Service reviews its material assets to determine whether there are parts that it considers will be replaced sooner than, and separately from, the rest of the asset. These are parts that have a cost that is significant in relation to the total cost of the asset.

Revaluation reserve

The Revaluation Reserve reflects the unrealised element of the cumulative balance of revaluation and indexation adjustments in property, plant and equipment, and intangibles (excluding donated assets).

Capitalisation thresholds

- **Individual assets**

The capitalisation threshold for individual assets is £10k (including VAT).

- **Software projects**

The capitalisation threshold for software projects is £500k (including VAT). This threshold was selected for two reasons; smaller amounts are usually part of overall outsourced deliverables which are not separately identifiable on supplier invoices, and this threshold reflects material expenditure.

- **Grouped assets**

Although the Tribunals Service's accounting policy is only to capitalise single items over £10k (including VAT), materially significant purchases of individual items may arise in connection with a single project. In accordance with IFRS, the Tribunals Service accounts for such a materially significant purchase as a grouped asset.

For grouped assets the Tribunals Service has adopted a capitalisation threshold of £50k (including VAT).

Depreciation

Depreciation is charged on a straight-line basis at rates calculated to write off the value of assets, less estimated residual value evenly over their estimated useful lives or for leased assets, over the life of the lease or the period implicit in the repayment schedule. The useful lives of assets or asset categories are reviewed annually and any changes are discussed with the relevant authorities to ensure that budgeting implications have been properly considered. Where a change in asset life is agreed, the asset is depreciated on a straight-line basis over its remaining assessed life.

Tribunals Service policy is to commence depreciation in the month following the acquisition of a non-current asset within the category 'Land and Buildings' and in month for all 'Other non-current assets'.

Asset lives are within the following ranges:

Freehold land	Not depreciated
Freehold buildings	Shorter of remaining life or up to 60 years
Grouped Assets	Depending on individual asset types comprising this asset
Leasehold buildings	Shortest of remaining life, remaining lease period or up to 50 years.
Information technology	5 to 7 years depending on individual asset type
Plant and equipment	5 to 7 years depending on individual asset type
Vehicles	3 to 4 years depending on individual asset type.
Furniture and fittings	10 years
Assets under construction	Not depreciated
Finance leases	Lease period

In note 8 (property, plant and equipment) vehicles are included within plant and machinery.

Impairment

All assets are assessed annually for indications of impairment. 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 'Impairment of assets' 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. Any reversal of an impairment charge is recognised in the Operating Cost Statement to the extent that the original charge, adjusted for subsequent depreciation, was previously recognised in the Operating Cost Statement. The remaining amount is recognised in the Revaluation Reserve.

1.4 Intangible non current assets

The Tribunals Service's intangible assets comprise internally developed software for internal use and purchased software.

All research costs are expensed. Development costs are capitalised when the criteria for recognition per IAS 38 'Intangibles' are met. The Tribunals Service's own staff costs are expensed to the Operating Cost Statement, as well as those of the contractors and interims undertaking ongoing roles that might otherwise be filled by civil servants. The costs of external consultants engaged on projects are capitalised where appropriate.

The useful lives of intangible assets are assessed to be finite.

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Tribunals Service's intangible assets, the assets are carried at cost less any accumulated amortisation and accumulated impairment losses.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to the recoverable amount and the reduction is recognised as an impairment loss.

The Tribunals Service's intangible assets are amortised using the straight-line method over an economic life of 3 to 10 years.

1.5 Leases

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 'Leases'. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and rewards.

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. The assets are disclosed as property, plant and equipment and are depreciated to the Operating Cost Statement over the period during which the Tribunals Service is expected to benefit from the use of the leased assets. The Tribunals Service does not hold any property finance leases. Minimum lease payments are allocated between interest expense and reduction of the outstanding lease liability, according to the interest rate implicit in 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

The Tribunals Service has entered into a number of operating lease arrangements. Rentals under operating leases are charged to the Operating Cost Statement on a straight-line basis.

Operating leases - incentives

The Tribunals Service treats lease incentives (such as rent-free periods or contributions by the lessor to the lessee's relocation costs) 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.

1.6 IFRIC 4 Determining whether an arrangement contains a lease

In determining whether the Tribunals Service 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.

1.7 Service concession arrangements

Contracts that use assets are assessed to determine whether the Tribunals Service holds service concession arrangements. The contract is treated as a non-current asset on the Statement of Financial Position if it meets the conditions of IFRIC 12 'Service Concession Arrangements'.

1.8 Inventories and work in progress

Inventories comprise raw materials, work-in-progress, finished goods and consumable stores. Inventories of stationery and other consumable stores are not generally considered material and are written off in the Operating Cost Statement as they are purchased. Inventories are valued at the lower of current replacement cost or net realisable value. Current replacement cost is not considered materially different to historical cost.

1.9 Pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS). The defined benefit schemes are unfunded and are non-contributory, except in respect of dependants' benefits. The Tribunals Service recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employees' services by payment to the PCSPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS. In respect of the defined contribution schemes, the agency recognises the contributions payable for the year.

Early departure costs (included within the provisions note)

The Tribunals Service meets the additional costs of benefits beyond the normal PCSPS benefits in respect of employees who retire early by paying the required amounts annually to the PCSPS over the period between early departure and normal retirement date. The agency provides for this in full when the early retirement programme becomes binding by establishing a provision for the estimated payments.

By-analogy pension scheme (included within the provisions note)

The Tribunals Service has two by-analogy pension schemes which are similar to the PCSPS. These are funded by provisions from the Department's Vote, and payments are administered by the Department and made via the payroll system.

1.10 Operating income

Operating income is income which relates directly to the operating activities of the agency. It principally comprises charges for services provided on a full cost basis to external customers and the recovery of costs from other government departments. Other operating income includes rents receivable and miscellaneous receipts (for example sale of publications). Income is stated net of VAT.

1.11 Administration and programme expenditure

The Operating Cost Statement is analysed between administration and programme income and expenditure. The classification of expenditure as administration or programme follows the definition of administration costs set out in the Spending Review by HM Treasury. Broadly, administration expenditure reflects the costs of running the Tribunals Service while programme costs relate to service delivery activities.

1.12 PFI transactions

The Tribunals Service does not have any PFI commitments to report in its own right.

1.13 Non-cash costs

Capital charge

A charge reflecting the cost of capital utilised by the Tribunals Service is included in operating costs. The charge is calculated at the real rate set by HM Treasury (currently 3.5%) on the average carrying amount of all assets, less liabilities, except for:

- a) property, plant and equipment, and intangible assets where the cost of capital charge is based on opening value, adjusted pro rata for in-year:
 - additions at cost;
 - disposals as valued in the opening Statement of Financial Position (plus any subsequent capital expenditure prior to disposal);
 - impairments at the amount of the reduction of the opening Statement of Financial Position value (plus any subsequent capital expenditure); and
 - depreciation of property, plant and equipment and amortisation of intangible assets.
- b) Consolidated Fund Extra Receipts (CFERs), donated assets, and cash balances with the Office of Paymaster General (OPG) or Government Banking Service (GBS), where the charge is nil.

Other

Other non-cash costs in the Operating Cost Statement include the external auditor's remuneration, which represents the National Audit Office's cost for the audit of the Tribunals Service's accounts, and departmental overhead recharges, which are recharged to the agency from the Ministry of Justice.

1.14 Provisions

Provisions represent liabilities of uncertain timing or amount.

Provisions are recognised when the Tribunals Service has a present legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate can be made for the amount of the obligation.

Provisions are measured at management's best estimate of the expenditure required to settle the obligation. Where the effect of discounting is material, provisions are measured at their present value using the real rate set by HM Treasury (currently 2.2%), except for early departure and pension provisions where the discount rate is 1.8%.

1.15 Contingent liabilities

In addition to contingent liabilities disclosed in accordance with IAS 37, the Tribunals Service discloses, for Parliamentary reporting and accountability purposes, certain statutory and non-statutory contingent liabilities where the likelihood of transfer of economic benefit is remote but which have been reported to Parliament in accordance with the requirements of 'Managing Public Money'.

Where the time value of money is material, contingent liabilities required to be disclosed by IAS 37 are stated at discounted amounts and the amount reported to Parliament separately noted. Contingent liabilities that are not required to be disclosed under IAS 37 are stated at the amount reported to Parliament.

1.16 Value Added Tax

Most of the activities of the Tribunals Service are outside the scope of VAT and, in general, output tax does not apply and input tax on purchases is not recoverable. Irrecoverable VAT is charged to the relevant expenditure category or included in the capitalised purchase costs of property, plant and equipment, and intangibles. Where output tax is charged or input tax is recoverable, the amounts are stated net of VAT.

1.17 Third party assets

The Tribunals Service as custodian or trustee holds certain assets belonging to third parties. Neither the agency nor the Government have a direct beneficial interest in these (see note 24).

Any third party monies held at 31 March 2010 are recognised as both cash at bank and payables.

1.18. Foreign exchange

Transactions that are denominated in a foreign currency are translated into sterling, which is the functional currency, at the exchange rate specified in the contract. Transactions are translated into sterling at the exchange rate ruling on the date of each transaction, except where rates do not fluctuate significantly, in which case an average rate for the period is used. Monetary assets and liabilities denominated in a foreign currency at the Statement of Financial Position date are translated at the rates at that date. These translation differences are dealt with in the Operating Cost Statement. The Tribunals Service has not engaged in hedge accounting.

1.19 Financial instruments

A financial instrument is any contract that gives rise to both a financial asset of one organisation and a financial liability of another.

The financial instruments held by the Tribunals Service have been split into the following categories:

Financial assets

Cash at bank and in hand

Loans and receivables:

- Trade receivables
- Other receivables

Financial liabilities

- Trade payables
- Finance lease liabilities

See Note 10 for further details on Tribunals Service's policy on financial assets.

1.20 Accounting standards, interpretations and amendments to published standards adopted in the year-ended 31 March 2010

The Tribunals Service implemented IFRS 1 'First-time Adoption of International Financial Reporting Standards' (IFRS) with the transition date being 1 April 2008 for the purposes of preparing the opening IFRS Statement of Financial Position.

Details of the IFRS's applied and their financial impact are provided in note 2.

The Tribunals Service has applied the early adoption of IFRS 8 'Operating Segments' (effective from 1 January 2010), and disclosed the net cost of operations. Net assets by operating segment have not been disclosed as they are not reported to the Accounting Officer for decision making purposes (see note 4).

The Tribunals Service has reviewed the standards, interpretations and amendments to published standards that came into effect during 2009-10 and adopted those which are relevant to its operations. The adoption of these standards has not had a significant impact on its financial position.

1.21 Accounting standards, interpretations and amendments to published standards not yet effective

Standard and description of revision	Effective Date (annual periods beginning on or after)	Possible impact of application of IFRS
IAS 7 Statement of cash flows (Amendments resulting from April 2009 Annual Improvements to IFRS's)	1 January 2010	Only expenditure that results in the recognition of an asset (rather than simply to generate future income and cash flows) can be classified as a cash flow from investing activities. Unlikely to lead to any change
IAS 17 Leases (Amendments resulting from April 2009 Annual Improvements to IFRS's)	1 January 2010	Leases of land are to be classified according to the general principles of the standard rather than assumed to be operating leases unless title is expected to pass to the lessee. The Tribunals Service will reassess unexpired leases on the adoption of this amendment.
IAS 24 Related party disclosures (Revised definition of related parties)	1 January 2011	Inclusion of a partial exemption for government related entities from the disclosure relating to related party transactions and outstanding balances (including commitments). Unlikely to have a significant impact.
IFRS 9 Financial Instruments	1 January 2013	This IFRS will replace IAS 39 'Financial Instruments: Recognition and Measurement, simplifying the classification and measurement of financial assets and resulting in one impairment method. Unlikely to have a significant impact.

All of the above changes will be applied in the financial year that they become effective.

1.22 Major FReM changes for 2010-11

The Tribunals Service has also considered major changes to the FReM that are effective from 2010-11 and their impact on the agency.

FReM chapter and area affected	Effective date (annual periods beginning on or after)	Description of revision	Possible impact of application of revision
Chapter 8 - Impairments	1 April 2010	Adaption of IAS 36 'Impairment of Assets' to allow all impairments that are caused by a clear consumption of economic benefit to be charged to the Operating Cost Statement.	Unlikely to have a significant impact.
Chapter 11 - Income and Expenditure	1 April 2010	The removal of cost of capital from the accounts.	Will apply to all public bodies.

1.23 Significant accounting estimates and assumptions

The Tribunals Service's accounts reflect estimates and assumptions concerning the future. By definition, estimates are unlikely to be the same as actual results. They are, however, continually evaluated and are based on historical experience and other relevant factors including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Valuation of Fixed Assets

'Land' and 'Buildings (excluding dwellings)' are shown at fair value, based on professional valuations. The Valuation Office Agency (VoA) carry out the valuations in accordance with the Royal Institution of Chartered Surveyors (RICS) 'Red Book' (RICS Appraisal and Valuation Standards).

The value of land and buildings fluctuates with changes in construction costs and current market. The accounting policy for land and buildings is set out in note 1.3 and information about land and buildings is provided in note 8.

Provisions for Liabilities and Charges

The provisions for liabilities and charges reported in note 15 reflect judgements about the likelihood that a future transfer of economic benefits will arise as a result of past events. Where the likelihood of a liability crystallising is deemed probable and where it is possible to quantify the effect with reasonable certainty, a provision is recognised.

Where the likelihood of potential liabilities crystallising is judged to be possible, a contingent liability is disclosed. The accounting policy for provisions for is set out in note 1.14.

Lease Accounting

Judgement is required in the initial classification of leases as either operating or finance leases according to the initial assessment against a range of qualitative and quantitative factors. The land element is always classed as an operating lease, unless title transfers to the Tribunals Service, where it can be separated from the building element (however this will change from 2010-11 - see note 1.21). If the contracted lease payments are not separable between land and buildings in the lease contract, a split is made based on the market values of the land and buildings at the inception of the lease. The accounting policy for leases is set out in note 1.5.

2. First time adoption of IFRS

2.1 Reconciliation of UK GAAP reported taxpayers' equity to IFRS at the date of transition 1 April 2008

	General Fund	Revaluation Reserve
	£'000	£'000
Taxpayers' equity as 31 March 2008 under UK GAAP	(2,362)	7,895
Adjustments for:		
IAS 19 Employee Benefits	(3,017)	-
Taxpayers' equity at 1 April 2008 under IFRS	(5,379)	7,895

2.2 Reconciliation of UK GAAP reported taxpayers' equity to IFRS at the end of final UK GAAP reporting period 1 April 2009

	General Fund	Revaluation Reserve
	£'000	£'000
Taxpayers' equity as 31 March 2009 under UK GAAP	(13,520)	7,353
Adjustments for:		
IAS 17 Leases	14	-
IAS 19 Employee Benefits	(2,629)	-
Taxpayers' equity at 1 April 2009 under IFRS	(16,135)	7,353
		£'000
Net operating cost for 2008-09 under UK GAAP		309,836
Adjustments for:		
IAS 17 Leases		(14)
IAS 19 Employee Benefits		(388)
Net operating cost for 2008-09 under IFRS		309,434

As part of the transition to IFRS, the Tribunals Service was required to restate its 2008-09 accounts to reflect the impact of IAS 19 'Employee Benefits' and IAS 17 'Leases'. The impact of this is shown in the table above, with the ongoing implications outlined below.

IAS 19 'Employee Benefits' required the Tribunals Service to report the liability due with respect to leave due to but not taken by salaried staff and judiciary as at 31 March 2009. This has been calculated by selecting a representative sample of staff and judiciary to obtain an extrapolated figure of £2,629k which is reflected within accruals in note 14 'Trade Payables and Other Current Liabilities'.

IAS 17 'Leases' requires that all leases that are not operating leases must be reflected in the Statement of Financial Position as property, plant and equipment. Following a review of land, buildings and other assets in accordance with IAS 17 it was identified that 8 Xerox photocopiers were required to be capitalised. These are reflected in note 8 'Property, Plant and Equipment' and have net book value of £139k as at 31 March 2009.

There have been no movement in cash flows for the year 2008-09 reported under UK GAAP and as reported under IFRS.

3. Segmental analysis

The Tribunals Service is required, in accordance with HM Treasury's Fees and Charges Guide, to disclose performance results for the areas of its activities where fees and charges are made. The following analysis is for fees and charges purposes only and is not intended to meet the requirements of IFRS 8 'Operating Segments'.

	Income Expenditure		Deficit	Fee recovery actual	Fee recovery target
	£'000	£'000	£'000	%	%
2009-10:					
Lands tribunal	274	(2,156)	(1,882)	13	50
2008-09:					
Lands tribunal	325	(1,652)	(1,327)	20	50

The historical target for Lands tribunal fees was to achieve 50% of full costs. During 2006-07, the Tribunals Service undertook a review of fees which identified that the Lands tribunal had not increased the level of fees since 1996. Accordingly, the percentage of costs recovered has not kept pace with inflation and now stands at only 13%. A detailed review of the fee structure is currently underway.

No other area of activity meets the parameters set out in HM Treasury's Fees and Charges Guide for inclusion within this note.

4. Operating segments

The Tribunals Service is organised for management purposes into two operational regions divided by geographic location and a number of corporate areas.

For financial reporting purposes, the segment reporting format is determined based on the way in which the Tribunals Service Executive Team (TSET) monitor the operating results of segments for the purpose of making decisions and allocating resources.

The Tribunals Service's reportable operating segments are as follows:

- North Region
- South Region
- Change Programme
- Finance & Resources
- Corporate Centre and Support Services
- Income

The operating segment's net cost of operations and assets are measured on the same basis as the corresponding amounts reported in the financial statements.

Segment revenue and results

A description of the services from which the reportable segments derive their revenue is provided in note 7.

Income represents revenue generated from external customers. There were no inter-segment transactions in the year (2008-09: nil).

The following table presents the net cost of operations by reportable operating segments for the year ended 31 March 2010:

	2009-10	2008-09
	£'000	£'000
North region	106,557	99,175
South region	154,400	145,266
Change programme	8,839	11,723
Finance and Resources (including premises costs)	53,524	57,381
Corporate centre and support services	32,038	25,232
	355,358	338,777
Income	(52,589)	(29,343)
Net cost of operations	302,769	309,434

5. Staff and judiciary numbers and related costs

Staff costs and numbers are broken down between those attributable to employees of the Tribunals Service and those attributable to members of the judiciary. Each category is dealt with in the following notes, with the total costs summarised in the table below.

	Notes	2009-10 £'000	Restated 2008-09 £'000
Staff costs	5.1.1	76,993	74,230
Judicial costs	5.2.1	157,338	142,262
Total staff and judicial costs		234,331	216,492

5.1 Tribunals Service staff

5.1.1 Staff costs comprise:

	2009-10		Total £'000
	Permanently employed staff £'000	Agency and contract staff £'000	
Wages and salaries	58,435	5,584	64,019
Social security costs	3,556	-	3,556
Employer's pension contributions	9,480	-	9,480
	71,471	5,584	77,055
Less: recoveries in respect of outward secondments	(62)	-	(62)
Total staff costs	71,409	5,584	76,993

	Restated 2008-09		Total £'000
	Permanently employed staff £'000	Agency and contract staff £'000	
Wages and salaries	53,447	8,546	61,993
Social security costs	3,254	-	3,254
Employer's pension contributions	9,104	-	9,104
	65,805	8,546	74,351
Less: recoveries in respect of outward secondments	(121)	-	(121)
Total staff costs	65,684	8,546	74,230

Staff costs relating to administration and programme expenditure respectively were £10,864k (2008-09: £11,069k) and £66,129k (2008-9: £63,161k).

5.1.2 Pension scheme

The Principal Civil Service Pension Scheme (PCSPS) is an unfunded multi-employer defined benefit scheme and the Tribunals Service is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out at 31 March 2007. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation (www.civilservice-pensions.gov.uk).

For 2009-10 employers' contributions of £9,480k were payable to the PCSPS (2008-09: £9,104k) at one of four rates in the range 16.7% to 24.3% (2008-09: 17.1% to 25.5%) of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four 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.

5.1.3 Average number of staff employed

The average number of full-time equivalent persons paid during the year, including Board members, was:

	2009-10		Total
	Permanent staff	Agency and contract staff	
Directly employed	2,799	-	2,799
Other	-	167	167
Staff engaged on capital projects	26	-	26
Total	2,825	167	2,992

	Restated 2008-09		Total
	Permanent staff	Agency and contract staff	
Directly employed	2,644	-	2,644
Other	-	221	221
Staff engaged on capital projects	37	-	37
Total	2,681	221	2,902

5.2 Judiciary

5.2.1 Judiciary payroll costs

Members of the judiciary are independent of the Tribunals Service. Their payroll costs are met directly by the Tribunals Service. All costs are included within Tribunals Service's accounts to ensure the full cost of operations is disclosed.

The payroll costs for the year were as follows:

	2009-10		Total £'000
	Salaried £'000	Fee Paid £'000	
Wages and Salaries	48,918	79,956	128,874
Social Security Costs	5,223	8,082	13,305
Employer's pensions contribution	15,159	-	15,159
Total payroll costs of the judiciary	69,300	88,038	157,338

	Restated 2008-09		Total £'000
	Salaried £'000	Fee Paid £'000	
Wages and Salaries	48,095	67,928	116,023
Social Security Costs	5,094	6,737	11,831
Employer's pensions contribution	14,408	-	14,408
Total payroll costs of the judiciary	67,597	74,665	142,262

Judicial costs relating to administration and programme expenditure respectively were £36k (2008-09: 11k) and £157,302k (2008-09: £142,251k).

5.2.2 Pension scheme

The Judicial Pension Scheme is an unfunded multi-employer defined benefit scheme, which prepares its own accounts, but for which the Tribunals Service is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out at 31 March 2009. Details can be found in the Resource Accounts of the Judicial Pension Scheme: www.official-documents.co.uk.

Judicial pensions are paid out of the Consolidated Fund where the judicial office holder's salary was paid from that Fund, or the Judicial Pension Scheme where the salary has been paid from the Department's supply estimate. Superannuation has been included for judicial salaries using a rate of 32.15% (2008-09: 32.15%).

The benefits payable are governed by the provisions of either the Judicial Pensions Act 1981 for those judicial office holders appointed before 31 March 1995, or the Judicial Pensions and Retirement Act 1993 for those newly appointed or appointed to a different judicial office on, or after that date.

5.2.3 Average number of judiciary employed

The amounts disclosed in note 5.2.1 include salary costs for an average of 450 judicial officers (2008-09: 433) and 1,376 full time equivalent fee-paid judiciary (2008-09: 1,291).

5.3 By-analogy pension scheme

The Tribunals Service has two by-analogy pension schemes, for the Criminal Injuries Compensation tribunal and the Asylum and Immigration Tribunal, for which pension liabilities are given in note 15.

An actuarial valuation was carried out at 31 March 2010 by the Government Actuary's Department (GAD) in respect of qualifying members.

5.3.1 The scheme liabilities under FRS 17 have been calculated using the following assumptions:

	2009-10	2008-09
Price inflation	2.75%	2.75 %
Rate of increase in salaries	4.29%	4.29 %
Rate of increase in pensions (deferred and in payment)	2.75%	2.75 %
Discount Rate	4.60%	6.04 %

The actuarial (gains)/losses on pension scheme liabilities are as a result of an actuarial valuation in respect of these schemes.

5.3.2 The following amounts have been recognised in the Operating Cost Statement:

	Notes	2009-10 £'000	2008-09 £'000
Current service cost		-	22
Interest cost	6	91	68
Past service cost		-	-
Settlement and curtailments		-	-
Total charges		91	90

5.3.3 Actuarial (gain)/loss recognised for the year

	2009-10 £'000	2008-09 £'000
Experience (gain)/loss arising on the scheme liabilities	54	386
Changes in assumptions underlying the present value of the scheme liabilities (gain)/loss	246	(104)
Total actuarial (gain)/loss	300	282

The movement in scheme liabilities is analysed as follows:

	Notes	2009-10 £'000	2008-09 £'000
Present value of scheme liabilities at the start of the year		1,582	1,336
Current service cost		-	22
Interest cost		91	68
Actuarial loss/(gain)		300	282
Benefits paid		(171)	(126)
Present value of scheme liabilities at the end of the year	15.2	1,802	1,582

The experience loss on the scheme liabilities as a percentage of the present value of the scheme liabilities as at 31 March 2010 is 3% (31 March 2009: 24%).

The total actuarial loss as a percentage of the present value of the scheme liabilities as at 31 March 2010 is 17% (31 March 2009: 18%)

6. Other operating costs

	2009-10		Total £'000
	Administration £'000	Programme £'000	
Communications and office suppliers	802	9,315	10,117
Other Accommodation Costs	893	29,354	30,247
PFI Service Charges	1,544	30	1,574
Consultancy	560	55	615
Professional services	46	340	386
IT Services	408	2,699	3,107
Staff travel and subsistence	1,139	1,589	2,728
Other staff costs:			
Early retirement	173	-	173
Other costs	892	102	994
Judicial and Panel Member Travel and Subsistence	770	8,209	8,979
Other Judicial costs:			
Court/Tribunal Costs	5	7,588	7,593
Other costs	2,172	4,006	6,178
Rentals under operating leases:			
Property rents	1,583	21,873	23,456
Hire of plant and equipment	-	459	459
Other expenditure	9	78	87
Interest charges:			
Finance charges on leased assets ⁸	31	34	65
Finance charge on pension scheme liability ⁹	-	91	91
Non-cash items:			
Depreciation	-	3,057	3,057
Amortisation	123	152	275
Loss on disposal of plant and equipment	-	17	17
Cost of capital charges ¹⁰	-	(81)	(81)
External auditor's remuneration	-	145	145
Provision for bad debt	-	108	108
Provision provided in year	-	4,201	4,201
Permanent impairment in asset value	-	(435)	(435)
Other Expenditure	2	334	336
Exceptional item:			
Impairment on Field House	-	(187)	(187)
Departmental recharge	16,742	-	16,742
Total other operating costs	27,894	93,133	121,027

	Restated 2008-09		
	Administration £'000	Programme £'000	Total £'000
Communications and office suppliers	711	8,625	9,336
Other Accommodation Costs	654	30,982	31,636
PFI Service Charges	1,181	32	1,213
Consultancy	491	790	1,281
Professional services	338	240	578
IT Services	416	3,289	3,705
Staff travel and subsistence	963	2,199	3,162
Other staff costs:			
Early retirement	34	31	65
Other costs	538	175	713
Judicial and Panel Member Travel and Subsistence	400	7,621	8,021
Other Judicial costs:			
Court/Tribunal Costs	4	6,663	6,667
Other costs	12	7,168	7,180
Rentals under operating leases:			
Property rents	1,732	22,542	24,274
Hire of plant and equipment	-	417	417
Other expenditure	5	10	15
Interest charges:			
Finance charges on leased assets ⁸	27	-	27
Finance charge on pension scheme liability ⁹	-	68	68
Non-cash items:			
Depreciation	-	2,565	2,565
Amortisation	-	122	122
Loss on disposal of plant and equipment	-	114	114
Cost of capital charges ¹⁰	-	(302)	(302)
External auditor's remuneration	-	121	121
Provision for bad debt	-	-	-
Provision provided in year	-	708	708
Permanent impairment in asset value	-	368	368
Other Expenditure	28	222	250
Exceptional item:			
Impairment on Field House	-	5,004	5,004
Departmental recharge	14,977	-	14,977
Total other operating costs	22,511	99,774	122,285

⁸ The finance charges relate to photocopiers that have been identified to be finance leases and one franking machine. These were previously recognised as operating leases.

⁹ The finance charge on pension liabilities has arisen following a valuation by GAD (see note 5.3).

¹⁰ The notional interest on capital charge reflects the cost of capital utilised by the Tribunals Service to undertake the business and deliver services. Even though this is a notional non-cash cost, it is still charged as an expense through the Operating Cost Statement and is reflected in the net cost of operations figure. Note 1.13 on notional and non-cash charges provides further details on the calculation of the cost.

Departmental recharge

The departmental recharge represents the cost of services shared with the Ministry of Justice including human resources, IT, legal and judicial services, and finance and administration.

Auditor's remuneration

During the year, the Tribunals Service did not purchase any non-audit services from its auditor, the National Audit Office (NAO).

The 2009-10 audit fee included £29k (2008-09: £11k) for IFRS transition work.

7. Income

	2009-10 £'000	Restated 2008-09 £'000
Fee income	306	341
Other income:		
Income from the National Insurance Fund	43,318	25,212
Income from the Scottish Executive	412	447
Income from the Department for Work and Pensions	5,000	-
Income from Adjudicator to the Land Registry	2,794	2,700
Miscellaneous income	759	643
Total operating income	52,589	29,343

Income relating to Administration and Programme respectively amounted to £62k (2008-09: £41k) and £52,527k (2008-09: £29,302k).

Fee income

Fee income comprises primarily Lands tribunal receipts for rating appeals (see note 3).

Other income

Income from the National Insurance Fund is a contribution towards the cost of National Insurance Benefit related appeals. The income from the Scottish Executive is a contribution towards the cost of Scottish cases heard by Criminal Injuries Compensation (see also note 26). Income from the Department for Work and Pensions is a contribution to the increased workload incurred by the Tribunals Service as a result of changing legislation relating to the Employment Support Allowance. Income from the Adjudicator to the Land Registry relates to a full cost recovery agreement for associated tribunal costs. The remainder of the income is received from other government departments and from sales of publications, vending machine receipts, telephone boxes and casual lettings.

8. Property, plant and equipment

	Land	Buildings	Information	Plant and Furniture	Payments on	Total
	excluding	technology	machinery	and account and assets	under construction	
	dwellings			fittings		
	£'000	£'000	£'000	£'000	£'000	£'000
Cost and valuation: As at 1 April 2009	1,055	15,702	8,106	1,524	5,089	32,441
Additions	-	10,923	1,155	261	170	12,516
Disposals	-	(145)	(90)	(125)	(62)	(422)
Restatements due to IFRS	(240)	-	-	-	-	(487)
Other Restatements	-	2,211	-	-	-	2,211
Reclassifications	-	725	-	-	(725)	-
Transfers	-	(192)	-	12	-	(180)
Revaluations	-	1,237	1,251	10	64	2,562
Impairment	-	-	-	-	-	-
As at 31 March 2010	815	30,461	10,422	1,682	5,261	48,641
Depreciation: As at 1 April 2009	-	2,739	4,188	1,156	1,776	9,859
Charged in year	-	1,327	1,022	211	497	3,057
Disposals	-	(145)	(86)	(100)	(48)	(379)
Restatements due to IFRS	-	-	-	-	-	-
Other Restatements	-	(269)	-	-	-	(269)
Reclassifications	-	-	-	-	-	-
Transfers	-	-	-	10	-	10
Revaluations	-	(4)	592	9	27	624
Impairment	-	(187)	-	-	-	(187)
As at 31 March 2010	-	3,461	5,716	1,286	2,252	12,715
Net book value:						
As at 31 March 2010	815	27,000	4,706	396	3,009	35,926
As at 31 March 2009	1,055	12,963	3,918	368	3,313	22,582
Asset financing:						
Finance leased NBV at 31 March 2010	-	-	-	340	-	340
Owned NBV at 31 March 2010	815	27,000	4,706	56	3,009	35,586

	Land	Buildings	Information	Plant and Furniture	Payments on Restated		
	excluding	technology	machinery	and account and assets	Total		
	dwellings			fittings	under construction		
	£'000	£'000	£'000	£'000	£'000		
Cost and valuation: As at 1 April 2008	1,040	19,928	7,804	1,069	4,609	-	34,450
Additions	-	2,818	702	477	279	965	5,241
Disposals	-	(103)	(68)	(44)	-	-	(215)
Restatements due to IFRS	-	-	-	-	-	-	-
Other Restatements	-	-	-	-	-	-	-
Reclassifications	-	(1,474)	-	-	-	-	(1,474)
Transfers	-	-	-	-	-	-	-
Revaluations	15	244	(332)	22	201	-	150
Impairment	-	(5,711)	-	-	-	-	(5,711)
As at 31 March 2009	1,055	15,702	8,106	1,524	5,089	965	32,441
Depreciation: As at 1 April 2008	-	2,874	3,587	1,000	1,263	-	8,724
Charged in year	-	1,147	793	170	455	-	2,565
Disposals	-	(16)	(48)	(33)	-	-	(97)
Restatements due to IFRS	-	-	-	-	-	-	-
Other Restatements	-	-	-	-	-	-	-
Reclassifications	-	(345)	-	-	-	-	(345)
Transfers	-	-	-	-	-	-	-
Revaluations	-	(214)	(144)	19	58	-	(281)
Impairment	-	(707)	-	-	-	-	(707)
As at 31 March 2009	-	2,739	4,188	1,156	1,776	-	9,859
Net book value:							
As at 31 March 2009	1,055	12,963	3,918	368	3,313	965	22,582
As at 31 March 2008	1,040	17,054	4,217	69	3,346	-	25,726
Asset financing:							
Finance leased NBV at 31 March 2009	-	-	-	338	-	-	338
Owned NBV at 31 March 2009	1,055	12,963	3,918	30	3,313	965	22,244

The Tribunals Service does not own any dwellings.
The finance leased assets relate to Xerox photocopiers and one franking machine.

Land and buildings

It is the policy of the Tribunals Service to revalue land and buildings every 5 years. The last valuation exercise was carried out by the Valuation Office Agency (VoA), and took place on 31 March 2009. The valuation was in accordance with the Royal Institute of Chartered Surveyors (RICS) Appraisal and Valuation Manual and was on the basis of existing use. At the time of this valuation the Tribunals Service held freehold land valued at £815k.

Following the implementation of International Financial Reporting Standards in 2009-10, the Tribunals Service reclassified long-lease land valued at £240k as an operating lease, and no longer recognises it as an asset. See statement of changes in taxpayers' equity.

Valuation of other assets

All other assets other than 'land' and 'buildings' and 'assets under construction' are valued using the Price Index Numbers for Current Cost Accounting (PINCCA) produced by the Office for National Statistics.

Impairments

On 18 March 2009 a serious fire occurred in one of our London sites, Field House. The top floor and part of the infrastructure were badly damaged in the blaze and there was significant water damage. This gave rise to an impairment charge of £5,004k.

Following a review of the cost and depreciation values on which this property was brought on to the Tribunals Service's accounts it was identified that these have been misstated. The correction of these balances is reflected in the 'Other Restatements' line. As a result of this an adjustment has been made to the impairment charge reflected in the 2008-09 accounts of £187k. All of this has been taken directly to the Operating Cost Statement.

Information technology

Included in 'Information Technology' category are assets representing the capitalised value of elements of payments made under the County Court Systems (CCS) PFI contract (see note 20), which are deemed to be assets of the Tribunals Service. These have a nil net book value (2008-09: £1k). Included within the depreciation charge for the year is an amount of £1k (2008-09: £19k) relating to these assets.

Restatements due to IFRS

Following a review in accordance with International Financial Reporting Standards (IFRS) it was identified that land relating to ETS Sheffield (£240k) was required to be treated as an operating lease and therefore should no longer be reflected as a non-current asset. This balance has been taken to reserves.

In addition to this an Information Technology asset £247k was also reviewed and it was identified that it should be reclassified as an Intangible asset. See note 9.

As these balances were not deemed to be material they were adjusted for in-year rather than reflected in the restatement of the opening balances.

Other Restatements

As a result of a review of the cost and depreciation values on two properties, Field House and Bennett House, it was identified that these properties were brought on to the Tribunal Service accounts at misstated values when the Tribunals Service was created. The correction of these values is reflected in the Other Restatements line for 'Buildings excluding Dwellings'.

Reclassifications

The reclassification line is used when assets are moved from one asset category to another. The balance reflected in 2009-10 relates to the multi-jurisdictional hearing centre, Anchorage House, which went live in September 2009.

Transfers

The transfer line reflects the transfer to the Office of Public Guardian (OPG) of the 4th floor Hagley Road.

9. Intangible assets

Intangible assets comprise of software development costs.

	Internally generated software ¹¹ £'000	Assets under construction ¹² £'000	Total £'000
Cost or valuation			
At 1 April 2009	1,710	6,074	7,784
Additions	-	2,167	2,167
Disposals	-	-	-
Reclassification	247	-	247
Impairments	-	-	-
Revaluation	246	-	246
At 31 March 2010	2,203	8,241	10,444
Amortisation			
At 1 April 2009	338	-	338
Charged in year	275	-	275
Disposals	-	-	-
Impairments	-	-	-
Revaluation	66	-	66
At 31 March 2010	679	-	679
Net book value at 31 March 2010	1,524	8,241	9,765
Net book value at 31 March 2009	1,372	6,074	7,446

	Internally generated software ¹¹ £'000	Assets under construction ¹² £'000	Restated Total £'000
Cost or valuation			
At 1 April 2008	897	4,217	5,114
Additions	-	2,707	2,707
Disposals	-	-	-
Reclassification	850	(850)	-
Impairments	-	-	-
Revaluation	(37)	-	(37)
At 31 March 2009	1,710	6,074	7,784
Amortisation			
At 1 April 2008	224	-	224
Charged in year	122	-	122
Disposals	-	-	-
Impairments	-	-	-
Revaluation	(8)	-	(8)
At 31 March 2009	338	-	338
Net book value at 31 March 2009	1,372	6,074	7,446
Net book value at 31 March 2008	673	4,217	4,890

The net book values and remaining amortisation lives of the intangible assets are:

Asset Description	2009-10		Restated 2008-09	
	Net book value £'000	Remaining amortisation period	Net book value £'000	Remaining amortisation period
GAPS 2	474	3.4 years	521	4.4 years
Martha	833	6 years	850	7 years
Tax Tribunals Case Management System	217	6 years	-	-
Caseflow ¹³	8,241	-	6,075	-
Total	9,765	-	7,446	-

¹¹ Internally generated software comprises the case management systems, GAPS 2 and Martha. These are employed respectively by Social Security and Child Support and Mental Health. Martha went live in 2008-09 and was transferred to Internally generated software - this is reflected in the reclassification line for 2008-09.

In addition to these the Tax Tribunals case management system went live in 2009-10 and is reflected in the reclassification line.

¹² Assets under Construction relates to the Caseflow project which is developing a case management system that will be employed by the Employment tribunal (ET).

¹³ It is the policy of the Tribunals Service not to amortise assets under construction until they are ready for use.

10. Financial instruments

The financial instruments held by the Tribunals Service have been split into the following categories:

Financial assets

- Cash at bank
- Loans and receivables:
 - Trade receivables
 - Other receivables

Financial liabilities

- Trade payables
- Finance lease payables

These are short-term assets and liabilities, therefore their carrying amounts are deemed to be the same as fair value.

Included in 'other receivables' is a bad debt provision of £108k relating to historical balances that have been identified as a result of a Ministry of Justice wide review.

No bad debts were written-off during the financial year.

Credit risk

The Tribunals Service is exposed to minimal credit risk as loans and receivables comprise of trade and other receivables mainly relating to other government departments. With respect to other receivables, the agency trades only with recognised, creditworthy third parties. The value of these outstanding receivables is £863k.

Receivable balances are monitored on an ongoing basis with the result that the agency's exposure to bad debt is minimal.

Liquidity risk

The Tribunals Service's financial liabilities are trade payables and finance leases. It is highly unlikely that the Tribunals Service will encounter difficulty in meeting its obligations associated with these liabilities as the net resource requirement is financed by resources voted annually through Parliament to the Ministry of Justice.

Market risk

The Tribunals Service is not exposed to significant interest rate or foreign currency risk.

11. Impairments

The Tribunals Service is required to carry out an impairment review for any intangible assets within the category 'Assets under construction'. An impairment review has been carried out on the Casflow project and no impairment was required.

12. Trade receivables and other current assets

12.1 Amounts falling due within one year.

	31 March 2010 £'000	31 March 2009 £'000	1 April 2008 £'000
Trade receivables	634	1,173	347
Deposits and advances	155	317	270
Other receivables:			
VAT recoverable	89	900	653
Other receivables	229	451	353
Prepayments and accrued income	5,994	6,361	5,517
Intradepartmental receivable	2,551	6,325	1,928
Total receivables falling due within one year	9,652	15,527	9,068

There were no receivables due after one year at 31/03/10, 31/03/09 or 31/03/08.

Prepayments and accrued income

The main element of prepayments relates to property rent in 2009-10, 2008-09 and 2007-08.

12.2 Analysis of receivable balances by organisational type.

	31 March 2010 £'000	31 March 2009 £'000	1 April 2008 £'000
Other central government bodies	4,226	8,516	3,434
Local authorities	6	-	-
Public corporations and trading funds	2	3	3
Bodies external to government	5,418	7,008	5,631
Total receivables falling due within one year	9,652	15,527	9,068

There were no amounts falling due after more than one year.

13. Cash and cash equivalents

	31 March 2010 £'000	31 March 2009 £'000	1 April 2008 £'000
Balance at start of period	5,041	19,214	8,317
Net change in cash and cash equivalents balances	9,686	(14,173)	10,897
Balance at end of period	14,727	5,041	19,214

The following balances were held at:

	31 March 2010 £'000	31 March 2009 £'000	1 April 2008 £'000
Balances at Office of HM Paymaster General (OPG) and Government Banking Service (GBS)	14,565	4,880	19,190
Commercial banks	157	150	13
Cash in hand	3	4	1
Imprests	2	7	10
Total	14,727	5,041	19,214

The balances of cash at bank and in hand include £198k (2008-09: £177k; 2007-08: £31k) held on behalf of third parties. The amount is also disclosed as a payable (see note 24).

Under the Government Banking Service scheme the Tribunals Service is in the process of transferring the management of its banking service from OPG to the commercial banks stipulated under the GBS contract.

14. Trade payables and other current liabilities

14.1 Amounts falling due within one year

	31 March 2010 £'000	Restated 31 March 2009 £'000	Restated 1 April 2008 £'000
Other taxation and social security	5,911	5,331	4,743
Trade payables	229	293	4,514
Other payables	1,442	1,120	1,254
Accruals and deferred income	32,441	41,009	33,984
Current element of finance leases	136	195	-
Intra-departmental payable	4,028	7,413	7,970
	44,187	55,361	52,465
Cash balances held on behalf of third parties	198	177	31
Total amounts falling due within one year	44,385	55,538	52,496

14.2 Amounts falling due after more than one year:

	31 March 2010 £'000	Restated 31 March 2009 £'000	Restated 1 April 2008 £'000
Finance leases	212	146	-
Total amounts falling due after more than one year	212	146	-

14.3 Analysis of payables by organisational type:

	31 March 2010 £'000	Restated 31 March 2009 £'000	Restated 1 April 2008 £'000
Other central government bodies	13,688	19,110	18,480
Local authorities	19	1,880	30
National Health Trusts	20	-	-
Public corporations and trading funds	173	-	91
Bodies external to government	30,697	34,694	33,895
Total payables	44,597	55,684	52,496

15. Provisions for liabilities and charges

	Notes	31 March 2010 £'000	31 March 2009 £'000	1 April 2008 £'000
Provision for early departure costs	15.1	1,062	948	914
Provision for by-analogy pension scheme	15.2	1,802	1,582	1,336
Provisions - other	15.3	4,751	1,164	1,636
Total provisions for liabilities and charges		7,615	3,694	3,886

15.1 Provision for early departure costs

	31 March 2010 £'000	31 March 2009 £'000	1 April 2008 £'000
Balance at start of period	948	914	44
Provision provided in the year	316	247	906
Provisions utilised in the year	(202)	(213)	(36)
Balance at end of period	1,062	948	914

The provision relates to early departure costs generated by the agency's restructuring programme and covers the full cost of pensions until the age of 60, for all employees who retired under the scheme and qualified for a pension.

The Tribunals Service meets the additional costs of benefits beyond the normal PCSPS benefits in respect of employees who retire early by paying the required amounts annually to the PCSPS over the period between early departure and normal retirement date. The Tribunals Service provides for this in full when the early retirement programme becomes binding by establishing a provision for the estimated payments.

15.2 Provision for by-analogy pension scheme

	31 March 2010 £'000	31 March 2009 £'000	1 April 2008 £'000
Balance at start of period	1,582	1,336	1,323
Provision provided in the year	-	22	128
Interest on by-analogy pension scheme	91	68	-
Actuarial (gain)/loss on pension scheme liabilities	300	282	-
Provisions utilised in the year	(171)	(126)	(115)
Balance at end of period	1,802	1,582	1,336

This relates to two small pension schemes for Immigration Adjudicators and the Criminal Injuries Compensation (14 members and 1 member respectively). During the year, payments made to Immigration Adjudicator pensioners are utilised against the provision. No payments were made to the Criminal Injuries Compensation member.

The schemes liabilities were valued by GAD as at 31 March 2010 (see note 5.3) and the associated interest cost has been charged to the Operating Cost Statement.

This scheme is referred to as the 'by-analogy pension scheme' since it is similar to the PCSPS. However, this scheme is funded by provisions from the Department's Vote and pension payments are administered by the Department and made via the payroll system.

15.3 Provisions - other

	31 March 2010 £'000	31 March 2009 £'000	1 April 2008 £'000
Balance at start of period	1,164	1,636	1,107
Provision provided in the year	3,933	439	617
Provision not required written back	(49)	-	-
Provisions utilised in the year	(297)	(911)	(88)
Balance at end of period	4,751	1,164	1,636

The main element of other provisions is an amount for dilapidations. The terms under which leasehold properties are occupied require the premises to be returned to their original state and condition at the end of the lease.

Also included in other provisions are personal injury claims, employment tribunal proceedings and other potential costs where the timing or value is as yet uncertain.

16. Capital commitments

Contracted capital commitments at end of period not otherwise included in these accounts	31 March 2010 £'000	31 March 2009 £'000
Property, plant and equipment	394	1,229
Intangible assets	-	-
Balance at year end	394	1,229

17. Commitments under leases

17.1 Operating leases

The future minimum lease payments under operating leases are given below for each of the following periods.

Obligations under operating leases comprise:

Building	31 March 2010 £'000	31 March 2009 £'000
Not later than one year	36,994	35,517
Later than one year and not later than five years	134,918	128,770
Later than five years	110,684	139,594
Total commitments under building operating leases	282,596	303,881

The Tribunals Service has one operating lease relating to land associated with the Employment Tribunal (ET) which has a peppercorn rent of £1 per annum (see note 8).

Other	31 March 2010 £'000	31 March 2009 £'000
Not later than one year	253	144
Later than one year and not later than five years	307	231
Later than five years	39	17
Total commitments under building operating leases	599	392

17.2 Finance leases

Total future minimum lease payments under finance leases, as at year end dates, are provided in the table below.

	Notes	31 March 2010 £'000	31 March 2009 £'000	1 April 2008 £'000
Not later than one year	14.1	208	214	-
Later than one year and not later than five years	14.2	335	163	-
Later than five years		-	-	-
Less interest element		(195)	(36)	-
Total commitments under finance leases		348	341	-

The above obligations under finance leases relate to Xerox photocopiers and one franking machine.

At the above year end dates there were no obligations under finance leases relating to property.

18. Notes to cashflow

18.1 Summary of notional and non-cash costs

	Notes	31 March 2010 £'000	Restated 31 March 2009 £'000
Notional costs:			
Interest on capital	6	(81)	(302)
External auditor's remuneration	6	145	121
Departmental recharge	6	16,742	14,977
Sub-total notional costs		16,806	14,796
Non-cash costs:			
Permanent impairment in asset value	6	(435)	368
Impairment of Field House	6	(187)	5,004
Loss on disposal of non current assets	6	17	114
Movement in provisions	6	4,201	708
Finance charge on pension scheme liabilities	6	91	68
Depreciation	6,8	3,057	2,565
Amortisation	6,9	275	122
Provision for bad debt	6	108	-
Sub-total non-cash costs		7,127	8,949
Total notional and non-cash costs		23,933	23,745

18.2 Reconciliation of property, plant and equipment, and intangibles asset additions

The purchase of property, plant and equipment, and intangibles total of £15,819k for 2009-10 is explained as follows:

	£'000
Additions per notes 8 and 9:	
Property, plant and equipment	12,516
Intangibles	2,167
Plus:	
Decrease in capital accrual	1,971
Movement between non-current assets and inter-departmental receivables/payables	(835)
	15,819

19. Commitments under private finance initiative (PFI) contracts

The Tribunals Service does not have any PFI commitments to report in its own right that are either on or off Statement of Financial Position.

20. Other financial commitments

The Tribunals Service is a party to a PFI-type arrangement through its parent, the MoJ. The main costs of this contract are included under 'departmental recharge' in Note 6. In addition, the Tribunals Service pays separately for amendments to the contracts that it has specifically requested under the Request for Change (RFC) process. These additional costs are also included under 'PFI service charges' in note 6.

The arrangement is the ARAMIS PFI Project with Liberata UK Limited, which provides accounting, management information and corporate IT services to, among others, the Tribunals Service.

21. Contingent liabilities disclosed under IAS 37

Contingent liabilities

As reported in the 2008-09 Annual Report and Accounts, the MoJ is involved in a number of cases of fee paid judicial office holders claiming retrospective pension rights. A negative judgement may set a precedent which could result in a liability to the Tribunals Service, the monetary cost of which cannot be quantified at this stage.

The Tribunals Service has not entered into any unquantifiable contingent liabilities by offering guarantees, indemnities or by giving letters of comfort.

Contingent assets

The Tribunals Service is not aware of any contingent assets.

22. Losses and special payments

For 2009-10 the Tribunals Service had losses of:

- nil (2008-09: 11) cases involving cash losses (2008-09: £958);
- 2 (2008-09: Nil) cases of fruitless payments totalling £273 (2008-09: Nil);
- nil (2008-09: 1) loss of accountable stores (2008-09: £5,004,007) (see note 8); and
- 135 (2008-09: 46) special payments totalling £96,599 (2008-09: £48,144);

There were no individual cases of special payments over £250,000.

- 205 (2008-09: 218) instances of fees remitted or exempted, totalling £27,650 (2008-09: £31,690).

23. Related party transactions

The Tribunals Service is an executive agency of the Ministry of Justice and the Ministry is therefore regarded as a related party. During the year the Tribunals Service had a number of material transactions with the Ministry of Justice and other entities for which the Ministry of Justice is regarded as the parent department, for example Her Majesty's Courts Service.

The Tribunals Service has also had a number of material transactions with other government departments and central government bodies. Most of these transactions have occurred with Her Majesty's Revenue and Customs, the Department for Work and Pensions, and Her Majesty's Land Registry.

During the year none of the Board members, members of senior management staff, or other related parties have undertaken any material transactions with the Tribunals Service.

24. Third party assets

The Tribunals Service holds monies on behalf of third parties, that do not form part of the agency's funding.

These monies represent amounts held pending the outcome of certain Employment tribunal hearings, whereafter the funds are paid out accordingly. The amount held in respect of these hearings was £43k (2008-09: £33k). In addition to this the Tribunals Service also oversees the handling of Bail Bonds totalling £155k (2008-09: £144k).

The assets held at the reporting date to which it is practical to ascribe monetary values comprised monetary assets, such as bank balances and monies on deposit. They are set out in the table below.

	2009-10			
	31 March 2009 £'000	Gross Inflows £'000	Gross Outflows £'000	31 March 2010 £'000
Monetary assets such as bank balances and monies on deposit	177	206	(185)	198

	2008-09			
	31 March 2008 £'000	Gross Inflows £'000	Gross Outflows £'000	31 March 2009 £'000
Monetary assets such as bank balances and monies on deposit	31	282	(136)	177

25. Events after the reporting period

In accordance with International Accounting Standard 10 'Events after the reporting period', accounting adjustments and disclosures are considered up to the point that the financial statements are authorised for issue. The accounts were authorised for issue on the same date that the Comptroller and Auditor General certified the accounts.

It was announced in the Budget on 22 June 2010 that the government intends to adopt the Consumer Price Index (CPI) for the indexation of public service pensions from April 2011. This will have an impact upon the future operations of the pension schemes that the Tribunals Service provides to employees.

26. Criminal Injuries Compensation statement of account as at 31 March 2010

This statement has been included in accordance with the accounts direction issued by the Secretary of State, in pursuance of section 6(3)(a)(ii) of the Criminal Injuries Compensation Act 1995 and paragraph 4 of the Criminal Injuries Compensation Scheme 2001, after consultation with the Scottish Ministers in accordance with section 88(2) of the Scotland Act 1998.

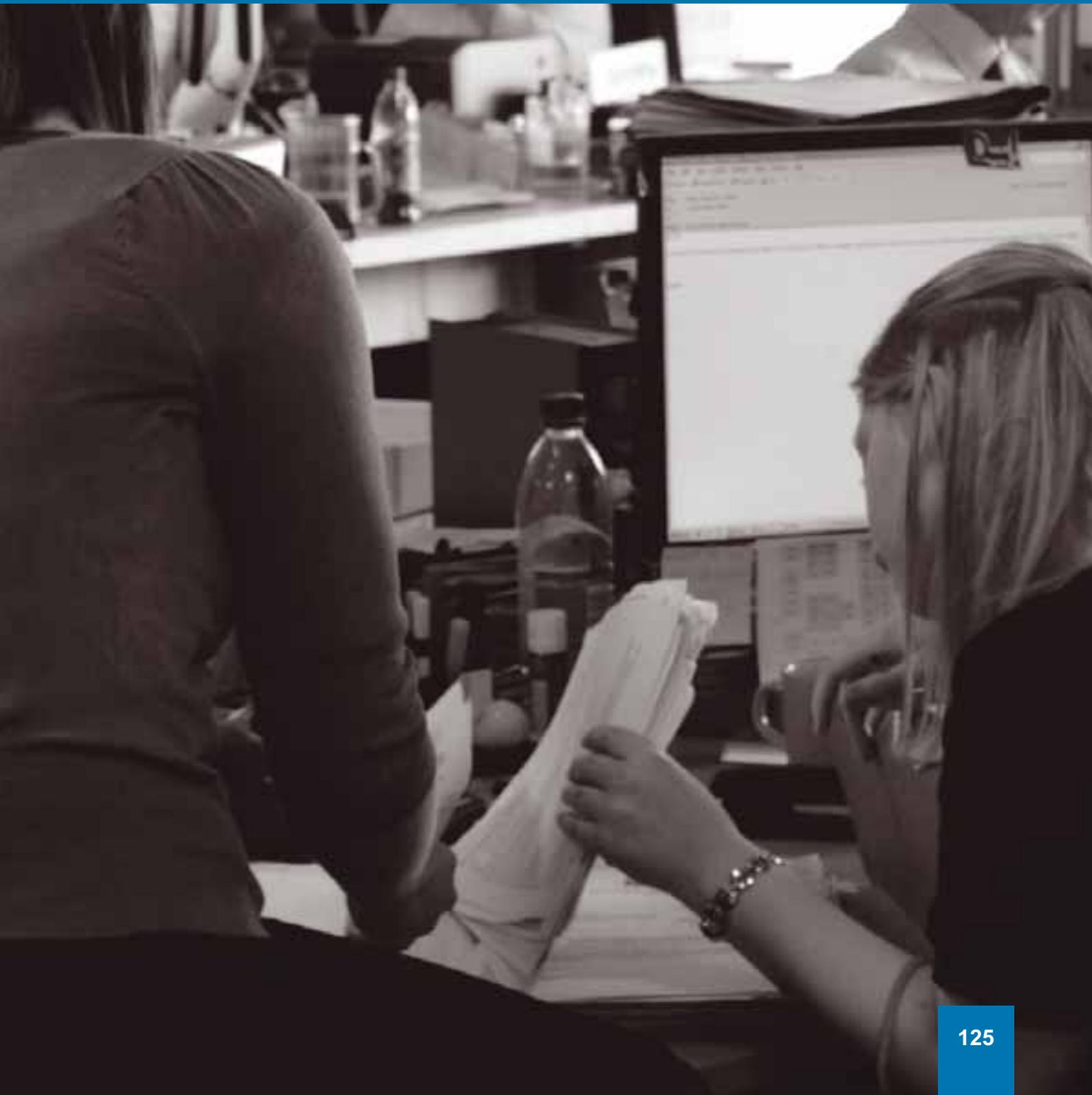
	2009-10		2008-09	
	£'000	£'000	£'000	£'000
Income ¹⁴		(412)		(443)
Staff costs:				
Staff payroll costs	831		1,019	
Judicial payroll costs	<u>1,219</u>		<u>1,307</u>	
Total payroll costs		2,050		2,326
Other operating costs		<u>1,768</u>		<u>1,688</u>
Net cost of operations		<u>3,406</u>		<u>3,571</u>

¹⁴ Includes £412k (2008-09: £447k) contribution from the Scottish Executive towards Scottish cases. In 2008-09 cancelled invoices have been netted off income in the accounts.

Annexes

In this section:

- ▶ **Annex A: Tribunals and their Jurisdictions**
- ▶ **Annex B: Receipts and Disposals for 2007-08 to 2009-10**
- ▶ **Annex C: Performance against Performance Indicators for 2007-08 to 2009-10**
- ▶ **Annex D: Glossary of Abbreviations**
- ▶ **Annex E: Our Data Systems**

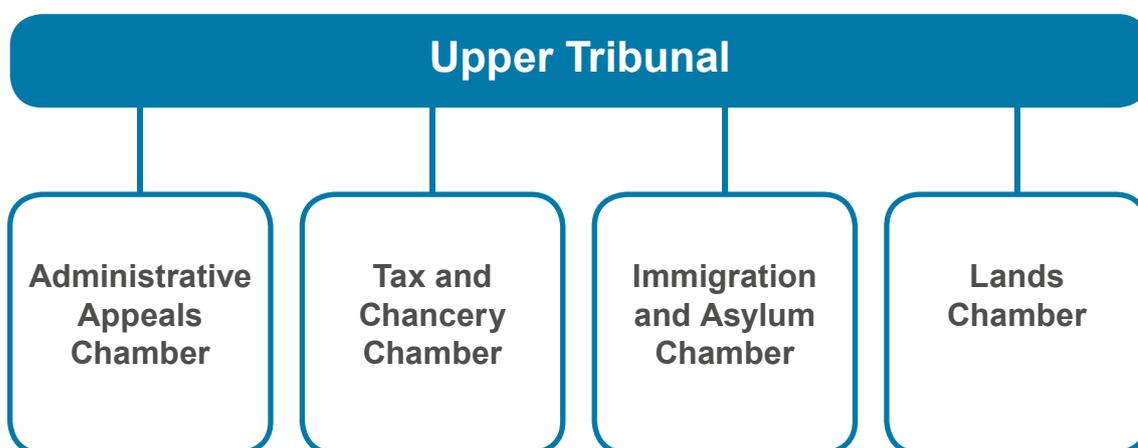


Annex A: Tribunals and their Jurisdictions

The Upper Tribunal

Court of Appeal and Court of Session

Upper Tribunal and First-tier Tribunal presided over by
Senior President: Lord Justice Carnwath



The Upper Tribunal is a newly created superior court of record with jurisdiction throughout the United Kingdom and consists of four Chambers as above. It has been established by Parliament under the Tribunals, Courts and Enforcement Act 2007 and began work on 3 November 2008. Its main functions are:

- to hear appeals from the First-tier Tribunal;
- to decide certain cases that do not go to the First-tier Tribunal;
- to exercise powers of judicial review in certain circumstances; and
- to deal with enforcement of decisions, directions and orders made by tribunals.

Administrative Appeals Chamber

The Administrative Appeals Chamber hears from the following First-tier Tribunal Chambers:

- General Regulatory Chamber;
- Health, Education and Social Care Chamber;
- Social Entitlement Chamber; and
- War Pensions and Armed Forces Compensation Chamber.

This Chamber also hears appeals from:

- Pensions Appeals Tribunal (Scotland);
- Pensions Appeals Tribunal (Northern Ireland - 'assessment' appeals only);
- Mental Health Review Tribunal (Wales); and
- Special Educational Needs and Disability Tribunal (Wales).

It is also the tribunal for those wanting to make a first appeal about:

- decisions of the Independent Safeguarding Authority about safeguarding vulnerable groups; and
- decisions of the Traffic Commissioners.

The Administrative Appeals Chamber of the Upper Tribunal also has jurisdiction to judicially review decisions of First-tier Tribunals England and Wales:

- where there is a procedural decision of a First-tier Tribunal which has no right of appeal;
- in Criminal Injuries Compensation Appeals decided by the First-tier Tribunal; and
- cases may also be transferred to the Upper Tribunal from the High Court and the Court of Session.

Tax and Chancery Chamber

The Tax and Chancery Chamber hears appeals from the following First-tier Tribunal Chambers:

- Tax Chamber; and
- Charity Tribunal's jurisdictions within the General Regulatory Chamber.

This Chamber also hears references in financial services cases arising from decisions of the Financial Services Authority and from determinations of the Pensions Regulator.

The Tax and Chancery Chamber also has the power to judicially review decisions where transferred from the High Court and the Court of Session.

Immigration and Asylum Chamber

On 15 February 2010, Immigration and Asylum Chambers were established in both tiers of the unified tribunals framework created by the Tribunals, Courts and Enforcement Act 2007.

The Upper Tribunal (Immigration and Asylum Chamber), which is a superior court of record, hears appeals from the First-tier Tribunal (Immigration and Asylum Chamber), on a point of law. The First-tier Tribunal (Immigration and Asylum Chamber) replaced the Asylum and Immigration Tribunal.

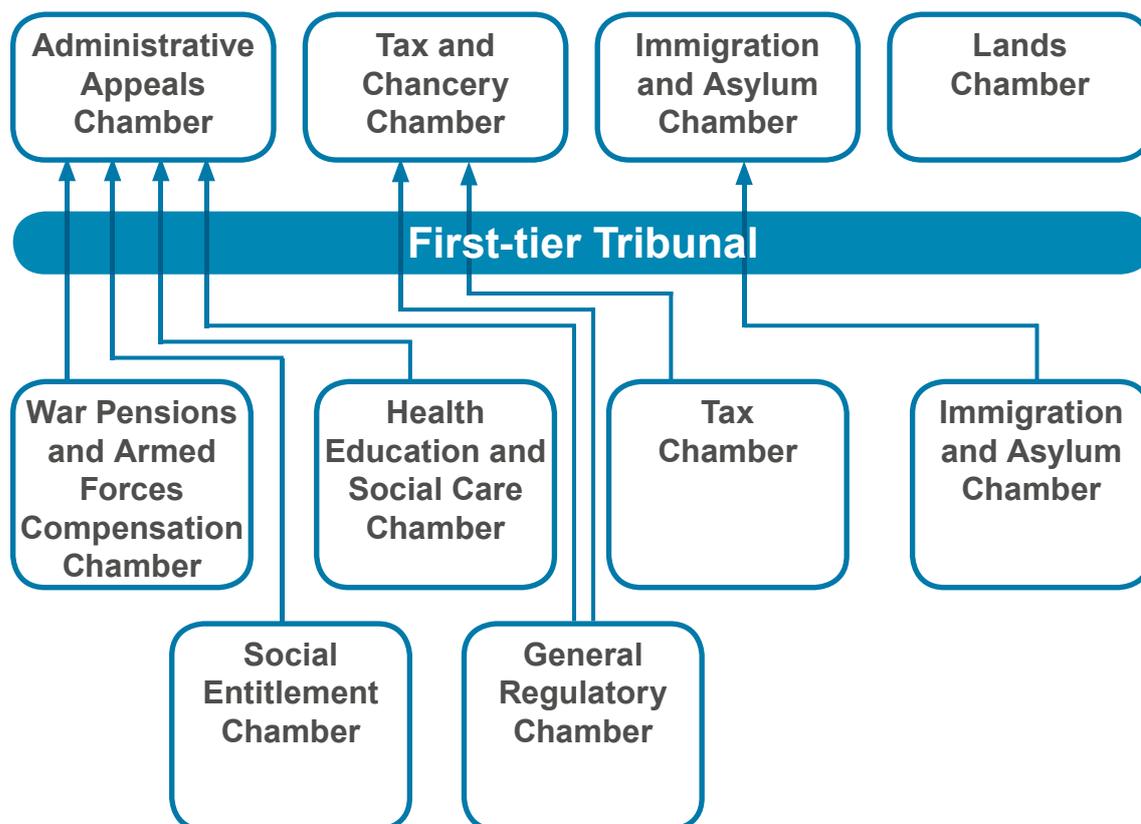
Lands Chamber

The Lands Chamber was created in June 2009 after the transfer of the Lands tribunal (England and Wales). The Chamber:

- has an appellate function to hear appeals from Valuation tribunals, Leasehold Valuation tribunals, and Residential Property tribunals;
- determines disputed compensation claims in compulsory purchase and other types of land compensation cases, restrictive land covenants, contested blight notices and a range of other matters under various statutory provisions; and
- acts as arbitrator in disputes referred to it by consent of the parties.

The Tribunal's jurisdiction is exercised in England and Wales.

The First-tier Tribunal



The First-tier Tribunal was also created by the Tribunals, Courts and Enforcement Act 2007, and started work on 3 November 2008. It is intended to absorb the work of most central government tribunals in time. The First-tier Tribunal currently consists of six Chambers; the Lands Chamber has not yet been established.

War Pensions and Armed Forces Compensation Chamber

This Chamber hears appeals from ex-servicemen or women who have had their claims for a War Pension rejected by the Secretary of State for Defence. Its jurisdiction covers England and Wales. The Chamber is independent from the Service Personnel and the Veterans Agency.

The Tribunal has been in existence, as part of the Lord Chancellor's responsibility since the War Pensions Act 1919 and continues in respect of injuries that occurred before 5 April 2005. For injuries after 5 April 2005 a new scheme, the Armed Forces Compensation Scheme applies. The Chamber deals with appeals for both schemes.

The War Pensions Scheme:

- whether a person is entitled to a War Pension;
- the percentage at which the War Pensions Agency has assessed a person's disablement; and
- whether a person is entitled to an allowance, for example, or mobility needs.

The Armed Forces Compensation Scheme:

- whether a person is entitled to an award; and
- the amount of the award.

Social Entitlement Chamber

The Social Entitlement Chamber (SEC) hears appeals for:

- Social Security and Child Support;
- Criminal Injuries Compensation; and
- Asylum Support.

Social Security and Child Support

The tribunal deals with disputes about:

- Income Support, Jobseeker's Allowance;
- Incapacity Benefit, Employment Support Allowance;
- Attendance Allowance, Disability Living Allowance; and
- Pension Credit and State Pension.

It also deals with disputes about:

- Child Benefit, Child Support and Child Tax Credit;
- Statutory Sick Pay / Statutory Maternity Pay;
- Compensation Recovery Scheme/ Road Traffic (NHS) charges;

- Decisions on Housing Benefit and Council Tax Benefit; and
- Industrial Injuries Disablement Benefit and others.

Criminal Injuries Compensation

The First-tier Tribunal (Criminal Injuries Compensation) decides appeals relating to decisions made by the Criminal Injuries Compensation Authority (CICA) with the aim of enabling the victims of violent crime to have their appeals decided sensitively, fairly and independently in accordance with the scheme.

The Criminal Injuries Compensation Scheme allows financial awards to be made:

- to recognise the injuries, both physical and mental, caused to victims of crimes of violence;
- in certain circumstances, also to compensate for past or future lost earnings or special expenses caused by such a crime; and
- where death has resulted from a crime of violence, for bereavement and, in some cases, compensation to take account of the loss of earnings of the person who has been killed.

Before awards can be made, there may be issues of eligibility. For example, an applicant may not be eligible for an award or may have the normal award reduced if they have:

- failed, without delay, to inform the police of the injury;
- failed to assist in bringing an assailant to justice; or
- unspent criminal convictions.

There may also be issues to resolve in establishing whether an applicant was the victim of a crime of violence - these can be particularly difficult in historic child and sexual abuse cases.

Asylum Support

The First-tier Tribunal (Asylum Support) considers appeals against decisions made by the United Kingdom Border Agency (UKBA). The UKBA consider whether an applicant and their dependants meet the test of destitution as set out in the legislation (the Immigration and Asylum Act 1999) and then determine to what extent support should be provided. This support may include the provision of accommodation and cash for essential needs.

The Chamber does not deal with asylum claims, or any other immigration matters. It only considers appeals against a refusal or termination of support made by UKBA. When determining an appeal the First-tier Tribunal judge can make one of three decisions:

- ask the Secretary of State to reconsider the matter;
- substitute the decision being appealed against with their decision; or
- dismiss the appeal.

If the UKBA refuse to provide support or, after they have been providing support, decide to stop or withdraw it, an asylum seeker can appeal to the tribunal against their decision.

Health, Education and Social Care Chamber

The Health, Education and Social Care (HESC) Chamber of the First-tier Tribunal holds the jurisdictions of:

- Care Standards;
- Mental Health;
- Primary Health Lists; and
- Special Educational Needs and Disability.

Care Standards

The First-tier Tribunal (Care Standards) considers appeals against a decision made by the Secretary of State to restrict or bar an individual from working with children or vulnerable adults and decisions to cancel, vary or refuse registration of certain health, childcare and social care provision.

Mental Health

The First-tier Tribunal (Mental Health) hears applications and references for people detained under the Mental Health Act 1983 (as amended by the Mental Health Act 2007); it covers all of England. Hearings review the cases of detained patients and direct the discharge of any patients where the statutory criteria for discharge are satisfied. In some cases, the First-tier Tribunal also has the discretion to discharge patients who do not meet the statutory criteria.

Primary Health Lists

General practitioners, dentists, optometrists and some pharmacists need to be on a locally managed performers list before being able to provide NHS services within the area of a Primary Care Trust. The First-tier Tribunal (Primary Health Lists) hears appeals/applications resulting from decisions made by Primary Care Trusts as part of the local management of such performers lists.

Special Educational Needs and Disability

The First-tier Tribunal (Special Educational Needs and Disability) hears appeals against decisions of local authorities about children with special educational needs and claims against schools and local authorities where there has been disability discrimination in a child's education.

General Regulatory Chamber

The General Regulatory Chamber (GRC) was established on 1 September 2009 within the First-tier Tribunal and holds the following jurisdictions:

- Charity;
- Consumer Credit Appeals;
- Estate Agents Appeals;
- Transport;
- Information Rights;
- Claims Management Services;
- Gambling;
- Immigration Services; and
- Local Government Standards.

The Environment jurisdiction was established within the First-tier Tribunal General Regulatory Chamber on 6 April 2010.

Charity

The First-tier Tribunal (Charity) has jurisdiction in respect of Charity Commission decisions made on or after 18 March 2008. It also hears applications for review of decisions of the Charity Commission and can consider references from the Attorney General or the Commission on points of law.

Consumer Credit

The First-tier Tribunal (Consumer Credit) hears appeals arising from licensing decisions of the Office of Fair Trading (OFT) including decisions of refusal to register, to suspend or revoke consumer credit licences, and the imposition of money laundering penalties.

Estate Agents

The First-tier Tribunal (Estate Agents) hears appeals from decisions of the OFT in relation to the regulation of estate agents. Among its duties, it can prohibit a person from acting as an estate agent where for example they have been convicted of an offence involving fraud or other dishonesty.

Transport

The First-tier Tribunal (Transport) deals with appeals against decisions of the Registrar of Approved Driving Instructors. It also hears appeals of Transport for London decisions about London Service Permits and resolves disputes between postal service providers and carriers.

Information Rights

The First-tier Tribunal (Information Rights) deals with appeals against decisions of the Information Commissioner in respect of Freedom of Information, Data Protection, Privacy and Electronic Communications, and Environmental Information.

Claims Management Services

The First-tier Tribunal (Claims Management Services) hears appeals from businesses and individuals who provide claims management services in areas including personal injury, employment, housing disrepair and endowment mis-selling.

Gambling

The First-tier Tribunal (Gambling) hears appeals against decisions of the Gambling Commission. Licence holders, and applicants, have a right of appeal to the tribunal against the decisions of the Commission relating to their existing licence or new application.

Immigration Services

The First-tier Tribunal (Immigration Services) deals with appeals against decisions of the Immigration Services Commissioner. It also hears disciplinary charges brought against immigration advisers by the Commissioner.

Local Government Standards

The First-tier Tribunal (Local Government Standards in England) hears and determines references concerning the conduct of local authority councillors. The jurisdiction also acts as an appellate body to determine appeals against the decisions of local standards committees.

Tax Chamber

Established on 1 April 2009 within the First-tier Tribunal, the Tax Chamber hears appeals against decisions relating to tax made by Her Majesty's Revenue and Customs (HMRC). Transferred into this Chamber were the following tribunals:

- General Commissioners of Income Tax;
- Special Commissioners;
- VAT and Duties; and
- Section 706.

Appeals can be made by individuals or organisations, single tax payers or large multinational companies. Appeals range from the relatively simple to the complex across both direct and indirect tax. Direct tax is a tax that is usually levied directly on an individual or organisation, such as income tax or corporation tax. Indirect tax refers to tax that is usually levied on goods or services rather than on an individual or organisation such as VAT or Customs Duty.

Immigration and Asylum Chamber

Immigration and Asylum

On 15 February 2010, Immigration and Asylum Chambers were established in both tiers of the unified tribunals framework created by the Tribunals, Courts and Enforcement Act 2007.

The First-tier Tribunal (Immigration and Asylum Chamber), which replaced the Asylum and Immigration tribunal is an independent tribunal dealing with appeals against decisions made by the UKBA on immigration, asylum and nationality matters.

The main types of appeal we receive are made against decisions to:

- refuse a person asylum in the UK;
- refuse a person entry to, or leave to remain in, the UK; or
- deport someone already in the UK.

Appeals are heard by one or more First-tier Tribunal judges who are sometimes accompanied by non legal members. First-tier Tribunal judges and non legal members are appointed by the Lord Chancellor and, together, form an independent judicial body. Appeals are heard in a number of hearing centres across the United Kingdom.

Tribunals Service tribunals which are outside the unified two-tier structure

The following tribunals are part of the Tribunals Service but remain outside the Tribunals Service two-tier structure established by the Tribunals, Courts and Enforcement Act 2007.

Employment

Employment tribunals determine disputes between employers and employees over employment rights such as claims to do with unfair dismissal, redundancy payments and discrimination. They also deal with a range of claims relating to wages and other payments.

Employment Appeals

The Employment Appeal tribunal hears appeals from decisions made by the Employment tribunals, and the Certification Officer or the Central Arbitration Committee.

Adjudicator to HM Land Registry

The Adjudicator to HM Land Registry deals with disputed applications to the Land Registry where no agreement has been reached as well as applications for putting a document right or setting it aside. In the future, the Adjudicator will also determine appeals against decisions concerning Network Access Agreements.

Gender Recognition Panel

The Gender Recognition Panel deals with applications for gender recognition; which will allow transsexual people who have lived in their acquired gender for a specified time to apply for Gender Recognition Certificate and gain legal status in that gender.

Pathogen Access Appeal Commission

The Pathogen Access Appeal Commission hears appeals against decisions to restrict access to a prescribed set of dangerous pathogens and toxins, and regarding the arrangements for keeping such materials.

Proscribed Organisations Appeal Commission

The Proscribed Organisations Appeal Commission deals with appeals against decisions made by the Secretary of State for the Home Department, to refuse to de-proscribe organisations.

Special Immigration Appeals Commission

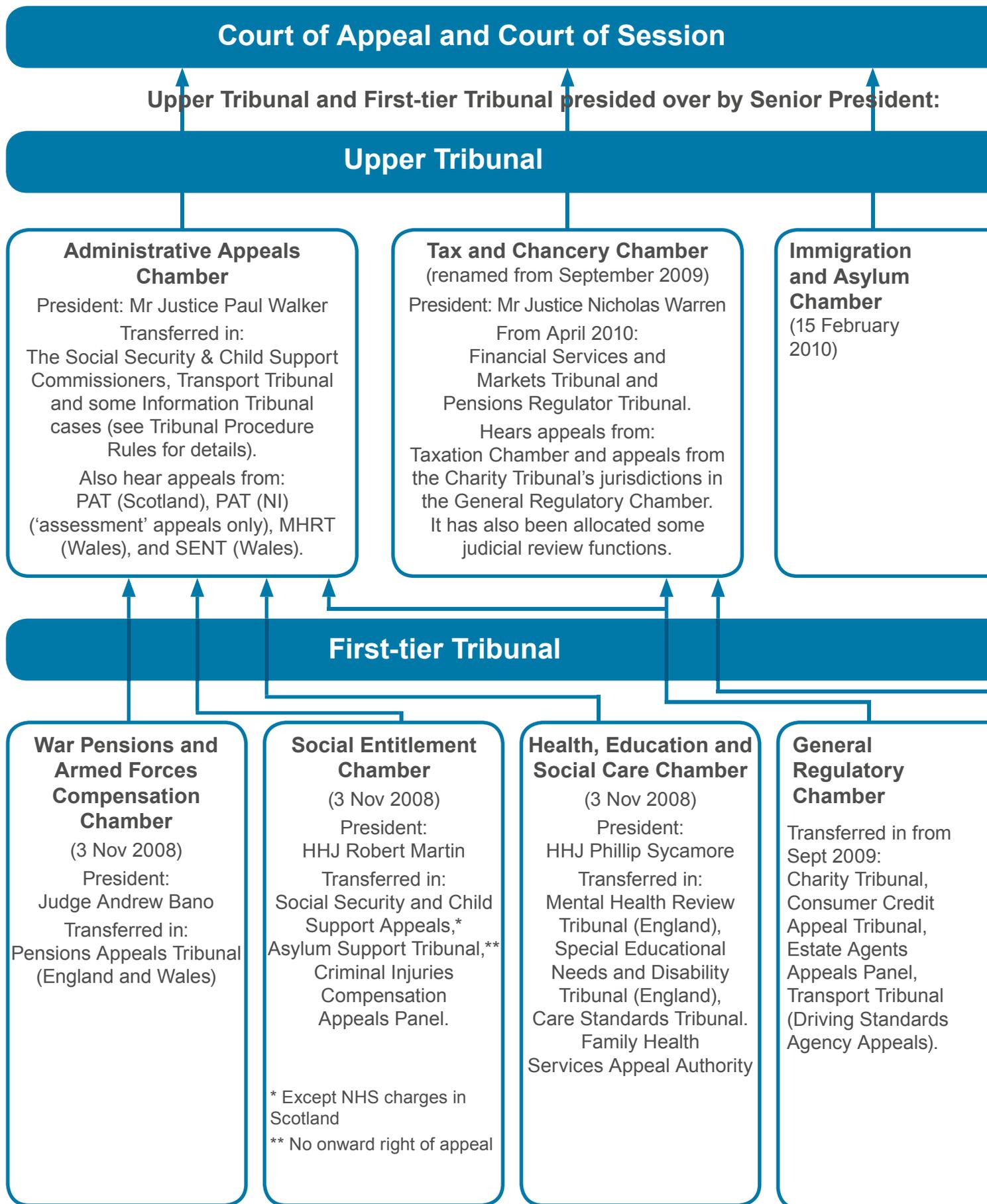
The Special Immigration Appeals Commission deals with appeals against decisions made by the Secretary of State for the Home Department to deport or exclude someone from the UK on national security grounds or for other public interest reasons. It also hears appeals against decisions to deprive a person of UK citizenship where naturalised.

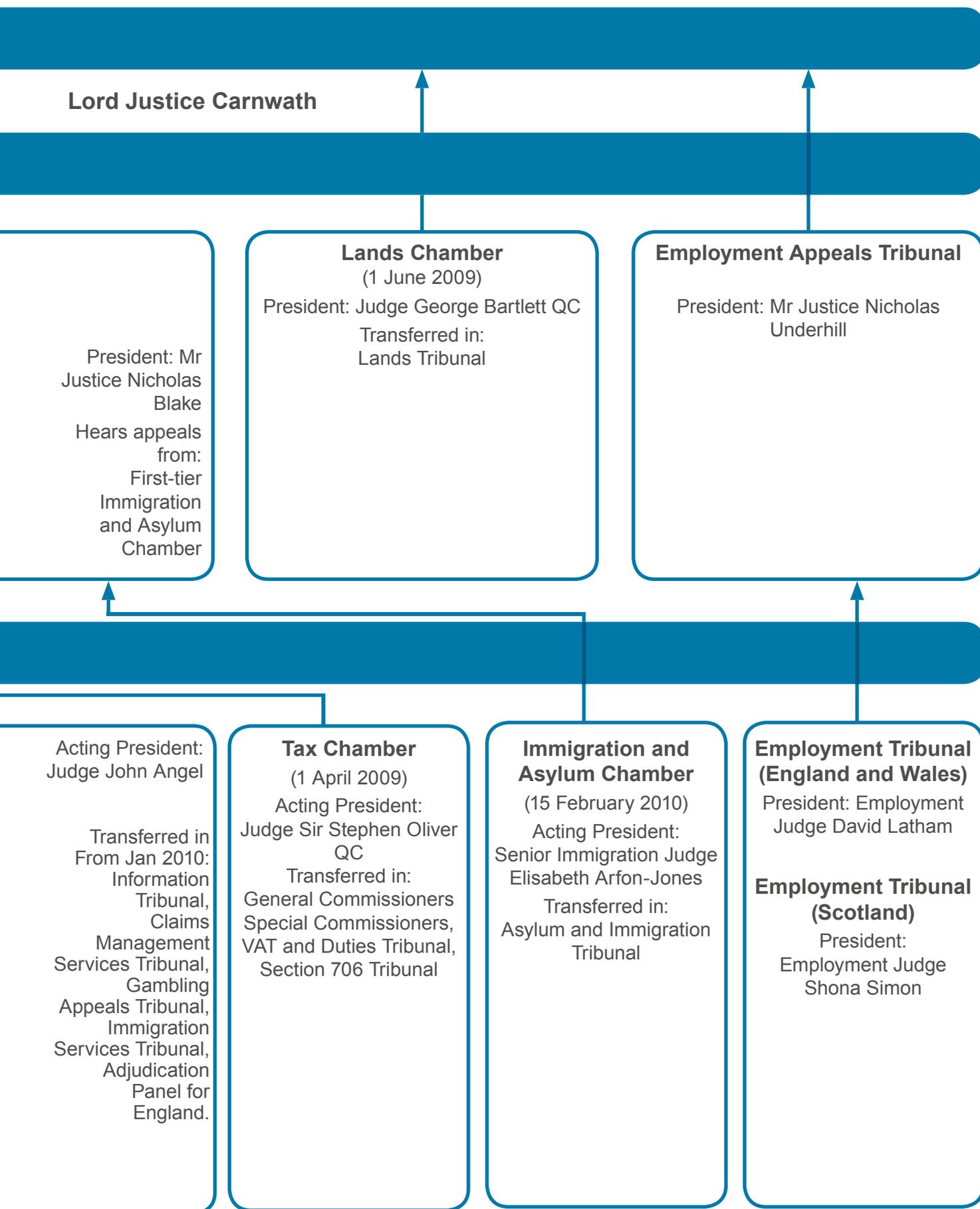
Reserve Forces Appeal

The Reserve Forces Appeal tribunals re-hear applications by members of the Reserve Forces and their civilian employers against the decisions of the Ministry of Defence.

Reinstatement Committees and Umpires

Committees hear applications from reservists who consider that their rights to return to their civilian jobs on demobilisation have been infringed. Umpires hear appeals on determinations or orders of Committees.





Annex B: Receipts and Disposals for 2007-08 to 2009-10

	2009-10		2008-09		2007-08	
	Receipts	Disposals	Receipts	Disposals	Receipts	Disposals
Immigration and Asylum ¹	159,800	197,500	188,700	171,700	172,100	161,600
Employment Appeal ²	2,000	580	1,800	600	1,800	670
Employment - (Total) ²	236,100	112,400	151,000	92,000	189,300	81,600
Social Security and Child Support	339,200	279,300	242,800	245,500	229,100	256,600
Adjudicator to HM Land Registry	2,000	2,100	1,800	2,100	1,700	2,200
Asylum Support	3,100	2,800	2,000	2,000	2,400	2,400
Care Standards	240	230	210	260	290	260
Criminal Injuries Compensation	3,800	3,300	2,500	3,100	2,300	2,600
Charities	5	7	3	-	-	-
Claims Management Services	5	4	1	-	2	2
Consumer Credit Appeals	13	12	12	7	-	-
Estate Agents Appeals	8	6	1	-	-	-
Financial Services and Markets	25	27	24	19	29	18
Gambling Appeals	1	1	-	-	1	1
Gender Recognition	290	280	280	290	300	460
First Tier Immigration ³	7	8	9	11	12	18
Information	160	130	84	120	140	120
Lands	1,100	1,000	1,100	950	1,400	1,000
Mental Health ⁴	25,200	25,000	22,500	23,600	21,800	19,500

. Not applicable

- Small value

¹ Tribunals Service Immigration and Asylum (TSIA), consisting of 'First Tier Tribunal Immigration and Asylum Chamber' and 'Upper Tribunal Immigration and Asylum Chamber' (FTIAC and UTIAC), replaced the Asylum and Immigration Tribunal (AIT) on 15 February 2010. Figures for 2009-10 relate to appeals dealt with by immigration judges at the AIT or FTIAC. Figures for 2007-08 and 2008-09 relate to appeals dealt with by immigration judges in AIT. Previously published figures were provisional.

² The historical figures for ET have been amended to agree with more accurate details of receipts and disposals published in Employment Tribunals Annual Statistics Reports. EAT receipts include appeals rejected, struck out or withdrawn prior to registration. EAT disposals exclude appeals rejected, struck out or withdrawn prior to registration.

³ Formerly known as IMSET.

⁴ The new MARTHA database was introduced in September 2008 and thus information for previous years may not be directly comparable. Adjustments have been made to previously published figures to take account of invalid and duplicate appeals.

	2009-10		2008-09		2007-08	
	Receipts	Disposals	Receipts	Disposals	Receipts	Disposals
War Pensions and Armed Forces Compensation ⁵	2,600	2,200	2,500	2,600	2,800	2,900
Pensions	1	0	2	6	5	2
Special Commissioners (Income Tax)	.	.	420	280	260	260
Special Educational Needs and Disability	3,400	2,900	3,100	3,300	3,400	3,100
Transport	640	670	860	910	640	530
VAT and Duties	.	.	5,400	3,500	3,900	2,400
Upper Tribunal (Administrative Appeals Chamber) ⁶	3,700	3,600	4,800	5,600	5,800	5,800
Local Government Standards in England ⁷	72	70	.	.	.	.
Primary Health Lists ⁷	140	78	.	.	.	.
Reserve Forces Appeals ⁷	11	13	.	.	.	.
Tax first tier ⁸	10,400	5,600	.	.	.	.
Total	793,900	639,600	631,900	558,400	639,600	544,000

Figures may not add to totals because of rounding.

⁵ Formerly PAT

⁶ The Upper Tribunal (Administrative Appeals Chamber) came into effect in November 2008, replacing The Commissioners' Office (TCO). Information for 2007-08 refers to TCO only and that for November 2008 onwards to the Upper Tribunal.

⁷ Joined the TS April 2009

⁸ Created April 2009 as part of TCE Act

Annex C: Performance against Performance Indicators for 2007-08 to 2009-10

Type of case	Performance indicators	Target			Performance		
		2009-10	2008-09	2007-08	2009-10	2008-09	2007-08
Immigration and Asylum	Receipt in AIT to promulgation ¹ by an immigration judge (all cases)	75%	34%	56%	59%		
	Asylum cases, percentage promulgated in six weeks	75%	64%	68%	61%		
	Managed migration cases, percentage promulgated within eight weeks	75%	49%	71%	66%		
	Family visitor cases, percentage promulgated within 10 weeks from receipt of the respondent's bundle	75%	27%	53%	66%		
Employment Appeal	Entry clearance cases, percentage promulgated within 10 weeks from receipt of the respondent's bundle	75%	23%	52%	49%		
	The percentage of appeals listed for a first hearing within 26 weeks of registration	75%	87%	89%	89%		
Employment	The percentage of single accepted cases where hearing begins within 26 weeks of receipt	75%	65%	74%	74%		
Social Security and Child Support	The percentage of appeals where the first hearing takes place within 14 weeks of the receipt at SSCS	75%	59%	78%	87%		
Adjudicator to HM Land Registry	The percentage of cases disposed ² of within 70 weeks of receipt	75%	74%	66%	53%		
Asylum Support	The percentage of cases to be determined ³ within 12 working days of receipt	100%	78%	100%	100%		
Care Standards	The percentage of cases to be determined within 40 weeks of receipt	75%	85%	82%	87%		
Criminal Injuries Compensation	The percentage of cases disposed of within six months of being ready to list	75%	91%	75%	75%		

¹ Promulgation is the formal publication of the decision

² A case is considered to be disposed of when a decision has been made on the case and all work on the case has been completed

³ A case is considered to be determined when a decision has been made on the case

⁴ Created March 2008 and only three appeals received in 2008-09 and five in 2009-10

Type of case	Performance indicators	Target			Performance		
		2009-10	2008-09	2007-08	2009-10	2008-09	2007-08
Charities ⁴	The percentage of cases disposed of within 30 weeks of receipt	75%	86%	-	-	-	-
Claims Management Services ⁵	The percentage of cases to be disposed of within 50 weeks of receipt	75%	100%	-	-	100%	100%
Consumer Credit Appeals ⁶	The percentage of cases to be disposed of within 25 weeks of receipt	75%	58%	71%			
Estate Agents Appeals ⁷	The percentage of cases disposed of within 27 weeks of receipt	75%	83%				
Financial Services and Markets	The percentage of cases disposed of within 50 weeks of receipt	75%	52%	100%	100%	94%	94%
Gambling Appeals ⁸	The percentage of cases disposed of within 30 weeks of receipt	75%	100%	-	100%	-	100%
Gender Recognition	The percentage of cases disposed of within 20 weeks of receipt	75%	81%	63%	91%		91%
First Tier Immigration ⁹	The percentage of cases disposed of within 30 weeks of receipt	75%	100%	91%	89%		89%
Information	The percentage of cases disposed of within 30 weeks of receipt	75%	67%	52%	49%		49%
Lands	The percentage of cases disposed of within 50 weeks of registration	75%	71%	69%	70%		70%
Mental Health	Section 2 (Mental Health Act 1983) cases that are listed for hearing within 7 days of receipt (statutory target)	100%	97%	91%	N/a		N/a
War Pensions and Armed Forces Compensation	The percentage of cases disposed of within 20 weeks of receipt	75%	72%	77%	76%		76%

⁵ One appeal received 2008-09 and five in 2009-10

⁶ Created 6 April 2008

⁷ Joined the TS 1 April 2008 and only one appeal received in 2008-09 and eight in 2009-10

⁸ No appeals received 2008-09 and one in 2009-10

⁹ Formerly known as IMSET

Type of case	Performance indicators	Target			Performance		
		2009-10	2008-09	2007-08	2009-10	2008-09	2007-08
Pensions	The percentage of cases disposed of within 50 weeks of receipt	75%	-	100%	100%	-	100%
Special Commissioners (Income Tax)	The percentage of cases disposed of within 50 weeks of receipt	75%	¹⁰	73%	73%	¹⁰	60%
Special Educational Needs and Disability	The percentage of cases disposed of within 22 weeks of receipt	75%	82%	70%	70%	82%	85%
Transport	The percentage of cases disposed of within 16 weeks of receipt	75%	89%	87%	87%	89%	91%
VAT and Duties	The percentage of Category 1 and 3 cases disposed of within 90 weeks of receipt	75%	¹⁰	54%	54%	¹⁰	71%
	The percentage of Category 2 cases disposed of within 35 weeks of receipt	75%	¹⁰	82%	82%	¹⁰	87%
Upper Tribunal (Administrative Appeals Chamber) ¹¹	The percentage of all work disposed of within 30 weeks of receipt	75%	92%	90%	90%	92%	88%
Local Government Standards in England ¹²	The percentage of cases where the decision was issued within 16 weeks of receipt of reference	95%	87%	.	.	87%	.
Primary Health Lists ¹²	The percentage of cases where the decision was issued within 16 weeks of receipt of reference	75%	.	.	.	.	.
Reserve Forces Appeals ¹²	Percentage of determinations (from hearing to judgment) issued with four weeks	75%	67%	.	.	67%	.
Tax first tier ¹³	The percentage of cases disposed of within 50 weeks of receipt	75%	42%	.	.	42%	.
Tribunals Service Overall	The percentage of applications dealt with in target time	75%	50%	69%	69%	50%	75%

¹⁰ Now part of Tax first tier¹¹ Upper Tribunal commenced in 2008-09¹² Joined the TS April 2009¹³ Created April 2009 as part of TCE ACT

Annex D: Glossary of Abbreviations

Tribunals and their jurisdictions

CIC	Criminal Injuries Compensation
CICA	Criminal Injuries Compensation Authority
ET	Employment Tribunal
GRC	General Regulatory Chamber
HESC	Health, Education and Social Care Chamber
IAC	Immigration and Asylum Chamber
MHT	Mental Health Tribunal
RFAT	Reserve Forces Appeal Tribunals
SEC	Social Entitlement Chamber
SSCS	Social Security and Child Support
WPAFC	War Pensions and Armed Forces Compensation

Others

Acas	Advisory, Conciliation and Arbitration Service
AJTC	Administrative Justice and Tribunals Council
APE	Adjudication Panel for England
ASC	Administrative Support Centre
BIS	Department for Business, Innovation and Skills
CCS	County Court Systems
CETV	Cash Equivalent Transfer Value
CFERs	Consolidated Fund Extra Receipts

DWP	Department for Work and Pensions
EMS	Environmental Management System
FHSAA	Family Health Services Appeal Authority
FRem	Financial Reporting Manual
FRS	Financial Reporting Standards
GAAP	Generally Accepted Accounting Practice
GAD	Government Actuary's Department
HMCS	Her Majesty's Courts Service
HMRC	Her Majesty's Revenue and Customs
IAD	Internal Audit Division
IAS	International Accounting Standard
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
ISO	International Organisation for Standardisation
JAC	Judicial Appointments Commission
KPIs	Key Performance Indicators
NAO	National Audit Office
NIF	National Insurance Fund
NVQ	National Vocational Qualification
OCS	Operating Cost Statement
OFT	Office of Fair Trading
OPG	Office of Paymaster General
PCSPS	Principal Civil Service Pension Scheme
PINCCA	Price Index Numbers for Current Cost Accounting

PFI	Private Finance Initiative
PSA	Public Service Agreement
RFC	Request for Change
RICS	Royal Institution of Chartered Surveyors
RPI	Retail Prices Index
SDiGE	Sustainable Development in Government Estates
SOPs	Standard Operating Procedures
SSRB	Senior Salaries Review Body
TCE Act	Tribunals, Courts and Enforcement Act
TJEB	Tribunals Judicial Executive Board
TPC	Tribunal Procedure Committee
TS	Tribunals Service
TSET	Tribunals Service Executive Team
TSMB	Tribunals Service Management Board
UKBA	United Kingdom Borders Agency
VAT	Value Added Tax
VOA	Valuation Office Agency

Annex E: Our Data Systems

The Tribunals Service has a number of administrative data systems which are able to produce management information. The systems vary in their level of sophistication and aggregated data is obtained from them to produce a range of Management Information including performance indicators and workload data. The main systems are:

- ARIA - for Immigration and Asylum. This is a sophisticated case management system based on 120+ databases in SQL and Crystal Server.
- GAPS 2 - for Social Security and Child Support Appeals. The case management system contains a set of predefined reports and the system can be interrogated using Crystal reports.
- ETHOS - used by Employment. The outputs from the system are available using MS Access.
- MARTHA - used by Mental Health. The system takes account of local and central information requirements.
- Special Educational Needs and Disability have a database for case management and information can be extracted using Crystal reports.
- The Criminal Injuries Compensation Authority maintains a database on behalf of Criminal Injuries Compensation.
- A number of the Special tribunals have Access or SQL based management systems available. In some cases, manual records are kept.

Customer service data is collected on our behalf by FDS International, a full service market research company. We also use WEBCAFÉ, which is our new online recording system that captures feedback from our customers.



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