



Tribunals Service

# Annual Report and Accounts 2008-09



Reforming • Improving • Delivering





# Annual Report and Accounts 2008-09

Reforming • Improving • Delivering

An executive agency of the Ministry of Justice

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# Contents

	Chief Executive's foreword	5
	Purpose, vision and values	6
Chapter 1	The Tribunals Service	7
	<b>Delivering against our strategic objectives</b>	
Chapter 2	Delivering effective services	11
Chapter 3	Focus on customers and the wider community	21
Chapter 4	Efficient use of resources and infrastructure	29
Chapter 5	Building our capacity to deliver through our people	35
Chapter 6	Effective working with the judiciary and our stakeholders	41
	<b>The future</b>	
Chapter 7	Our aims for 2009-10	47
	<b>Governance</b>	
Chapter 8	Our governance arrangements	51
	<b>Financial performance</b>	
Chapter 9	Our financial performance	57
	<b>Accounts</b>	
Chapter 10	Remuneration report	62
	Statement of Chief Executive's responsibilities	70
	Statement on internal control	71
	Audit certificate	79
	Financial statements and supporting notes	82
	<b>Annexes</b>	
Annex A:	Tribunals and their jurisdictions	112
Annex B:	Performance against performance indicators for 2007-08 and 2008-09	118
Annex C:	Receipts and disposals 2007-08 and 2008-09	121
Annex D:	Glossary of abbreviations	122





# Foreword

by the Chief Executive

**“It gives me great pleasure to present the annual report of the Tribunals Service.”**

This report marks the third year of the Tribunals Service – created in April 2006 with a mission to establish, for the first time, a unified administration for the tribunals system.

Our purpose is to:

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

The report demonstrates that we have made significant progress against each of these aims.

Progress has been made against the background of unanticipated and rapidly rising workloads, driven, in particular, by the recession. I am very pleased that staff and judicial colleagues have responded very well to this challenge – with productivity up by about 6%. However, this exceptional situation has had an inevitable impact on performance and as a result the Tribunals Service has not, this year, achieved its Key Performance Indicator on clearance of cases. In turn this has affected performance on customer satisfaction. Had workloads been in line with original forecasts, on which our resource allocation was based, our clearance time target and, I believe, our customer satisfaction target would have been met.

The performance detailed in this report is a credit to all the staff and judiciary working in the tribunals system, who have delivered both reform and strong operational performance and I am grateful to them all. As the new Chief Executive of the Tribunals Service, I am particularly grateful to my predecessors, Peter Handcock, Chief Executive of the Tribunals Service from 2006 to April 2008, and Jeanne Spinks, acting Chief Executive until my appointment in January 2009.

**Kevin Sadler**

# 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.

# CHAPTER I

## The Tribunals Service



# The Tribunals Service

## Key issues in this chapter:

- An overview of our business
- The introduction of a new two-tier tribunals structure
- Our contribution to the Ministry of Justice strategic objectives

The Tribunals Service	2008-09	2007-08
Scope	UK-wide	UK-wide
Number of cases dealt with in-year	568,153	548,541
Staff (as at 31st March, excluding short term contracts and agency)	2,737	2,867
Net cost of operations	£310m	£305m

Created in April 2006, the Tribunals Service (TS) forms a key part of the justice system in the United Kingdom, dealing with almost 600,000 cases a year. 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:

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

The TS 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 TS provided the framework for administrative integration.

The administration and the judiciary work in partnership with one another to ensure that the public at large have an 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 Leggett – ‘Tribunals for Users – One System One Service’. The Government is committed to providing better court and tribunal public services and, as such, the provisions of the Tribunals, Courts and Enforcement Act 2007 (TCE Act) are gradually being implemented. This has the effect of abolishing separate tribunals and creating a unified two-tier system. 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.

The TCE Act is being implemented in phases. The first phase was delivered on 3 November 2008 and a second phase of change is planned for implementation during 2009-10.

Further information on the two-tier system can be found in chapter 2 and a breakdown of tribunals and their jurisdictions can be found in Annex A.

## **Links to the wider Ministry of Justice agenda**

In April 2008 the TS 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), TS and other bodies, including the Legal Services Commission.

Since its creation last year, 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 group is responsible for the sponsorship of 29 public 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 TS supports this departmental objective through delivering its own strategic objectives, as measured by key performance indicators, and participates fully within the group to deliver a better service for our customers.

### **Our strategic objectives**

In 2008-09 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 chapters expand upon how we performed against these five strategic objectives.

Libby Arfon-Jones, Deputy President and  
Peter Moulden, Resident Senior Immigration Judge. ▼



# CHAPTER 2

## Delivering effective services



# Delivering effective services

### Key issues in this chapter:

- Achievement against Key Performance Indicators
- The Tribunals, Courts and Enforcement Act 2007
- Delivering 'Pathfinder' administrative support centre
- Modernising tax appeals
- Introduction of 'Lean' processes

To monitor how effectively services are delivered we have three top-level indicators, or 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. The KPI that measures customer satisfaction is discussed in chapter 3.

### Key Performance Indicators (KPIs)

To measure the speed of our service, we have a series of primary performance indicators for each tribunal that measure 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 2008-09, 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 69%, compared to the 75% achieved in 2007-08. A full breakdown of our achievement against KPI 1 can be found at Annex B of this report.

The performance was below target principally because the number of applications and appeals received was significantly higher than the forecast on which funding was based; and also higher than the receipts for 2007-08. Therefore the level of resource available to deal with the work was insufficient to maintain the desired level of performance. The three tribunals with the highest workloads (receiving around 92% of all applications and appeals received by the Tribunals Service) differed as follows:



▲ Reception area at Stoke Hearing Centre.

Tribunal	% increase over forecast on which funding was based	% increase in receipts over 2007-08
Asylum and Immigration	14%	9%
Employment <sup>1</sup>	16%	16%
Social Security and Child Support	10%	6%
<b>All tribunals</b>	<b>–</b>	<b>8%</b>

Even though the number of applications received was 8% higher than in 2007-08, and appeals resolved 3% higher, the majority of smaller tribunals still managed to achieve the target and, furthermore, the Asylum and Immigration Tribunal (AIT) and the UK Border Agency (UKBA) met their Public Service Agreement milestone.

The MoJ participates in a joint Public Service Agreement (PSA) on Migration, shared with the Home Office, which is the lead delivery partner. The Government's vision is to provide an immigration system that is firm but fair and that delivers secure borders whilst maximising the benefits of migration to the UK economy. The PSA focuses on four key delivery priorities. The Tribunals Service's contribution to the PSA is in relation to the second of these four priorities:

- fast-tracking asylum decisions, removing those whose claims fail and integrating those who need protection.

By working jointly with the 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 measure customer satisfaction we use an indicator that is derived from periodic customer surveys. Full details on performance against this indicator, KPI 2, are included at chapter 3.

To measure our annual running costs we use an indicator that factors costs, workloads and inflation into a single indicator; KPI 3. For 2008-09, the target associated with KPI 3 was:

**‘To achieve a ‘real’ reduction of at least 3% in the operating costs during 2008-09’**

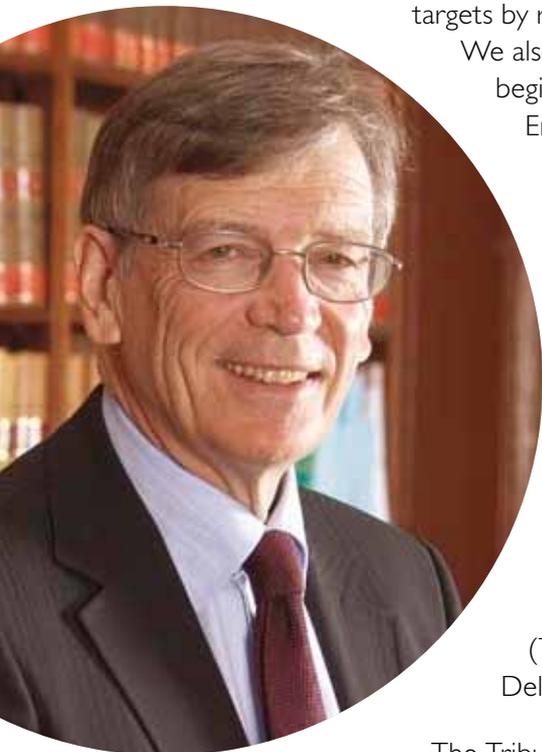
To deliver the 3% reduction, after taking account of inflation, in 2008-09, a commitment was made to deliver £9m of efficiency savings through an annual reduction in operating costs, excluding the £11m cost of our Change Programme. The Tribunals Service (TS) remained within its funding allocation and delivered the required efficiency to achieve the KPI target for cost reduction despite an 8% rise in workload.

<sup>1</sup> These figures refer to so called ‘single’ applications, which are the most common type of employment appeal and also the best indicator of resource consumption. ‘Multiple’ applications are excluded.

We also made progress during the year towards our goal to measure end-to-end performance targets from April 2010. This year we laid the foundations for establishing the new targets by researching a new set of indicators to measure the end-to-end timings.

We also took steps to ensure that various tribunals were in a position to begin measuring end-to-end timings during 2009-10, on a 'shadow basis'.

End-to-end indicators measure the point from receipt of the appeal or application, to the time that the appellant is informed of the outcome of the hearing. The movement to end-to-end indicators means that jurisdictions will be monitoring performance in a consistent fashion.



### **The Tribunals, Courts and Enforcement Act 2007**

Over the year to 31 March 2009, the TS committed itself to maintaining and improving service delivery and to ensuring day to day delivery of first class tribunal services to our customers.

Working with the tribunals' judiciary, we implemented the provisions of the Tribunals, Courts and Enforcement Act 2007 for many of our users and we drove forward the Transforming Tribunals Programme (TTP) by making significant progress towards the Tribunals Service Delivery Model (described more fully below).

The Tribunals, Courts and Enforcement Act 2007 (TCE Act) created a new statutory framework for tribunals by bringing the tribunal judiciary together under a Senior President, Lord Justice Carnwath. The First-tier Tribunal and the Upper Tribunal were established under the TCE Act on 3 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 delegated from the High Courts in England, Wales and Northern Ireland and the Court of Session.

The TCE Act contains provisions for the jurisdictions of most existing tribunals administered by the TS to transfer into the new two-tier structure. The main exception to this is the system of Employment Tribunals, which will 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 and Upper Tribunal are divided into chambers that group together jurisdictions dealing with like subjects or where individual panels need the same types of members. The following chambers have been established in the First-tier Tribunal:

- Social Entitlement (3 November 2008),
- War Pensions and Armed Forces Compensation (3 November 2008),

▲  
Lord  
Justice  
Carnwath.

- Health, Education and Social Care (3 November 2008), and
- Tax Chamber (1 April 2009).

In the Upper Tribunal the following chambers have been established;

- Administrative Appeals (3 November 2008),
- Finance and Tax (1 April 2009), and
- Lands (1 June 2009).

Subject to Parliamentary approval, further chambers dealing with general regulatory tribunals and immigration and asylum are to be established in 2009 and early 2010.

## Transforming Tribunals Programme

A key aspect of the Transforming Tribunals Programme (TTP) was to develop implementation plans to:

- centralise back office administrative activity into up to six Administrative Support Centres (ASCs) working to a standardised operating model that introduces improved ways of working, delivers improved service and reduces delays; and
- introduce an initial network of up to nine multi-jurisdictional hearing centres (MJHCs) capable of handling appeals of different types and again working to a standardised operating model.

The TS considered the move to the ASC and MJHC models to be an opportunity to drive through estate efficiencies through rationalisation and restructuring; and process efficiencies and service improvement, by streamlining service delivery across jurisdictions.

As part of the re-structuring of the Ministry of Justice, the *Access to Justice Group* was formed in April 2008. The TS was brought within this new business group and this presented an opportunity to integrate our structures with other organisations with very similar objectives; particularly Her Majesty's Courts Service.

Administrative Support Centre, Birmingham. ►



Following a review of business priorities within the *Access to Justice Group*, a significant element of the back office and hearing centre programme (with the exception of the 'Pathfinder' ASC and East London Hearing Centre projects) was paused for the remainder of the current spending review period (until March 2011) to consolidate and learn from experience to date and to reflect upon the opportunities arising from the new structure. Up to this point the TTP had achieved the following:

### Delivering 'Pathfinder'

The 'Pathfinder' Administrative Support Centre (ASC) in Birmingham is designed to test and evaluate benefits from the new TS standardised operating model, bringing together work from different jurisdictions in order to enable us to flex our teams to match customer demand. The first two of its three planned phases have been successfully delivered.

- The first phase of work (Social Security and Child Support) moved into the ASC on 29 September 2008.
- The second phase of work (in-country appeals from the Asylum and Immigration Tribunal) moved in on 1 December 2008.
- We are currently planning to move the third phase of work, Employment Tribunal casework, from its current location elsewhere in the Midlands to the ASC, following the successful implementation of its new Caseflow IT solution. The move is scheduled to take place during the financial year 2009-10.

The standardised operating model for the ASC was developed as part of the ASC 'Pathfinder' project. It sets out a new streamlined way of working, together with some new functions, including a performance management framework which allows teams to monitor their own performance and make improvements to the service they offer to customers. As part of this work a new organisational structure was designed, with new teams, to focus on providing excellent customer service through a dedicated call-handling team.

We now have over 130 staff in the Birmingham ASC and we are using the experience gained to make changes in other offices in order to improve our performance.

### Delivering multi-jurisdictional hearing centres

Multi-jurisdictional hearing centres (MJHCs) are intended to provide better, more efficient and cost effective venues for hearing cases locally by bringing together different tribunals in a single centre. The aim of the project was to establish an initial network of 9 MJHCs, which could handle appeals of different types and introduce standard business processes. Work had begun on developing an approach for the rollout of a full network of around 60 MJHCs. Furthermore,

an implementation project was established to develop MJHCs in East London and Nottingham and this project continued until the decision was taken to put the programme on hold for the reasons given above in respect of the *Access to Justice Group* review of priorities.

It was decided to continue with the delivery of a MJHC in East London, as it is driven by the need to vacate TS premises in Stratford due to the expiry of a lease. The East London MJHC will offer a much improved service to a large number of our tribunal users in this area and is scheduled to be completed in October 2009.

## Caseflow

Caseflow, a joint project between the TS and the Advisory, Conciliation and Arbitration Service (Acas), is an electronic case management system that will bring greater efficiency and flexibility to processing and administering claims to the Employment Tribunal. It will be the first totally electronic case-handling system to be implemented in the Tribunals Service.

The Caseflow project aims to provide an IT solution for the efficient processing of claims and their transfer between the TS and local Acas offices. It automates high levels of postal interaction saving postage and copying of some two million documents per year. It will have the added benefit of reducing our carbon footprint.

In order to resolve certain contractual issues which had arisen, the project team changed its commercial arrangements with our suppliers during this year. The project also successfully went through a major Ministry of Justice review to confirm financial and project arrangements for the next stage of development and delivery. The project moved into a parallel test during March 2009, with a pilot planned to commence towards the end of July 2009 and the main rollout commencing later in the year. It is currently planned to rollout this system to all our Employment Tribunal offices by summer 2010.

## Growing the Tribunals Service family

Work to set up a new body, Charity Appeals, Reviews & References continued in 2008-09. This tribunal was established by the Charities Act 2006 to consider appeals against decisions made by the Charity Commission; hear applications for review of decisions of the Charity Commission; and consider references from the Attorney General or the Charity Commission on points of law. Work continued during the spring of 2009 to ensure that sufficient legal and non-legal members were appointed to deal with the anticipated workload.

On 1 April 2008 the Estate Agents Appeal Panel (EAAP) transferred to the TS from the former Department for Business Enterprise and Regulatory Reform, now the Department for Business, Innovation and Skills (BIS). In addition to the former EAAP, the Consumer Credit Appeals Tribunal was created on 1 April 2008.

After detailed discussions with the Department for the Environment, Food and Rural Affairs, regarding the transfer of the Agricultural Lands Tribunals and the Gang-masters Appeal Tribunal; it was decided that, because of the operational and administrative arrangements of these bodies, transfer to the TS at this time would be poor value for both the TS and the taxpayer. It is still intended that the administrative support for these bodies will transfer into the TS in the future, as they are identified in the Tribunals, Courts and Enforcement Act 2007 as part of the First-tier of the unified tribunal system. The timescale for this has yet to be decided and it will take place when clear and cost effective benefits for users and the taxpayer can be defined and delivered.

Proposals and recommendations were made regarding the transfer into the TS of the administration of the Family Health Service Appeals Authority (FHSAA) from the National Health Service Litigation Authority; the Reserve Forces Appeals Tribunal (RFAT) from the Ministry of Defence; and the Adjudication Panel for England (APE) from the Standards Board for England.

The FHSAA will transfer into the Health, Education and Social Care Chamber and the APE will join the General Regulatory Chamber of the First-tier Tribunal later in the financial year 2009-10, as part of the TCE Act Implementation Programme.

### **Modernising tax appeals**

After a two and half year project, working with tax judiciary, officials in Her Majesty's Revenue and Customs (HMRC) and external stakeholders, the TS delivered a new two-tier integrated tax appeals system on 1 April 2009. These reforms were a fundamental and historic change to the system of tax appeals in the UK, abolishing the previously separate tax tribunals including the General Commissioners of Income Tax who had been in existence since 1798. The key deliverables of the new system were: creation of a new administrative processing centre to handle all appeals and applications in Birmingham in the 'Pathfinder' Administrative Support Centre; recruitment and training of new judiciary through appointment and assignment; and production of new rules by the Tribunals Procedure Committee. The TS changes were introduced at the same time as those being made by HMRC to their handling of disputes, including the introduction of new review procedures. Taken together the changes represent the introduction of a modern, integrated and customer friendly tax disputes and appeals system.

## Delivering process analysis and improvement

We significantly revised the Special Education Needs and Disability Tribunal processes and procedures as part of their transition into the new two-tier chambers structure, removing significant levels of processes and updating and improving all system-produced letters to reflect the new rules, with the aim of improving service to users significantly.

## A Lean approach

A key part of our commitment to making improvements and delivering efficiency savings across the TS is through the rollout of Lean<sup>2</sup>. This will help to ensure that our processes are efficient and as consistent as possible, in order to continue to provide a high quality service that meets the needs of our users. Central to achieving this will be staff involvement in devising improved ways of working. Our aim is to create a culture of continuous improvement to bring lasting and effective change.

We successfully piloted Lean methodology during the fourth quarter of 2008. On the strength of this work we have committed to a national Lean programme to rollout during the current Comprehensive Spending Review period and the programme commenced in early 2009. This has involved training a complement of Lean change agents, through a central Lean Academy, to work with our staff to develop and introduce new standard processes, implement more visual and focused performance management and foster a culture of continuous improvement.

By April 2009, through the Tribunals Service Lean Programme, we had piloted Lean events in 10% of our 'in scope' offices<sup>3</sup> with eight staff, trained as Lean change agents, operational in the field. More change agents will be trained in further Lean Academies throughout 2009 and 2010 and, by March 2010, we plan to have implemented Lean into around half of our 'in scope' offices.



▲ Staff at a Lean event.

<sup>2</sup> Lean is a methodology for continually improving performance in the workplace in terms of quality, cost and customer satisfaction. Lean aims to eliminate waste in processes so that time is more efficiently spent and greater value gained.

<sup>3</sup> In scope offices include the Asylum & Immigration Tribunal, the Social Security & Child Support Tribunal, the Employment Tribunal and the Mental Health Tribunal. The total number of offices is 45.

### Lean success stories

Early results from implementing Lean processes in tribunals are very encouraging. The back offices in Leicester and Loughborough were visited as part of the Lean Academy training for the first TS change agents, with improvement events reviewing post opening, the creation and listing of entry clearance appeals and the processing of customer correspondence. The improvement event that reviewed the listing of entry clearance appeals identified a number of wasteful process steps which were removed, leading to a 12% increase in the productivity of the team. The events have been a successful introduction to Lean thinking and have resulted in savings made and staff taking forward their own Lean work.

Lean improvement events have been held at Liverpool and Cardiff Social Security and Child Support Tribunal (SSCS) offices, introducing new ways of working to the post opening and case creation teams. These events were a considerable success due to the enthusiasm and energy of the office staff and the change agents. The events in Liverpool and Cardiff focused on standardising the post opening and case creation processes by removing wasteful process steps and introducing standard operating procedures and visual performance management tools. This has enabled better management of the daily flows of work and resources.

The events have resulted in a very encouraging start to developing a new operating model for the SSCS offices and have provided staff with the means to shape their own way of working. More improvement events are planned for 2009-10 to allow a review of other processes within these offices and to begin the rollout of best practices in further SSCS locations.

In the Employment Tribunal (ET), an improvement event was held in the Liverpool office to review the team leaders' daily checks on the accuracy of work processed. Staff from the Liverpool, Manchester and Leeds offices recommended that the number of checks could be reduced by 75% without significant risk. Standard operating procedures, incorporating the streamlined checks, have been piloted in Liverpool, Manchester and Leeds and they are currently being assessed for a potential national rollout across ET offices.

## CHAPTER 3

# Focus on customers and the wider community



# Focus on customers and the wider community

### Key issues in this chapter:

- Fewer complaints against an increase in caseload
- Listening to customer feedback
- Introduction of new dispute resolution procedures

The Tribunals Service (TS) has continued to improve customer service delivery across the organisation and we aim to put our customers at the heart of everything we do. We are committed to establishing the TS as a mainstream public service delivery agency and we are keen to demonstrate, at every turn, a commitment to providing the best possible service to the public.

We have listened to the views of our customers and put in place measurement tools to understand how we are meeting our customers' needs and how we can improve on what we do.

### Customer feedback

There were fewer complaints in 2008-09 than in the previous year, 1,873 compared to 2,222. We replied to 86% within ten days of receipt, matching the previous year's 86% but falling short of the target of 90%. The main reason for the shortfall against target was the volume of very complex complaints that required internal investigation. This performance is an improvement on 2007-08 as there were fewer complaints even though our workload was higher (568,153 cases dealt with in 2008-09 compared to 548,541 in 2007-08).

In 2008-09 the TS received from customers: 441 comments, 1,873 complaints, and praise on 1,911 occasions, about the level of administrative service they received. In 2009-10 we will continue to closely monitor and improve performance and we are already beginning to see improvements as, in April 2009, the TS replied to over 95% of complaints within ten days of receipt. We will also learn from our customer complaints and during 2009 we will undertake a comprehensive review of all aspects of our complaints procedure.

We plan to introduce a standardised customer comment card, to further capture information that will allow a valuable insight into all aspects of our customer service.

## “Very satisfied; all staff were efficient, professional and friendly...”

We received a high level of positive feedback from customers, particularly about the service provided at hearings. Comments included:

*“Very satisfied; all staff were efficient, professional and friendly. This is my third visit and on each occasion I have received a very satisfactory customer service delivery. Thank you.”*

*“I am very happy with the service I received. Also very grateful to the support of the tribunal to me as a person who represented herself”*

*“Everyone present was very kind and understanding, especially as I was very nervous. Thank you to everyone concerned.”*

Feedback has been used to help identify where we need to focus resources in 2009-10 to improve service delivery to our customers, including the information provided prior to attendance at a tribunal hearing.

Sally Lloyd, from the Customer Strategy Unit, awarded the MBE for public and voluntary service.



### Customer satisfaction survey

We use a Key Performance Indicator (KPI 2) to help us to define and evaluate the success of our customer service. The target in 2008-09 was 72% of customers to be satisfied with the level of service received. The target was set after an initial pilot of the customer satisfaction survey, undertaken from October to December 2007, established a baseline performance of 68%<sup>4</sup>. The baseline performance is based on the pilot customer satisfaction survey and is the percentage of respondents who described themselves as fairly or very satisfied when asked the question:

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

A customer satisfaction survey was carried out quarterly in 2008-09. We achieved cumulative performance for the year of 65%<sup>5</sup> of customers satisfied with our service.



<sup>4</sup> Excluding Asylum & Immigration and Asylum Support (not included due to differing methodology). Mental Health Tribunal and Gender Recognition Panel were not included in the survey at this stage.

<sup>5</sup> The results are based on a survey of customers and have a sampling error of 2%. Account should be taken of this in all references to results from a customer survey.

Survey results have shown that customers are overwhelmingly satisfied with elements of telephone and written contact with our staff and, more specifically, with the speed and manner in which they respond to customer telephone enquiries. In a benchmarking event<sup>6</sup> involving 52 public sector organisations, our performance exceeded or met the benchmark in the following areas:

- time taken to get through to staff on the telephone (86% v 82%);
- time taken to respond to queries (90% v 85%);
- politeness/courtesy of staff (94% v 93%); and
- TS website content (82% v 82%).

The findings from the survey have allowed us to identify the key areas where customers say that we need to improve and these are:

- receiving a good explanation for the outcome of the tribunal;
- being informed about what would happen on the day of the hearing;
- being informed about progress; and
- having knowledgeable staff.

This survey data clearly indicates that customer satisfaction is heavily influenced by the outcome of their case. The survey findings show that in 2008-09, 80% of respondents who were successful in their case said they were satisfied, whereas 45% of unsuccessful respondents said they were satisfied. Overall, the 2008-09 results indicated that performance has not changed since the baseline was set – the slight reduction in overall performance is explained by variation in the proportion of successful respondents over the course of the year. At a time of rapidly rising workloads this is a good performance. However, we are clear that we must significantly improve our information provision if we are to meet our customer satisfaction target.

In the final quarter of 2008-09, in addition to asking our customers for the usual spontaneous response about the level of overall satisfaction, we introduced a pilot to ask our customers the same question after they had considered elements about the administrative service they had received. The overall level of satisfaction recorded was 73%, eight percentage points higher than when the response was sought immediately after asking about the success of the appeal. Whilst this higher figure does not indicate an improvement in performance over time, it does suggest a higher level of satisfaction after considering all the questions in the survey. In 2009-10 we will adopt this new approach for surveying customers and set a target accordingly.

<sup>6</sup> ORC International Limited invited public sector bodies to submit their customer satisfaction data to allow participating organisations to compare their results with others and against benchmark scores.

Staff from North Shields involved in the Clean Tyne Project. ►



In February 2009, we commenced a programme of work to improve customer satisfaction in the short term and throughout 2009-10. To facilitate the necessary focus, a Customer Service Board was established and the Board will be supported by a Customer Service Network. Both will lead the TS in improving all areas of our service delivery. We will develop and implement a delivery plan that will focus on improving our performance against our KPI for customer satisfaction.

In the short term we are looking for ways in which we can contact customers more frequently to:

- keep them informed of what is happening with their case;
- explain what to expect at their hearing; and
- ensure they know what to do after their hearing.

For example, in July 2008 a pilot DVD was introduced and it is currently sent out with the guidance book to appellants attending a Criminal Injuries Compensation hearing. The DVD offers a step-by-step guide in what to expect at a hearing and includes information showing how appellants and witnesses can best prepare. The DVD has proven very popular with our website customers and the web version has been viewed by over 2,000 web users since its launch. In view of its popularity, and to start improving how we explain to customers in other tribunals what to expect at their hearing, our intention is to provide similar DVDs for other TS jurisdictions.

In the longer term we will review all the information we provide to customers in terms of:

- how that information is provided e.g. via leaflets;
- accuracy of content;
- ease of understanding; and
- explanations in respect of what customers should expect.

## **Key Account Managers**

Key Account Managers, who are responsible for the development and management of the relationships with other government departments and their agencies with respect to tribunals policy, and their teams, worked extensively with the TCE Act Implementation Programme Team, operational colleagues, the judiciary and, in particular, stakeholder departments and agencies, to ensure that the new chambers structure was implemented without adverse impact on stakeholders and tribunal users. This has established a base for the future development of the TS.

In addition, through working to build and maintain relationships with partner and stakeholder organisations across Government, they have sought to ensure effective consultation and input into policy development that will affect the TS, the judiciary and tribunal users.

### **Dispute Resolution Review**

On 6 April 2009 the Employment Act 2008 came into force, alongside amendments to the Employment Tribunal rules of procedure. The changes were part of a package of government legislative and non-legislative measures, aiming to simplify and enhance the framework for effective dispute resolution in the workplace.

With the Department for Business, Innovation and Skills (BIS), we have assessed and implemented the following changes to the Employment Tribunal:

- new processes, including IT case management systems;
- claim and response forms; and
- guidance that is provided to claimants and respondents.

The changes require claimants and respondents to understand which claim and response forms they should use, so that claims are not delayed. The TS has worked with stakeholders to ensure that this key message is understood. Information leaflets were sent to Employment Tribunal representatives in advance of 6 April 2009 explaining the changes that were to be made. The Employment Tribunal area of the TS website is updated regularly to signpost claimants and respondents to the most appropriate forms and all guidance has been updated to reflect the new regime.

Staff and judiciary were provided with comprehensive training to ensure they were ready to play their part in the new dispute resolution process with effect from 6 April 2009. The TS will work with BIS colleagues to monitor the impact of the changes over the course of 2009-10 and beyond.

## **Alternative dispute resolution**

We conducted two pilots to test the effectiveness of two alternative dispute resolution (ADR) techniques. ADR is a consensual procedure used to resolve disputes between parties with the help of a neutral third party and without the need for a hearing. The first pilot was conducted in the Employment Tribunals using judicial mediation. Judicial mediation offers an alternative approach to settling disputes and involves a tribunal judge assisting the parties to reach their own settlements. Results from the pilot were very positive and judicial mediation on a specific subset of cases was rolled out to all Employment Tribunal regional offices in England and Wales in January 2009. The final report, from the external evaluator of the pilot, was received in May 2009. Work is currently underway to develop a similar scheme in Scotland.

The second pilot tested an alternative dispute resolution technique called Early Neutral Evaluation (ENE) in the Social Security and Child Support jurisdiction. The pilot concluded in January 2009 and has been evaluated. ENE involves cases being subjected to an early assessment by a specially trained judge so that an initial view of the likely case outcome can be obtained. Where deemed appropriate, and supported by the evidence available, the judge then seeks to secure an early resolution of the case by contacting the relevant party advising them that their appeal has little prospect of success. The full pilot evaluation report was published in June 2009. The outcome of the evaluation will inform decisions on the wider implementation of ENE.

ADR is a  
consensual  
procedure used  
to resolve  
disputes

## CHAPTER 4

# Efficient use of resources and infrastructure



# Efficient use of resources and infrastructure

### Key issues in this chapter:

- **Strategic IT development**
- **Improved utilisation of our estate**
- **Our Performance and Efficiency Programme (PEP)**
- **Achieving accreditation in energy management**

The efficient use of resources and infrastructure in the Tribunals Service (TS) during the latter part of 2008-09 was partially guided by the Ministry of Justice's Performance and Efficiency Programme (PEP). Other planned savings will be achieved through the rationalising of the TS estate; reducing the number of IT applications and equipment (desk tops, laptops and blackberries) and efficient use of our buildings.

### Developing our IT infrastructure

In 2008-09 we worked with our corporate IT department to develop an IT strategy. This strategy has the aim of reducing the number of case management systems we use. We aim to reduce IT running costs through the introduction of new technology in scanning and bulk printing to enable more efficient use of our administrative and judicial resources. The strategy, which is to be built upon throughout 2009-10 and which complements the overall business strategy of the *Access to Justice Group*, will help to ensure that we incur only worthwhile spending on our IT services.

In 2008-09 we continued to support the delivery of a rationalised TS estate, ensuring robust IT was in place whenever new systems were implemented, or offices moved, throughout the year. In particular we delivered new technology to our Birmingham Administrative Support Centre which enabled multiple case management systems to be accessed from a single desk top computer, facilitating multi-jurisdictional working in that area.

We worked with our suppliers to improve our service to users. A customer satisfaction survey helps us to focus on what matters to them and helps us to use funds wisely.

Work is progressing well on the plan to move Employment Tribunal IT systems to the standard Ministry of Justice IT infrastructure, with the first offices having gone live in the first quarter of 2009-10. This is the last stage in our plan to ensure that all TS offices operate from a common IT infrastructure. We plan that all areas of the business should operate to a TS standard IT model by September 2009.

## Shared estate

Although further work developing multi-jurisdictional hearing centres was paused, significant work was undertaken over the latter half of the year to develop a shared estate strategy with Her Majesty's Courts Service (HMCS). The strategy identified short and long term opportunities to integrate HMCS courts and TS hearing centres and further identified particular synergies between tribunals and the civil justice wing of HMCS. Future opportunities may be found for spare capacity in HMCS courts across England and Wales to be utilised by the TS and any longer term, new build projects, will, where required, incorporate the needs of users of both organisations. This initiative has already produced significant savings and will continue to do so during 2009-10 as we continue to work closely with HMCS to make better use of our combined estate.

In the interim, all business areas across the *Access to Justice Group* are actively identifying opportunities where they can integrate staff, business processes and buildings in order to reduce costs and create a more efficient service.

We will continue to take advantage of opportunities to rationalise our own estate where this does not diminish the service to our customers and to plan for and address key property issues throughout 2009-10. Specifically, we will take advantage of the enforced closure of Cardinal Tower in Central London, as well as the lease break and lease expiry opportunities at our sites, to further rationalise the estate.

## Field House fire

On Wednesday 18 March 2009 a serious fire occurred at one of our London sites. The roof, top floor and part of the infrastructure of Field House were badly damaged in the blaze. Significant water damage occurred to other floors. The building was evacuated safely, and business continuity arrangements were immediately instigated. Customers, judiciary and staff were given regular updates on the situation through dedicated telephone lines and regular internal briefings to staff dealing with queries. All judges were relocated to other TS and *Access to Justice Group* buildings across Central and Greater London by Monday 23 March and administrative staff had all been relocated within a week of the fire. Hearings scheduled in Field House commenced in other buildings on Thursday 26 March. The impact on customers was minimised due to the considerable efforts of staff and the strength of our business continuity arrangements.

Call Centre,  
Birmingham ASC.



### Performance and Efficiency Programme

The Performance and Efficiency Programme (PEP) has been set up by the Ministry of Justice to deliver performance and cost efficiencies throughout the organisation. The TS has agreed to deliver efficiency savings of £12.1m in 2009-10, of which our PEP savings target is £8.2m. Our PEP consists of three principal areas: operational processes; management overheads and corporate support structures; and improved procurement. To deliver the programme, we will adopt a best practice approach to streamline our processes, develop the optimum way to implement improvements and work with our procurement division to ensure delivery of the procurement savings challenge. The PEP was mobilised during the final quarter of the year and will be implemented during 2009-10.

These PEP savings targets are effective from 1 April 2009 and are in addition to the cost savings target included within our Key Performance Indicator 3 (discussed in chapter 2), which was to achieve a 'real' reduction of at least 3% in the operating costs during 2008-09, amounting to £9m of efficiency savings.

### Staffing

Through improved utilisation of resources generally and maximising the use of the skills sets our staff possess, we have, for the second year in succession, successfully reduced our overall headcount. As at 31 March 2009 the TS headcount was 2,737 (2,867 on 31 March 2008).

The continuing work of our Attendance and Wellbeing Champions has contributed to a reduction in the overall number of days lost through sickness during 2008-09, although we have fallen short of our target of an average of 7.5 days sickness absence per full time equivalent staff member for the year. We lost an average of 10.33 days sickness absence per person in 2008-09 (2007-08: 10.5 days). These figures are calculated by dividing the number of sickness days recorded, by the number of full time equivalent staff members.

In order to further reduce sickness levels and work towards the target of 7.5 days, the TS continues to take a holistic and pro-active approach to attendance management supported by our team of Attendance and Wellbeing Champions and co-ordinated by the Health and Wellbeing Manager. The Champions promote a consistent approach through regular discussion with each other and close liaison with Human Resources (HR) and Trade Union Side colleagues. An important aspect of the Champions' role is to quality assure the managing attendance process through percentage checks and audits, ensuring that accurate records are kept and causes of concern are addressed promptly. They are also instrumental in identifying and addressing training needs and promoting personal wellbeing.

Each area has been encouraged to develop a network of 'Health Awareness' representatives to raise the profile of the 'Health and Wellbeing' initiative within local offices and to encourage colleagues to be more health conscious.

The TS is also involved with initiatives that include:

- working with Goldsmith's University on research investigating the role of the line manager in the return-to-work process of employees, following a period of long term sickness absence;
- piloting use of the Health and Safety Executive Stress Indicator Tool at Loughborough and Leicester Support Centres; and
- liaising with teams working on similar projects in the office of the Official Solicitor and Public Trustee and the National Offender Management Service.

The Champions have been supporting the roll out of the 'Improving Managing Attendance Skills' events, developed by our HR Business Partners.

## **Sustainable development**

During 2008-09 the TS successfully achieved its target of accreditation of ten pilot sites to the International Standard for Environmental Management Systems ISO14001. We are planning to roll this out across further sites in the new financial year.

The TS is participating in the wider Government sustainable development network run by the Sustainable Development Commission and the Agency re-launched the TS Environmental Matters Committee early in 2009-10.

## **Regulatory fees**

During the year, we undertook a review to assess the potential for introducing fee charging schemes within our smaller regulatory and commercial tribunals. This has resulted in plans to introduce a new improved fee scheme for the Lands Tribunal jurisdictions, scheduled for implementation in April 2010.

Accurate records  
are kept and  
causes of concern  
are addressed  
promptly

## CHAPTER 5

# Building our capacity to deliver through our people



## CHAPTER 5

# Building our capacity to deliver through our people

### Key issues in this chapter:

- **New leadership programme**
- **Supporting staff apprenticeships**
- **Identifying and developing talent**
- **Listening to our employees**
- **Equality and diversity issues**

Throughout 2008-09 we continued to develop our organisational culture in line with our vision and values. Our aim was, and remains, to create an environment in which our people are fully supported, developed, engaged and empowered at all levels to deliver a high quality customer service. In particular, we consulted and involved our staff in developing their own ideas for improvement through the Lean process and carried out, along with the wider Ministry of Justice, a staff engagement survey in September, the results of which will show how we can work together to make real positive changes in the way we work to achieve our goals.

In 2009-10 the Tribunals Service (TS) will ensure that its front line, operational and corporate staff members have the necessary capabilities and skills to deliver an excellent service to its customers. To achieve this, we will develop the capability of our people through focusing on leadership, succession planning and talent management, skills and capability, employee engagement and learning and development.

### Leadership development

During 2008-09 we drove forward an inspirational leadership scheme and, having delivered a successful pilot Leadership Programme, a further ten programmes will be delivered in 2009-10. This will include revising the 'Leadership Wheel' by mapping National Occupational Standards to produce a performance measurement tool. We will also deliver Leadership Development programmes for senior; middle and first-line managers based on need and establish a coaching culture within the organisation.

## Staff apprenticeships

We created the National Occupational Standards for Tribunals which was approved at the end of March 2009 and this is to be further developed into a Level 2 and 3 National Vocation Qualification (NVQ) apprenticeship in Courts and Tribunals operation during financial year 2009-10. Currently, 57 staff members are engaged on apprenticeships in Business Administration, Team Leading and Management, and Customer Service.

## Learning needs analysis

A detailed learning needs analysis was completed during the fourth quarter of 2008-09, in partnership with the Ministry of Justice, Justice Academy, and this has highlighted the areas that the TS needs to prioritise for learning and development during financial year 2009-10. Its outcomes reinforce the priority areas identified through the staff engagement survey and this work will be taken forward by the Optimising People Capability Board and the Leadership and Development Steering Group.

## Skills pledge

A qualifications audit was completed at the end of March 2009 that helped us to identify staff members that do not have a NVQ Level 2 or its equivalent. This information will be used to prioritise staff for NVQs and apprenticeships over the next two years, which will help us to contribute towards meeting the Government target of 95% of public sector workers reaching at least NVQ Level 2 by 2011.

## Talent Management Framework

We started work on a people capability strategy looking at leadership, talent management and succession planning, skills and capability, employee engagement, and learning and development. We will further develop a Talent Management Framework to help us:

- identify TS and *Access to Justice Group* talent-pools;
- produce a succession planning model with identified business critical roles; and
- populate and re-launch the Future Leaders Scheme.



▲  
Michele Kingston, Employee  
Engagement Champion

### Employee engagement

In September 2008 the TS took part in a Ministry of Justice Staff Engagement Survey and the results have been scrutinised and plans put in place to develop action plans that have offered opportunities for staff to influence the way we carry out our daily business. Employee Engagement Champions have been recruited to facilitate sessions and support managers in looking for ways to engage more effectively with staff. Results of the survey were published in December 2008 and a number of 'Results into Action' meetings took place in January 2009, with the focus on using the results of the survey to develop more localised action plans and to allow staff at 'front line' level to input ideas.

One of the key points from the survey was that staff felt they could have more input into changes that affected front-line services to our customers. Working groups, involving over one hundred staff nationwide, have been set up to look at working practices within Asylum and Immigration, Employment and Social Security and Child Support Tribunals, as part of the Performance and Efficiency Programme. Staff have shared ideas and developed initiatives that have resulted in more effective and efficient working practices to the benefit of our customers and stakeholders.

November 2008 saw the launch of a further initiative to encourage staff engagement; the introduction of pilot 'Joint Working Groups' (JWGs), with front-line staff in the Finance and Resources Directorate working together with key decision makers, managers and colleagues across the business to implement more streamlined processes and deliver improved performance. If the initial pilot is successful then further JWGs will be introduced throughout the TS.

### Impact and application workshops

To enable us to deliver the savings targets outlined in the PEP and to deliver a modern and efficient justice system, we need to improve our performance and efficiency. Meeting this challenge means prioritising to ensure resources are focused in the most important areas and improving individual and team performance. To do this, managers will have to implement the policies for managing staff issues in respect of performance, attendance or conduct, in a consistent manner with confidence and skill.

To help meet the needs of managers in tackling difficult issues, the Ministry of Justice has developed a new brand of learning activity entitled Impact and Application. As the name implies, these are designed to be short and full of impact in terms of content and offer

participants the opportunity to apply their new skills. The workshops are also designed to challenge the delegates and take them out of their 'comfort zone'. These innovative workshops do not follow traditional learning and development in style, include elements of blended learning and are characterised by use of 'plain English'. Pilot workshops have begun with managers throughout the Tribunals Service.

## **Health and safety**

The Tribunals Service Health and Safety procedures and guidance manuals have been amended and updated during the year to reflect changes in the current legislation.

We have continued to run training courses for staff to undertake the health and safety co-ordinator's role at all sites not managed through the Department for Work and Pensions Private Finance Initiative contract.

The system of self-assessments continues to gather information for the central Health and Safety Team. Sites are completing action plans as part of the assessments, which will inform local and corporate action plans.

We have commenced work on the Tribunals Service Fire Policy, which will align to the departmental policy.

## **Equality and diversity**

The TS has been actively promoting equality and diversity principles and ensuring that these are embedded across the organisation. The TS Equality & Diversity Steering Group was established to monitor progress and advise TS on all areas of equality and diversity. A Tribunals Service equality and diversity action plan is in place and Equality Impact Assessments are being produced to assess the effects of any changes to policies, procedures or local practices to ensure due consideration is given to anyone who may be adversely affected. Awareness sessions on equality and diversity have taken place and regular articles in TS publications are used to promote the equality and diversity agenda.

### Disability

The TS 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 TS. 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.

## CHAPTER 6

# Effective working with the judiciary and our stakeholders



# Effective working with the judiciary and our stakeholders

### Key issues in this chapter:

- Working closely with the judiciary
- Changes in key legislation
- Review of judicial pay and conditions
- Working with key stakeholder bodies

### Effective working with the judiciary

The Tribunals Service (TS) and the tribunals' judiciary have maintained a close working relationship, whilst respecting each other's distinctive constitutional position. Each has its own governing body – Tribunals Service Executive Team (TSET) for the TS 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.

Whilst finance is the responsibility of the Chief Executive, there is a protocol in place which ensures judicial involvement in the budget-setting process and the Senior President has established a small finance group to work with the TS Finance and Resources Director.

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, medical issues, and appraisal and welfare, 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 TS established to offer direct support to the senior judiciary in respect of their statutory responsibilities. There have been multi-jurisdictional training events during the year and, in conjunction with the Judicial Studies Board, successful Upper Tribunal events were held in October 2008.

The Senior President has published two reviews of the implementation of the TCE Act and these are available to view on the TS website at [www.tribunalservice.gov.uk](http://www.tribunalservice.gov.uk).

As a mark of the tribunals' full membership of the judicial 'family', the TCE Act requires all judges and members to take the judicial oaths. A programme is now under way and by June 2009 around half of all the judges and members had taken the oaths.

## Development and implementation of key legislation

The Regulatory Enforcement and Sanctions (RES) Act 2008 gained Royal Assent in July 2008 and provided a way for regulators to impose sanctions on transgressors without resorting to criminal or civil courts. It also provides for the establishment of appeal jurisdictions, for those appealing against the decisions of regulators, in the First-tier Tribunal. The TS is engaged in general discussions with the Better Regulation Executive about how these will be implemented. In particular, the TS is working with the Department for the Environment, Food and Rural Affairs and some of its agencies; including the Environment Agency, Natural England and the Countryside Council for Wales, who are seeking to obtain RES Act powers for a range of jurisdictions, so that we can understand, provide advice on and plan for, the impact on the TS. We are also working to identify other regulatory bodies who are considering seeking to obtain RES Act powers and appeal rights and other government departments who are considering the development of similar powers in new legislation, so that we can engage and work in partnership with them at the early stages of policy development and implementation.

## Judicial pay and conditions reviews

The creation of the TS and of the new unified tribunals' structure, established by the Tribunals Courts and Enforcement Act 2007, has necessitated a review of the widely differing remuneration levels and terms and conditions of the salaried and fee-paid judiciary across the Tribunals Service. In terms of remuneration, the Senior Salaries Review Body was asked to undertake a review of the tribunals' judicial pay structure in December 2006 and has now presented its report to Ministers. A formal announcement is expected in 2009-10. The outcome of the 'Judicial Terms and Conditions Review' for both salaried and fee-paid judiciary has been published.

## Immigration law

Legislation sponsored by the Home Office has resulted in changes to immigration law. Published by the Home Office in July 2008, the draft partial Immigration and Citizenship Bill introduced a new path to citizenship and provisions to simplify all immigration law into one clear, simplified Immigration Act. The UK Border Agency (UKBA) is committed to ensuring that this radical reform of immigration law is scrutinised and discussed fully and, therefore, intend to publish a complete draft before the end of the 2008-09 parliamentary sessions. However, there were some stand-alone changes that were identified by UKBA as priorities. In the Queen's Speech in December 2008 it was announced that these changes were to be taken forward separately in a new



▲  
Judicial Conference.

and smaller Borders, Citizenship and Immigration Bill. This Bill which aims to strengthen, and build on, existing immigration law, was introduced to Parliament in January 2009 and is expected to receive Royal Assent in summer 2009.

The only clause in the Bill that relates to the TS is the removal of the statutory bar against the transferral of immigration and nationality judicial reviews into the Upper Tribunal. Subject to parliamentary approval, the clause may be commenced following the transfer of the Asylum and Immigration Tribunal (AIT) into the unified tribunal structure created by the TCE Act.

### **UK Borders Act**

Further provisions in the UK Borders Act 2007 commenced on 1 August 2008. Under these provisions, foreign national prisoners will face automatic deportation if they receive a custodial sentence of 12 months or more and will no longer have the right to appeal from within the United Kingdom except where asylum or human rights grounds are raised. They can, however, lodge an appeal against the decision on grounds other than asylum and human rights from outside the United Kingdom.

The AIT provided training to staff and judiciary and notified stakeholders about the timing and impact of implementation. The AIT also continues to work closely with the UKBA to resolve outstanding issues relating to these appeals and to identify future workloads.

### **Tribunal Procedure Committee**

The Tribunal Procedure Committee (TPC) is an advisory non-departmental public body (NDPB), established in accordance with Section 22 of the TCE Act. The TPC is responsible for making rules for all chambers of the First-tier and Upper Tribunals. The TPC made procedure rules for all the chambers that commenced in November 2008 and April 2009 and have consulted on rules for the General Regulatory Chamber. Existing rules for the Lands Tribunal are being amended to become rules for the Lands Chamber from its commencement. It is expected that the TPC will consult on new rules for that Chamber later in the year.

### **The Administrative Justice and Tribunals Council**

The Administrative Justice and Tribunals Council (AJTC) was created by the TCE Act and came into existence on 1 November 2007. The TS 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 TS on the workings of the particular tribunals it oversees. The TS also works with the AJTC in its broader role in relation to the administrative justice system as a whole.

## Members of the AJTC. ►

During 2008-09 there has been regular contact between TS and AJTC officials. The AJTC was involved in work on the TS Key Performance Indicators and Lord Newton, as head of the Mental Health Advisory Group, met regularly with Mental Health Tribunal (MHT) members during 2008-09 to offer advice on the proposed programme of improvement in the administration of the MHT. The AJTC has also worked with the War Pensions and Armed Forces Compensation Tribunal since the implementation of the TCE Act, as part of an Appeals Advisory Steering Group. Our Social Health and Welfare team has also worked closely with the AJTC as part of a working group that includes our partners at the Department for Work and Pensions (DWP), Her Majesty's Revenue and Customs (HMRC) and the Tribunals Policy Committee, which is looking to introduce time limits for the return of DWP and HMRC responses to tribunals' communication. The AJTC was represented on the Tribunal Procedure Committee and the AJTC Chair was an observer at TSMB and Tribunals President Group meetings.

The AJTC is seen as a 'critical friend' in respect of customer service issues, acting on complaints, surveying service users annually and acting as a representative on the TS Customer Service Board. It has worked with our Customer Champion and others within the TS to help achieve:

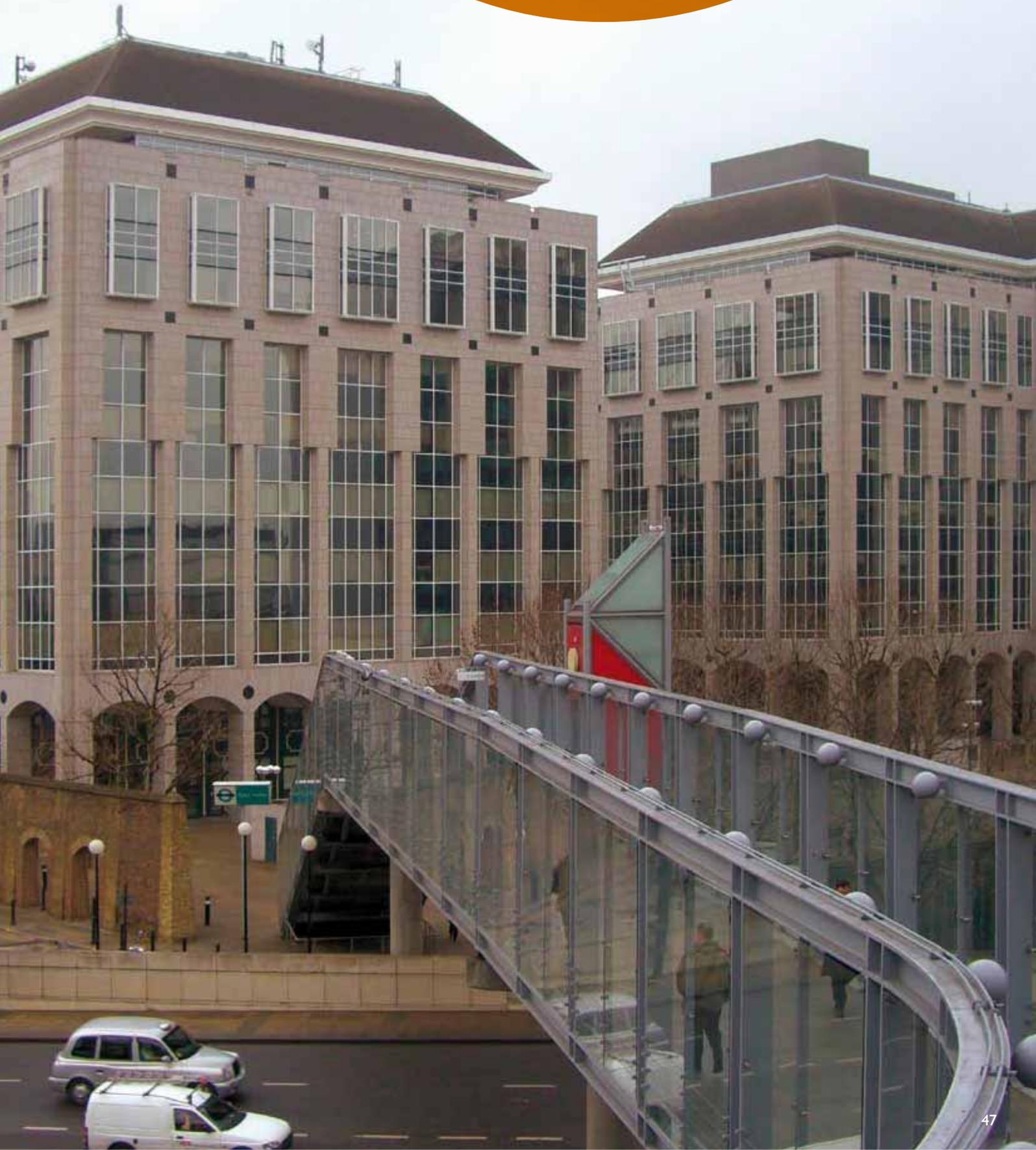
- high standards of service delivery;
- continuous improvement and development of services; and
- flexibility in delivering services to tribunal users.



The AJTC is  
seen as a 'critical  
friend' in respect  
of customer  
service issues

## CHAPTER 7

# Our aims for 2009-10



# Our aims for 2009-10

### Key issues in this chapter:

In 2009-10 the Tribunals Service aims to:

- Deliver the programme of reforms in our Strategic Plan
- Improve on the overall speed of our service
- Increase the level of customer satisfaction

We deal with almost 600,000 cases a year, involving some of the most vulnerable people in society and it is crucial that we continue to develop the Tribunals Service (TS) to deliver the best possible service for our customers. Previous chapters have focused on what we achieved in 2008-09; this chapter is about building on these achievements through focusing on business priorities and our commitment to our customers.

### Business priorities

In our Business Plan for 2009-10 we have set out our objectives and business priorities for the year ahead. It is an ambitious plan, which sets out what we are aiming to deliver, with the resources available, in order to take forward the implementation of our long-term strategy.

We plan to make further significant strides towards delivering the programme of reforms set out in our Strategic Plan, including finding alternative, more cost effective and quicker, ways of resolving disputes for our customers, and implementing the second phase of the TCE Act.

Our performance framework for 2009-10 includes three targets that measure the key performance aspects of our business:

- Speed of our service;
- Customer satisfaction; and
- Reducing our operating costs.

Image on previous page: Anchorage House, our first London Multi-jurisdictional Hearing Centre.

Our primary target is, subject to workloads, to improve on the overall speed of our service achieved this year, such that 75% of tribunal applications will be processed within target time. Secondly, we will survey customer satisfaction levels and set an improvement target to be achieved by March 2010. Thirdly, we will deliver a real reduction in our net operating costs, adjusted for inflation and workloads. Set against a backdrop of increasing workloads, this represents a challenging agenda for the TS to deliver.

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

- **Performance:** Delivering the Ministry's strategic objectives through our contribution within the *Access to Justice Business Group*;
- **Resources:** Contributing to the PEP by identifying and working towards increased efficiency and effectiveness;
- **Improvement:** Implementing the second phase of the TCE Act, delivering a new structure for tribunal justice;
- **Decision Making:** Upholding the independence of the judiciary and working with our stakeholders to improve the quality of original decision making and the end-to-end experience of our users; and
- **Engagement:** Investing in our people to ensure delivery of a first class public service to our customers.

Each of these key themes is set out in further detail within the TS Business Plan 2009-10.



▲  
Customer  
Service  
Network.

- Performance
- Resources
- Improvement
- Decision Making
- Engagement

## CHAPTER 8

# Our governance arrangements



# Our governance arrangements

### **Tribunals Service Management Board**

The Tribunals Service Management Board (the Management Board) provides strategic oversight and direction to the agency. The Management Board 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 and other guidance on information handling, including prompt response to public requests for information;
- ensures compliance with equality and diversity guidance;
- 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 the Management Board during the year to 31 March 2009 were:

Kevin Sadler	Chief Executive (from 5 January 2009)
Jeanne Spinks	Acting Chief Executive (until 4 January 2009)
Martin John	Director, Business Development (until 10 July 2008)
Guy Tompkins	Regional Director, South
Paul Stockton	Director of Tribunals Judicial Office
Valerie Vaughan-Dick	Director of Finance and Resources (until 20 July 2008)
Dennis Collins	Acting Director of Finance and Resources (from 21 July 2008)
Norman Egan	Regional Director, North
Janette Durbin	Director of Human Resources – <i>Access to Justice</i> (until 2 June 2008)
Bernard O’Driscoll	Director of Human Resources – <i>Access to Justice</i> (from 1 September 2008 to 28 February 2009)
Paul Shipley	IT Director (MoJ until 31 August 2008, subsequently <i>Access to Justice</i> )
Nick Chibnall	Policy Director (from 15 September 2008)
Joy Coles	Change Programme Manager (from 1 October 2008)
The Rt Hon. Lord Justice Carnwath CVO	Senior President of Tribunals
The Rt Hon. the Lord Newton of Braintree OBE, DL	Administrative Justice and Tribunals Council
Francis Dobbyn	Non-Executive Director
Annette Kelleher	Non-Executive Director (until 31 March 2009)
John Butler	Non-Executive Director

### 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 the Executive Team during the year to 31 March 2009 were:

Kevin Sadler	Chief Executive (from 5 January 2009)
Jeanne Spinks	Acting Chief Executive (until 4 January 2009)
Martin John	Director, Business Development (until 10 July 2008)
Guy Tompkins	Regional Director, South
Paul Stockton	Director of Tribunals Judicial Office
Valerie Vaughan-Dick	Director of Finance and Resources (until 20 July 2008)
Dennis Collins	Acting Director of Finance and Resources (from 21 July 2008)
Norman Egan	Regional Director, North
Janette Durbin	Director of Human Resources – <i>Access to Justice</i> (until 2 June 2008)
Bernard O'Driscoll	Director of Human Resources – <i>Access to Justice</i> (from 1 September 2008 to 28 February 2009)
Paul Shipley	IT Director (MoJ) until 31 August 2008, subsequently <i>Access to Justice</i>
Nick Chibnall	Policy Director (from 15 September 2008)
Joy Coles	Change Programme Manager (from 1 October 2008)

\* Joan Watson (Head of Communications) and Neil Anson (HR Business Partner) also attended meetings as required.

John Butler, Non-Executive Director. ►



## **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 the Board 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 2009 were:

Francis Dobbyn	Non-Executive Director and Chair
John Butler	Non-Executive Director
Howard Cressey	External Member

The Chief Executive is not a member of the committee but attends its meetings, as do the Director of Finance and Resources and representatives of the Ministry of Justice Head of Internal Audit and of the external auditors (the National Audit Office).

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 four times during the financial year at quarterly intervals.

### Review of governance

The Tribunals Service (TS) Corporate Governance strategy is the overarching governance document that ensures the TS moves away from compliance based approach to robust risk management as an element of internal control.

The key documents encompassed by the Corporate Governance Strategy are:

- TS Risk Management Strategy and Policy
- TS Internal Control Framework
- TS Assurance Framework

The TS Risk Management Strategy and Policy was approved and published internally in December 2008. The policy sets out the structure, roles and responsibilities and escalation routes for risk management.

The TS Internal Control Framework was approved in July 2008. The framework encompasses a compliance checking system which was launched in May 2009 and two different types of internal control questionnaires which are being rolled out in 2009-10.

The TS Assurance Framework includes the TS Assurance Map and Directory which were rolled out in 2008-09. The Assurance Map is a visual aid which provides a snapshot of assurances in the TS. The Assurance Directory is a text version of the map.

## CHAPTER 9

# Our financial performance



# Our financial performance

## Accounts

The annual accounts of the Tribunals Service for 2008-09 are on pages 82 – 110. The accounts have been prepared in accordance with the accounts direction issued by HM Treasury on 11 December 2007 under Section 7 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, now Criminal Injuries Compensation (CIC), previous existence as a non-departmental public body and the need for it to produce its own statement of accounts. The Tribunals Courts and Enforcement Bill will enable this statutory requirement to be repealed in due course. In the meantime, 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 accounts (see page 110).

## 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.

The Head of Financial Accounts 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 2008-09 amounted to £339.4m, an increase of £4.6m (1%) compared with 2007-08, whilst net expenditure after the deduction of £29.3m of operating income (2007-08: £28.8m), increased by £4.4m (1%). However, within the gross and net operating cost figures, as can be seen by reference to note 5.1 of the accounts, are the following major variances which need to be excluded (or otherwise taken into account) to allow for meaningful comparison between the financial performance in 2008-09 and that in the previous year:

- Departmental Overheads – reduction £4.4m primarily due to a reassessment of the basis on which central IT costs are allocated.
- Contracted Services – increase £3.3m due to the inclusion in 2008-09 of the £2.4m cost of bringing the Employment Tribunal onto the main MoJ IT infrastructure.

- Fixed Asset Impairments – increase £5.0m due to the impairment in the value of the carrying value of Field House as a result of the fire there in March 2009.
- Other Staff Costs – reduction £2.3m due entirely to there being no comparable cost to the £2.6m expenditure on early departure costs in 2007-08.

After adjusting for these items the increase in other operating costs is £0.8m (0.8%).

The movements on other major cost/income categories are set out in the table below.

		£m	%
Income	– increased by	0.5	1.8
Staff pay costs	– increased by	0.5	0.6
Judicial pay costs	– increased by	2.0	1.4
Estates costs	– increased by	0.7	1.3

As an Agency of the MoJ, Tribunals Service had to contribute to the efficiency improvement targets demanded of the Department, and after adjusting for the effects of workload increases the above outturn represents an efficiency achievement of 5.6%.

Capital expenditure totalled £7.8m the major elements of which were, completion of works on the Pathfinder ASC in Birmingham, ongoing work on the Caseflow case management system for the Employment Tribunal and initial stages of the work on the new Multi-jurisdictional Hearing Centre for East London.

## Going concern

In common with other Government departments, the future financing of the MoJ'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. The Tribunals Service is included in MoJ's 2009-10 supply estimate and 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 MoJ policy for payment of suppliers. MoJ complies with the British Standard for Achieving Good Payment Performances in Commercial Transactions (BS 7890). MoJ policy is to pay bills in accordance with contractual obligations or, where no such conditions exist, within 30 days of the receipt of the goods or services or the presentation of a valid invoice, whichever is the later. For the financial year 2008-09, 97.1% (2007-08: 95.7%) of invoices were paid within payment terms based on date of receipt at Liberata, which provides the payment function for the Tribunals Service.

On 8 October 2008 the Prime Minister committed Government organisations to paying suppliers within ten days of receipt of a correctly rendered invoice. The Tribunals Service will report against this target in 2009-10.

### Pension liabilities

Tribunals Service administration staff are members of the Civil Service Pension Scheme; details can be found in Note 4.1.3 to the annual accounts at page 92. Salaried judiciary are members of the Judicial Pensions Scheme; details can be found in Note 4.2.3 to the annual accounts at page 93.

### International Financial Reporting Standards (IFRS)

The transition from accounts produced using Financial Reporting Standards to fully IFRS compliant accounts is being facilitated through a 'Trigger Point' process:

- Trigger Point 1 – 30 September 2008 – Reporting entities should have completed a restatement of the 31 March 2008 Balance Sheet onto an IFRS basis and submitted the restatement to their NAO team;
- Trigger Point 2 – 31 December 2008 – The NAO team's dry-run audit of the IFRS restated Balance Sheet should be completed and the results reported to the audited bodies;
- Trigger Point 3 – 10 September 2009 – Reporting entities must have completed their 2008-09 'shadow accounts' and submitted them to their NAO audit teams; and
- Trigger Point 4 – 31 December 2009 – the NAO should have completed its dry-run audit of the 2008-09 'shadow accounts', and reported the initial results to the audited bodies.

Tribunals Service met trigger points 1 and 2, and is on course to meet points 3 and 4.

### Audit

These accounts have been audited by the Comptroller and Auditor General. The cost of the audit for 2008-09 is £121k (2007-08: £110k). The increase is due to additional audit work for the restatement of the 2007-08 Balance Sheet, in preparation for the move to reporting under IFRS in 2009-10. 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 him aware of any relevant audit information and to establish that the entity's auditors are aware of that information.

Sections 6 and 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.

#### Kevin Sadler

Accounting Officer and Chief Executive  
2 July 2009

# CHAPTER 10

## Accounts



### Remuneration of Chief Executive and other Board members

This Remuneration Report has been prepared in accordance with section 234B and Schedule 7A of the Companies Act 1985 and the requirements of the Government Financial Reporting Manual (FreM) as issued by HM Treasury. The report provides information on Tribunals Service policy for the remuneration of its Board 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 2008-09 Tribunals Service annual accounts include any details or amounts relating to ministerial salaries; these are disclosed and reported by the MoJ and can be found in the MoJ Annual Report and Accounts for 2008-09.

### Remuneration policy

The remuneration of senior civil servants is set by the Prime Minister following independent advice from the Review Body on Senior Salaries. 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.

## Board members' remuneration (audited)

The salaries of the Tribunals Service Management Board (TSMB) members were determined by the Permanent Secretary of the MoJ in accordance with the rules set out in the Civil Service Management Code.

**Table 1 – Salaries paid to Tribunals Service Management Board members and benefits in kind they received during the financial year**

Name	2008-2009		2007-2008	
	Salary (excluding pension contributions) £'000	Benefits in kind (rounded to nearest £100) £	Salary (excluding pension contributions) £'000	Benefits in kind (rounded to nearest £100) £
<b>Kevin Sadler</b> Chief Executive (from 5 January 2009)	20 – 25 (95 – 100 full year equivalent)	Nil	Nil	Nil
<b>Jeanne Spinks</b> Acting Chief Executive (until 4 January 2009)	90 – 95 (110 – 115 full year equivalent)	Nil	100 – 105	Nil
<b>Nick Chibnall</b> Tribunals Service Policy Director (from 15 September 2008)	40 – 45 (85 – 90 full year equivalent)	Nil	Nil	Nil
<b>Joy Coles</b> Change Programme Manager (from 1 October 2008)	25 – 30 (55 – 60 full year equivalent)	Nil	Nil	Nil
<b>Dennis Collins</b> Acting Director of Finance & Resources (from 21 July 2008)	45 – 50 (70 – 75 full year equivalent)	Nil	Nil	Nil
<b>Norman Egan</b> Regional Director, North	80 – 85	Nil	85 – 90	Nil
<b>Martin John</b> , Director, Business Development (until 10 July 2008)	20 – 25 (75 – 80 full year equivalent)	Nil	80 – 85	Nil
<b>Paul Stockton</b> Director of Tribunals Judicial Office	95 – 100	Nil	85 – 90	Nil

Name	2008-2009		2007-2008	
	Salary (excluding pension contributions) £'000	Benefits in kind (rounded to nearest £100) £	Salary (excluding pension contributions) £'000	Benefits in kind (rounded to nearest £100) £
<b>Guy Tompkins</b> Regional Director, South	75 – 80	Nil	70 – 75	Nil
<b>Valerie Vaughan-Dick</b> Director of Finance and Resources (until 20 July 2008)	40 – 45 (100 – 105 full year equivalent)	Nil	100 – 105	Nil
<b>Janette Durbin</b> Director of Human Resources – Access to Justice (until 2 June 2008)	10 – 15 (65 – 70 full year equivalent)	Nil	60 – 65	Nil
<b>Bernard O'Driscoll</b> Access to Justice, Director of Human Resources (from 1 September 2008 until 28 February 2009)	55 – 60 (110 – 115 full year equivalent)	Nil	Nil	Nil
<b>Paul Shipley</b> IT Director (MoJ) until 31 August 2008, subsequently Access to Justice)	100 – 105	Nil	50 – 55 (90 – 95 full year equivalent)	Nil
<b>The Rt Hon. Lord Justice Carnwath CVO</b> Senior President of Tribunals	Not applicable	Not applicable	Not applicable	Not applicable
<b>John Butler</b> Non-Executive Director	5 – 10	Nil	5 – 10	Nil
<b>Francis Dobbyn</b> Non-Executive Director	20 – 25	Nil	10 – 15	Nil
<b>Annette Kelleher</b> Non-Executive Director (until 31 March 2009)	5 – 10	Nil	0 – 5	Nil
<b>The Rt Hon. The Lord Newton of Braintree OBE, DL.</b> Administrative Justice and Tribunals Council	Not applicable	Not applicable	Not applicable	Not applicable

Salary data for Janette Durbin and Paul Shipley was not disclosed in the 2007-08 annual accounts.

The 2007-08 salary shown in the table above for Paul Shipley is for the period 1 October 2007 to 31 March 2008. This reflects the period that he sat on the board.

### 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 board members in 2008-09.
- Unless otherwise indicated all members of the Tribunals Service Management Board were in-post for the whole reporting year.
- Where a member was appointed to, or resigned from the Tribunals Service Management Board during the financial year the salary and other reported costs reflect only the amounts received whilst they were a member of the Board.
- The costs of the salary and any benefits in kind in respect of Bernard O'Driscoll, Janette Durbin 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 the Tribunals Service Management Board.
- Tribunals Service Management Board meetings are also attended by Joan Watson and Neil Anson, both attend in an observational capacity and, as such, disclosure of their salaries is not required.
- 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.

### Tribunals Service Board 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.
- 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](http://www.civilservicecommissioners.gov.uk).
- Non-Executive Directors are appointed to the Tribunals Service Management Board for a period of three years, at which time they may, at the Permanent Secretary's discretion, be reappointed. They should expect to serve a maximum of two terms. The appointment can be cancelled at any time prior to the expiry of the term, and for any reason, by either party giving one month's notice in writing.

**Table 2 – Tribunals Service Management Board 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 at age 60/65 and related lump sum £'000	Accrued pension at age 60/65 at 31 March 2009 and related lump sum £'000	CETV at 31 March 2009 £'000	CETV at 31 March 2008* £'000	Real increase in CETV £'000
Kevin Sadler	0 – 2.5 plus 2.5 – 5.0 lump sum	25 – 30 plus 85 – 90 lump sum	478	448	24
Jeanne Spinks	0 – 2.5 plus 2.5 – 5.0 lump sum	35 – 40 plus 105 – 110 lump sum	681	606	18
Nick Chibnall	0 – 2.5 plus 2.5 – 5.0 lump sum	20 – 25 plus 60 – 65 lump sum	345	319	14
Joy Coles	0 – 2.5 plus 5 – 7.5 lump sum	15 – 20 plus 55 – 60 lump sum	349	298	36
Dennis Collins	0 – 2.5 plus 2.5 – 5.0 lump sum	5 – 10 plus 20 – 25 lump sum	176	141	31
Norman Egan	0 – 2.5 plus 0 – 2.5 lump sum	35 – 40 plus 105 – 110 lump sum	831	778	1

Name	Real increase in pension at age 60/65 and related lump sum £'000	Accrued pension at age 60/65 at 31 March 2009 and related lump sum £'000	CETV at 31 March 2009 £'000	CETV at 31 March 2008* £'000	Real increase in CETV £'000
Martin John	0 – 2.5 plus 2.5 – 5.0 lump sum	15 – 20 plus 45 – 50 lump sum	190	176	10
Paul Stockton	0 – 2.5 plus (2.5) – 0 lump sum	30 – 35 plus 65 – 70 lump sum	706	655	12
Guy Tompkins	0 – 2.5 plus 0 – 2.5 lump sum	20 – 25 plus 70 – 75 lump sum	368	339	5
Valerie Vaughan-Dick	0 – 2.5 plus 0 – 2.5 lump sum	20 – 25 plus 70 – 75 lump sum	381	363	11
Janette Durbin	(2.5) – 0 plus (2.5) – 0 lump sum	15 – 20 plus 55 – 60 lump sum	323	325	(1)
Bernard O'Driscoll	0 – 2.5 plus 0 – 2.5 lump sum	0 – 5 plus 0 – 5 lump sum	26	Nil	22
Paul Shipley	2.5 – 5.0 plus 0 – 2.5 lump sum	5 – 10 plus 0 – 5 lump sum	113	63	32

\* The CETV values as at 31 March 2008 are different from the figures published in the 2007-08 Remuneration Report. This is due to the CETV factors being updated to comply with the Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008.

- Where members were appointed to, or resigned from the Tribunals Service Management Board during the financial year, the figures given refer only to the period in which they were members of the Board.
- The figure for Valerie Vaughan-Dick is an estimate as the pension administrators were unable to provide complete data for her within the required time frame.

### 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 a significant 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, immediately after the scheme year end, 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](http://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 individual 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 calculated in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 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, 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  
2 July 2009

# 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 a statement of accounts (the annual accounts) for each financial year in the form and on the basis set out in the Accounts Direction issued by HM Treasury on 11 December 2007. The annual 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, recognised gains and losses and cash flows for the financial year.

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 they are answerable, for keeping proper records, for safeguarding the Agency's assets and for preparing the Tribunals Service annual accounts, are set out in the 'Accounting Officers' Memorandum' issued by HM Treasury and published in 'Managing Public Money'.

In preparing the Agency's annual accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual 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; and
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed and disclose and explain any material departures in the annual accounts; and prepare the annual accounts on a going concern basis.

# Statement on internal control

### 1. Scope of responsibility

As Agency Accounting Officer, 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, set by the Department's Ministers, 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 Agency Accounting Officer 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 agency and departmental policies, aims and objectives;
- to evaluate the likelihood of those risks being realised and the impact should they be realised; and
- to 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 2009 and up to the date of approval of the annual report and accounts, and accords with HM Treasury guidance.

### 3. Capacity to handle risk

In providing leadership on the management of risk in the Tribunals Service, I review the strategic risk register and report, on a monthly basis, the escalation of any risks to the Ministry of Justice and the Departmental Management Board.

My Executive Team (TSET) is responsible for championing risk management across the Agency. The team meets on a monthly basis and is responsible for reviewing the strategic risk register and providing updates on the risks to achievement of the targets and objectives for which team members are individually accountable. Risks on the strategic risk register are assigned a senior risk owner to ensure ownership of risk and accountability for the implementation of internal controls and additional actions/contingencies.

Monthly performance reports are provided to and reviewed by TSET covering performance against key and other performance indicators, including management information on financial accounts, and budget and workforce management, all of which are risk related. Similar reports are provided to the Management Board.

The Audit Committee supports me in the discharge of my responsibilities by providing independent assurance and assistance on the management of the Tribunals Service resources and assets; financial reporting; audit arrangements; and the effectiveness of the governance, risk management and control framework. The Committee also advises me on promoting a culture of sound control, in areas such as fraud, whistle blowing, delegated authorities and the code of conduct. The Audit Committee's terms of reference are consistent with HM Treasury's Audit Committee Handbook.

The Risk Management Committee (RMC) supports me in my responsibility for corporate governance and embedding risk management, and the Chair of the RMC provides a report to the Audit Committee on the main issues each quarter and reports ad-hoc as necessary. The Chair also reports to TSET and the Tribunals Service Management Board (TSMB) when appropriate. The RMC has met quarterly during 2008-09. It has responsibility for ensuring that risk management is operating effectively across the organisation through challenge, oversight and review of all risks on the strategic risk register, providing approval for all new, closed and de-escalated risks, and ensuring strategic risks are escalated to the Ministry of Justice as appropriate. Although the RMC reviews and monitors all types of risk, the Security & Business Continuity Steering Group is responsible for security and business continuity related risks. Membership of the RMC is representative of corporate, regional, Internal Audit and policy functions and partners (Human Resources / Information Technology). The Chair of the RMC is also chair of the Security and Business Continuity Steering Group.

The Change Programme within the Tribunals Service has robust governance processes in place. All risks are reviewed at fortnightly meetings and red risks are scrutinised on a monthly basis by the Change Programme Board which comprises representation from corporate, regional, Internal Audit, the Judiciary, policy and partners (Human Resources/Information Technology). In addition, the Change Programme Office works closely with the Corporate Governance Team to ensure escalation and de-escalation of risk and to avoid duplication of risk.

To drive the embedding of risk management across the Agency and assist in the development of agreed risk solutions, a permanent Corporate Governance Team was recruited during the year. In December 2008 the Tribunals Service Risk Management Policy, which is aligned with the MoJ 'Risk Management: Strategy, Policy and Framework', was approved and published.

## **4. The risk and control framework**

### **Policy and principles**

The Tribunals Service continued to follow the ex-Department for Constitutional Affairs Risk Management Policy until July 2008 when the Ministry of Justice's 'Risk Management: Strategy, Policy and Framework' was published. To ensure that the process for risk management used across the Tribunals Service could be fully embedded, an exercise was undertaken during April 2008 during which a cross representation of staff agreed the fundamentals for a risk management strategy at operational level. This led to the formation of the Tribunals Service 'Risk Management Strategy and Policy' which was approved and published in December 2008 and is aligned with the Ministry of Justice's document. The permanent Corporate Governance staff took over from the Interim Team in July 2008.

During the year Risk Management workshops, which resulted in the formulation of risk registers, were delivered to all Area Boards and other teams including Finance & Resources. High level Corporate Governance workshops, aimed at senior and middle management, were delivered in January/February 2009 and gave an introduction to Risk Management, Internal Controls, Assurance and both the MoJ's 'Risk Management: Strategy, Policy and Framework' and the Tribunals Service 'Risk Management Strategy and Policy'.

A risk reporting pilot commenced in March 2009; this process will encourage risk escalation and identify risks common to all areas.

### **The Executive Team, Management Board and Risk Management Committee**

The current top risk identified for the Agency is its ability to achieve efficiency targets without a detrimental effect on performance. The Executive Team and Management Board assess the organisation's management of risk during its annual planning and monthly and quarterly performance review cycle. The Risk Management Committee approves which risks are included, de-escalated or closed on the strategic risk register, which is then reviewed at Board and Executive Team 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, including the Department for Work and Pensions, UK Border Agency (UKBA), Department for Business, Innovation and Skills (BIS), Advisory, Conciliation and Arbitration Service (Acas) and the Criminal Injuries Compensation Authority (CICA). Tribunals Service has a seat on the UKBA Board and attends the Removals & Conclusions Board. Joint risks are managed and maintained with Her Majesty's Revenue and Customs on the Tax Appeal Modernisation as part of the Transforming Tribunals Programme. Tripartite governance of the Dispute Resolution Review is in place with Acas and BIS. The Tribunals Service and the Administrative Justice and Tribunals Council continue to maintain a close working relationship that respects the statutory independence of the Council. The 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 it administers.

### Business continuity

The Agency has continued to improve upon crisis management arrangements in line with the British Standard of Business Continuity BS25999 and best practice. Throughout the year local crisis management plans have been in place at all sites, and a national crisis management plan ensures a system is in place if there is a failure of processes on a national scale. During the year the Agency introduced area crisis management plans to reflect the regionalised management structure and allow the agency to respond effectively to incidents at an Area level. The area crisis management plans have been introduced successfully, using training events with the relevant management teams involving external specialists, to provide additional assurance that plans are fit for purpose. The Tribunals Service has continued to be represented on the departmental Business Continuity Board, and is now also represented on the *Access to Justice* and IT Business Continuity Boards, ensuring practices are consistent across the department and best practice is followed. Examples of close working include joint working on flu pandemic planning and where a departmental approach is necessary.

On 18 March 2009 a serious fire occurred at one of our London sites. The roof, top floor and part of the infrastructure of Field House were badly damaged in the blaze. Significant water damage occurred to other floors. The building was evacuated safely and business continuity arrangements were immediately instigated. Customers, judiciary and staff were given regular updates on the situation through dedicated telephone lines and regular internal briefings to staff dealing with queries. By Monday 23 March all judges had been relocated to other Tribunals Service and *Access to Justice Group* buildings across Central and Greater London. Administrative staff had all been relocated within a week of the fire. Hearings scheduled in Field House commenced in other buildings on 26 March. The Tribunals Service minimised impact on customers due to the considerable efforts of staff and the strength of its business continuity arrangements.

## 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 Security Policy has been agreed and launched, and is aligned with the departmental policy.

The Tribunals Service has carried out security inspections of all sites not managed through the Department of Work and Pensions contract in year. These inspections have identified risks to our security regime and actions are underway to address these risks. Throughout the year the Agency has had robust security incident reporting and investigation systems in place.

## Information assurance

In June 2008 the Cabinet Office published the Data Handling Report, setting out mandatory requirements for handling information, to which all Government bodies are required to adhere. The Tribunals Service Information Assurance Programme has worked throughout the year to comply with the requirements and improve the Agency's data handling processes and procedures. Key achievements are:

- Establishment of a Tribunals Service Information Assurance Board, chaired by the Executive Lead and including Regional Directors and IT representation.
- Identification of all Information Assets and Information Asset Owners who have responsibility for completing quarterly risk assessments considering the confidentiality, integrity and availability of information.
- Completion of information assurance training by all staff.
- Encryption of all Tribunal Service laptops, including those held by the judiciary.
- Regular communications to all staff on changes to policy, procedures and processes to raise staff awareness. An interactive team briefing has been delivered to all staff and the subject is regularly discussed in team meetings.
- Review of information in the custody of, or supported by, our shared service providers against best practice. Opportunities for improvements have been agreed and are in the process of being implemented.
- Regular reporting on progress to the Tribunals Service Audit Committee and Management Board.

Work is underway in the following areas to address risks identified as part of the quarterly risk assessment process:

- Assessment of lockable storage space at sites.
- Workshops to identify gaps in staff awareness of what constitutes a data incident and guidance for handling incidents.
- Assurances around disposal of confidential waste.

The Agency is committed to ensuring the public data is appropriately protected. The Tribunals Service had 52 data incidents in 2008-09, none of which required reporting to the Information Commissioner. Incidents involving documents sent by mail or courier totalled 0.003% of our total postal volumes.

### Health and safety

The Tribunals Service Health and Safety procedures and guidance manuals have been amended and updated in year to reflect changes in the current legislation.

We have continued to run training courses for staff to undertake the health and safety co-ordinator's role at all sites not managed through the Department for Work and Pensions Private Finance Initiative contract.

The central health and safety team continues to gather information from the system of self-assessments. Sites are completing action plans as part of the assessments, which will inform local and corporate action plans.

### Sustainable development

During 2008-09 the Tribunals Service successfully achieved its target of accreditation of ten pilot sites to the International Standard for Environmental Management Systems ISO14001. We are planning to roll this out across further sites in the new financial year.

The Tribunals Service is participating in the wider Government sustainable development network run by the Sustainable Development Commission and the Agency re-launched the TS Environmental Matters Committee early in 2009-10.

### Fraud

The Tribunals Service is a member of the Ministry of Justice Counter-Fraud Group. A Fraud Risk Assessment has been completed 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 with Ministry of Justice Internal Audit and a Tribunals Service Fraud Investigator.

During May 2008 a significant suspected fraud was discovered in Tribunals Service that is still under investigation. This highlighted a number of control issues that have been and continue to be addressed. This is the only fraud investigation that was triggered in 2008-09.

## **5. Review of effectiveness**

As Accounting Officer, I also 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 Ministry of Justice 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.

The Management Board, my Executive Team, the Risk Management Committee and the Audit Committee have advised me on the effectiveness of the system of internal control and the plans to ensure continuous improvement of the system are in place.

### **Audit Committee**

The Audit Committee met quarterly in 2008-09 and has also met subsequently to oversee the production of the Annual Report and Accounts for the year. It discussed the system of internal control, received reports from Internal Assurance Division and, where appropriate, representatives of 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 Chief Executive.

### **Improving risk management**

The published Tribunals Service Risk Management Policy & Strategy (TS RMP&S) was drafted, approved and published following a Solutions Centre exercise; each area of Tribunals contributed to the draft document. The TS RMP&S contains clear guidance on risk management roles and responsibilities. The policy gives a clear risk escalation process for each level of the Tribunals Service.

The Corporate Governance Team has facilitated risk management workshops leading to the formation of risk registers in all operational areas and the Finance and Resources Directorate. The workshops ensured risks were linked to business objectives and staff were given an awareness of risk implications to operational delivery and finance and resources. Other facilitated topics included innovation, types of risk and the Risk Management Framework. Regional Directors advised that there has been clear understanding of key risks at regional and area level.

These workshops will be offered to business areas in 2009-10. Corporate Governance workshops will continue in the coming year to ensure members of staff understand their role in the risk management and internal control processes. In addition; induction training material will be developed and published.

During 2008-09 the Risk Management Committee, chaired by the Director of Finance and Resources, with executive directors, internal audit and IT/HR partners as members, met four times.

An internal audit desk review of Corporate Governance reported amber/red in December 2008. The review acknowledged that: *'much good work has been done this year by the Corporate Governance team to develop these three frameworks (Risk Management, Internal Control and Assurance) and their supporting documentation'*; the review continued: *'there has been considerable delay in securing their approval for implementation, the supporting processes are not yet in place and the frameworks are far from being 'embedded' as part of normal day-to-day operations within TS'*.

Some identified governance weaknesses have already been rectified and an action plan has been drawn up to deal with the remaining areas.

### Internal audit

The agency utilises the services of Ministry of Justice Internal Audit, which provides a dedicated resource to the Tribunals Service and operates to government internal audit standards. It submits regular reports, including the assigned Tribunals Service 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 robust systems of prevention, detection, investigation and reporting are in place.

## 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 investigation. This highlighted a number of control issues that have been and continue to be addressed.

### Kevin Sadler

Accounting Officer and Chief Executive  
2 July 2009

### **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 2009 under the Government Resources and Accounts Act 2000. These comprise the Operating Cost Statement and Statement of Recognised Gains and Losses, the Balance Sheet, the Cash Flow Statement 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 Agency, the Chief Executive and auditor**

The Agency and Chief Executive, as Accounting Officer, are responsible for preparing the Annual Report, which includes the Remuneration Report, and the financial statements in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions made thereunder and Section 6(3) of the Criminal Injuries Compensation Act 1995, the Criminal Injuries Compensation Scheme 2001, and directions made thereunder by the Lord Chancellor and the Secretary of State for Justice and for ensuring the regularity of financial transactions. These responsibilities are set out in the Statement of Chief Executive's Responsibilities.

My responsibility is to audit the financial statements and the part of the Remuneration Report to be audited in accordance with relevant legal and regulatory requirements, and with International Standards on Auditing (UK and Ireland).

I report to you my opinion as to whether the financial statements give a true and fair view and whether the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with HM Treasury directions issued 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. I report to you whether, in my opinion, the information, which comprises The Tribunals Service, Delivering Against Our Objectives, The Future, Governance and Our Financial Performance, included in the Annual Report, is consistent with the financial statements. I also report whether 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.

In addition, I report to you if the Agency has not kept proper accounting records, if I have not received all the information and explanations I require for my audit, or if information specified by HM Treasury regarding remuneration and other transactions is not disclosed.

I review whether the Statement on Internal Control reflects the Agency's compliance with HM Treasury's guidance, and I report if it does not. I am not required to consider whether this statement covers all risks and controls, or to form an opinion on the effectiveness of the Agency's corporate governance procedures or its risk and control procedures.

I read the other information contained in the Annual Report and consider whether it is consistent with the audited financial statements. This other information comprises Purpose, Vision and Values, the Statement of Chief Executive's responsibilities, and the unaudited part of the Remuneration Report. I consider the implications for my report if I become aware of any apparent misstatements or material inconsistencies with the financial statements. My responsibilities do not extend to any other information.

### **Basis of audit opinions**

I conducted my audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. My audit includes examination, on a test basis, of evidence relevant to the amounts, disclosures and regularity of financial transactions included in the financial statements and the part of the Remuneration Report to be audited. It also includes an assessment of the significant estimates and judgments made by the Agency and Chief Executive in the preparation of the financial statements, and of whether the accounting policies are most appropriate to the Agency's circumstances, consistently applied and adequately disclosed.

I planned and performed my audit so as to obtain all the information and explanations which I considered necessary in order to provide me with sufficient evidence to give reasonable assurance that the financial statements and the part of the Remuneration Report to be audited are free from material misstatement, whether caused by fraud or error; and that 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. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements and the part of the Remuneration Report to be audited.

## Opinions

In my opinion:

- the financial statements give a true and fair view, in accordance with the Government Resources and Accounts Act 2000 and directions made thereunder by HM Treasury and Section 6(3) of the Criminal Injuries Compensation Act 1995, the Criminal Injuries Compensation Scheme 2001 and directions made thereunder by the Lord Chancellor and the Secretary of State for Justice, of the state of the Agency's affairs as at 31 March 2009, and of the net operating cost, recognised gains and losses and cash flows for the year then ended;
- the financial statements and the part of the Remuneration Report to be audited have been properly prepared in accordance with HM Treasury directions issued 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
- information, which comprises The Tribunals Service, Delivering Against Our Objectives, The Future, Governance and Our Financial Performance, included within the Annual Report, is consistent with the financial statements.

## 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.

## Report

I have no observations to make on these financial statements.

### Amyas C E Morse

Comptroller and Auditor General

National Audit Office  
151 Buckingham Palace Road  
Victoria  
London SW1W 9SS  
7 July 2009

The maintenance and integrity of the Tribunals Service's website is the responsibility of the Accounting Officer; the work carried out by the auditors does not involve consideration of these matters and accordingly the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

# Financial statements and supporting notes

## Operating Cost Statement for the year ended 31 March 2009

	Notes	2008-09		2007-08	
		£'000	£'000	£'000	£'000
<b>Income</b>					
Operating income	3		29,343		28,818
<b>Expenditure</b>					
Staff and judiciary costs	4	(216,880)		(214,406)	
Other operating costs	5.1	(119,837)		(117,409)	
Depreciation	6	(2,680)		(2,953)	
<b>Total operating costs</b>			(339,397)		(334,768)
Net cost of operations before interest			(310,054)		(305,950)
Interest receivable/(payable)	5.2		218		477
<b>Net cost of operations</b>			<b>(309,836)</b>		<b>(305,473)</b>

All activities are continuing.

## Statement of Recognised Gains and Losses for the year ended 31 March 2009

	Notes	2008-09	2007-08
		£'000	£'000
Unrealised surplus on revaluation of tangible fixed assets <sup>1</sup>	11.2	795	606
Actuarial gains/(losses) on pension scheme liabilities	4.3.3	(282)	–
<b>Total recognised gains</b>		<b>513</b>	<b>606</b>

<sup>1</sup> This includes an impairment charge of £62k relating to the Valuation Office Agency (VOA) valuation of Tribunal Service's land and buildings (see note 6.3)

The notes on pages 85 to 110 form part of these accounts.

## Balance Sheet

as at 31 March 2009

	Notes	31 March 2009		31 March 2008	
		£'000	£'000	£'000	£'000
<b>Fixed assets</b>					
Tangible fixed assets	6		29,887		30,616
<b>Current assets</b>					
Debtors	7	15,527		9,068	
Cash at bank and in hand	8	5,041		19,214	
		20,568		28,282	
<b>Creditors:</b> amounts falling due within one year	9.1	(52,863)		(49,479)	
<b>Net current assets</b>			(32,295)		(21,197)
<b>Total assets less current liabilities</b>			(2,408)		9,419
<b>Creditors:</b> amounts falling due after more than one year	9.2		(65)		–
<b>Provisions for liabilities and charges</b>	10		(3,694)		(3,886)
<b>Total net assets</b>			<b>(6,167)</b>		<b>5,533</b>
<b>Taxpayers' equity</b>					
General fund	11.1		(13,520)		(2,362)
Revaluation reserve	11.2		7,353		7,895
<b>Total taxpayers' equity</b>			<b>(6,167)</b>		<b>5,533</b>

### Kevin Sadler

Accounting Officer and Chief Executive  
2 July 2009

The notes on pages 85 to 110 form part of these accounts.

## Cash Flow Statement

for the year ended 31 March 2009

		2008-09	2007-08
	Notes	£'000	£'000
<b>Net cash outflow from operating activities</b>			
Net cost of operations		(309,836)	(305,473)
Adjust for notional and non-cash costs	17.1	23,738	24,107
Adjust for movements in working capital other than cash	17.2	(6,466)	(1,346)
Cash movement in provisions	10	(1,250)	(239)
		(293,814)	(282,951)
<b>Net cash outflow from investing activities</b>			
Purchase of fixed assets	17.3	(4,512)	(2,065)
Proceeds from disposal of fixed assets		7	3
		(4,505)	(2,062)
<b>Net cash inflow from financing activities</b>			
Funding from Ministry of Justice	11.1	284,000	295,900
		284,000	295,900
<b>Increase/(decrease) in third party balances</b>	9.3	146	10
<b>Increase/(decrease) in cash in the year</b>	8	<b>(14,173)</b>	<b>10,897</b>

The notes on pages 85 to 110 form part of these accounts.

**I Accounting policies**

The Tribunals Service is an Executive Agency of the Ministry of Justice (MoJ). These accounts have been prepared in accordance with the 2008-09 Government Financial Reporting Manual (FRM) issued by HM Treasury, using the historical cost convention, modified to account for the revaluation of fixed assets at their value to the business by reference to their current cost.

On 1 April 2008 the Estate Agents Appeal Panel (EAAP) transferred to the Tribunals Service from the former Department for Business Enterprise and Regulatory Reform, now the Department for Business, Innovation and Skills. EAAP did not transfer any assets or liabilities to Tribunals Service therefore no adjustments were made.

In addition to EAAP, the Consumer Credit Appeals Tribunal (CCAT) was created on 1 April 2008. More information for these tribunals may be viewed in chapter 2 of the annual report.

The accounts meet the accounting and disclosure requirements of the Companies Act, the Accounting Standards Board and HM Treasury, in so far as those requirements are appropriate.

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

**1.1 Fixed assets**

Freehold land and buildings are included on the basis of professional valuations, which are conducted for each property at least once every five years.

Tangible fixed assets are carried at valuation in existing use. When properties are vacated and are awaiting disposal they are valued at open market value.

Plant, equipment, furniture, ingoing works on operating leases and vehicles are included at cost in the month of purchase and are restated annually thereafter using Price Index Numbers for Current Cost Accounting (Office for National Statistics).

## 1.2 Depreciation

Depreciation is provided at rates calculated to write off the valuation of freehold buildings or current replacement cost of other tangible fixed assets, less the estimated residual value, spread evenly over their estimated useful lives, or for leased assets, over the life of the lease. Depreciation of land and buildings is based on opening balance sheet values, while all other assets are depreciated on closing balance sheet values.

Asset lives are within the following ranges:

Category:	Asset life:
Freehold land	Not depreciated
Freehold buildings	Shorter of: remaining life, or 60 years
Leasehold buildings	Shorter of: remaining life, remaining lease period, or 50 years
Leasehold land	Remaining lease period (except leases with more than 125 years remaining, which are not depreciated)
Assets under construction	Not depreciated
Plant, equipment, computers and software	5 to 7 years
Furniture	10 years
Vehicles*	3 to 4 years
Finance leases	Lease period
Operational antiques	50 years

\* In note 6 (tangible fixed assets) vehicles are included in plant and equipment.

## 1.3 Stock

Stocks of consumable stores, for example, stationery held, are not considered material and are written off in the Operating Cost Statement as they are purchased.

## 1.4 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.

## 1.5 Value added tax

Irrecoverable VAT is charged to the relevant expenditure category, or if appropriate, capitalised. Income and expenditure are otherwise shown net of VAT. This treatment is in accordance with Statement of Standard Accounting Practice (SSAP) 5.

## 1.6 Pensions

Most Tribunals Service staff members are members of the Principal Civil Service Pension Scheme (PCSPS), which is a multi-employer pay-as-you-go defined benefit scheme. Departments and Agencies covered by this scheme make employer contributions to the cost of pension cover provided for their staff by payment of charges calculated on an accruing basis. For the Tribunals Service these employer contributions are a charge on the Operating Cost Statement. Pension benefits payable under the schemes are financed from the Consolidated Fund on an annual basis through a separate Resource Supply, voted each year by Parliament. The employer contributions and benefits paid are accounted for in the separate Resource Accounts of the individual schemes.

## 1.7 Early departure costs

The Tribunals Service is required to pay the additional cost of benefits beyond the normal PCSPS benefits, in respect of employees who retire early, unless the retirement is on approved medical grounds. The total cost is provided in full when the early departure programme has been announced and is binding on the Tribunals Service.

## 1.8 Research and development

The Tribunals Service does not have Research and Development expenditure.

## 1.9 Notional and non-cash charges

### *Capital charge*

A charge reflecting the cost of capital utilised by the Tribunals Service is included in operating costs. This charge is at the Government's standard rate of 3.5% on the average net book value of the asset over the year with the following exceptions:

- for land and buildings, including dwellings, the charge is calculated using opening balances plus additions at cost, less disposals at their opening balance sheet values, less impairment and depreciation; and
- the charge is nil for amounts due to, or from the Consolidated Fund, liabilities in respect of advances from the Contingencies Fund, cash holdings with the Office of Paymaster General, and amounts due to, or from the MoJ through any inter-agency transactions.

### *Other*

Other notional and non-cash charges include: the external auditors' remuneration, which represents the National Audit Office's cost for the audit of the Tribunals Service accounts; and departmental overhead charges, which are recharged to the Tribunals Service by the MoJ.

### 1.10 Leases

Where assets are financed by leasing agreements giving rights approximating to ownership (finance leases) the assets are treated as if they had been purchased outright. The amount capitalised is the fair value of the leased assets. The corresponding leasing commitments are shown as obligations to the lessor.

Rentals under operating leases are charged to the Operating Cost Statement on a straight-line basis over the lease term.

This treatment is compliant with SSAP 21 – Accounting for Leases and Hire Purchase Contracts.

### 1.11 Consolidated by MoJ

As an Executive Agency of the MoJ, falling within the Department's accounting boundary, the Tribunals Service is included within the MoJ Consolidated Resource Accounts, which can be obtained from: [www.justice.gov.uk](http://www.justice.gov.uk).

### 1.12 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 debtors
- Other debtors

#### *Financial liabilities*

- Trade creditors
- Finance lease liabilities

A full breakdown of financial instruments held is given in note 21.

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction costs or face value of the instrument. Subsequent measurement is determined by adjusting the costs/revenue to reflect a constant rate of interest payable over the full term in which payments are to be made.

The fair value of short-term debtors and creditors is the transaction cost of the face value, as due to the short maturity of these instruments, there is no interest rate applicable and subsequent measurement is, thus, not required.

## 2 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 not intended to meet the requirements of Statement of Standard Accounting Practice 25 – Segmental Reporting, which is not applicable to the Tribunals Service under the Government Financial Reporting Manual.

	Income	Expenditure	Deficit	Fee recovery actual	Fee recovery target
	£'000	£'000	£'000	%	%
<b>2008-09:</b>					
Lands Tribunal	325	(1,652)	(1,327)	20	50
<b>2007-08:</b>					
Lands Tribunal	375	(1,730)	(1,355)	22	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 20%. A detailed review of the fee structure is currently underway and revised charges are scheduled to be introduced from 2010-11.

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

### 3. Operating income

	2008-09	2007-08
	£'000	£'000
Fee income	341	430
Other income:		
Income from the National Insurance Fund	25,212	25,004
Income from the Scottish Executive	447	515
Miscellaneous income	3,343	2,869
<b>Total operating income</b>	<b>29,343</b>	<b>28,818</b>

#### Fee income

Fee income comprises primarily Lands Tribunal receipts for rating appeals (see note 2).

#### Other income

Income from the National Insurance Fund is a contribution towards the cost of National Insurance 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 22). The remainder of the income is received from other Government departments and from sales of publications, vending machine receipts, telephone boxes and casual lettings.

### 4. Staff and judiciary costs and numbers

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.

		2008-09	2007-08
	Notes	£'000	£'000
Staff costs	4.1.1	74,733	74,279
Judicial costs	4.2.1	142,147	140,127
<b>Total staff and judicial costs</b>		<b>216,880</b>	<b>214,406</b>

Ministers' remuneration is set by the Ministerial and Other Salaries Act 1975 and the Ministerial and Other Pensions and Salaries Act 1991. No elements of Ministerial salaries are included in these accounts (see also Remuneration Report and MoJ Resource Accounts).

## 4.1 Tribunals Service staff

### 4.1.1 Staff costs

	2008-09	2007-08
	£'000	£'000
Wages and salaries	62,496	61,621
Social security costs	3,254	3,567
Employer's pension contributions	9,104	9,261
	74,854	74,449
Less: recoveries in respect of outward secondments	(121)	(170)
<b>Total staff costs</b>	<b>74,733</b>	<b>74,279</b>

Included within wages and salaries is £8,546k (2007-08: £6,492k) relating to agency and contract staff.

### 4.1.2 Staff numbers

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

	2008-09	2007-08
Permanent:		
North region	1,040	1,041
South region	1,393	1,398
Change programme	37	38
Finance and resources	84	99
Corporate centre and support services	127	131
	2,681	2,707
Other:		
Agency and contract staff	221	271
<b>Total staff numbers</b>	<b>2,902</b>	<b>2,978</b>

The basis of disclosure has changed from 2007-08 to reflect the way in which Tribunals Service manages its headcount.

### 4.1.3 Principal Civil Service Pension Scheme

The PCSPS 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 2007. Details can be found in the resource accounts of the Cabinet Office; Civil Service Superannuation at [www.civilservice-pensions.gov.uk](http://www.civilservice-pensions.gov.uk).

For 2008-09, employer's contributions of £9,104k were payable to the PCSPS (2007-08: £9,261k) at one of four rates in the range 17.1% to 25.5% of pensionable pay based on salary bands (2007-08: 17.1% to 25.5%). The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2008-09 to be paid when the member retires, and not the benefits paid during this period for existing pensioners.

## 4.2 Judiciary

### 4.2.1 Payroll costs of the judiciary

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:

	2008-09		2007-08	
	£'000	£'000	£'000	£'000
<b>Wages and salaries</b>				
Salaried judicial officers	47,980		46,403	
Fee-paid judiciary	67,928		68,364	
		115,908		114,767
<b>Social security costs</b>				
Salaried judicial officers	5,094		5,287	
Fee-paid judiciary	6,737		6,273	
		11,831		11,560
Employer's pension contributions		14,408		13,800
<b>Total payroll costs of the judiciary</b>		<b>142,147</b>		<b>140,127</b>

#### 4.2.2 Judiciary numbers

The amounts disclosed in note 4.2.1 include salary costs for an average of 433 judicial officers (2007-08: 406) and fees for approximately 1,291 full time equivalent fee-paid judiciary (2007-08: approximately 1,352).

#### 4.2.3 Judicial 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 2005. Details can be found in the Resource Accounts of the Judicial Pension Scheme: [www.official-documents.co.uk](http://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% (2007-08: 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.

### 4.3 By-analogy Pension Scheme

The Tribunals Service has two by-analogy pension schemes, for Criminal Injuries Compensation and the Asylum and Immigration Tribunal, for which pension liabilities are given in note 10.

An actuarial valuation was carried out at 31 March 2009 by the Government Actuaries Department (GAD) in respect of qualifying members.

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

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

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

4.3.2 The following amounts have been recognised in the operating cost statement:

	2008-09
	£'000
Current service cost	22
Interest cost	68
Past service cost	–
Settlement and curtailments	–
<b>Total charges</b>	<b>90</b>

4.3.3 Actuarial gains/(losses) recognised in the Statement of Recognised Gains and Losses for the year are:

	2008-09
	£'000
Experience gain/(loss) arising on the scheme liabilities	386
Changes in assumptions underlying the present value of the scheme liabilities	(104)
<b>Total actuarial gain/(loss)</b>	<b>282</b>

The movement in scheme liabilities is analysed as follows:

	2008-09
	Note      £'000
Present value of scheme liabilities at the start of the year	1,336
Current service cost	22
Interest cost	68
Actuarial loss/(gain)	282
Benefits paid	(126)
<b>Present value of scheme liabilities at the end of the year</b>	<b>1,582</b>

The experience gain/(loss) arising on scheme liabilities as a percentage of the present value of the scheme liabilities at 31 March 2009 is 24%.

The total actuarial gain/(loss) as a percentage of the present value of the scheme liabilities as at 31 March 2009 is 18%.

## 5. Other administrative costs

### 5.1 Other operating costs

		2008-09	2007-08
	Note	£'000	£'000
Accommodation, maintenance and utilities		31,621	31,038
PFI suppliers		1,199	1,228
Staff travel and subsistence		3,033	3,289
Judicial travel and subsistence		3,631	3,610
Other staff costs		853	3,134
Other judicial costs		18,306	17,379
Contracted services <sup>1</sup>		6,390	3,062
Consultancy		1,859	1,503
Communications, office supplies and services		6,784	6,322
Miscellaneous expenditure		102	319
<b>Operating leases:</b>			
Property rents		24,287	24,145
Hire of plant and machinery		465	770
Other expenditure		15	19
<b>Non-cash costs:</b>			
External auditor's remuneration <sup>2</sup>		121	110
Loss on disposal of assets		114	95
Permanent impairment in asset value		368	327
Movement in provisions		708	1,651
Departmental recharge		14,977	19,408
<b>Exceptional item</b>			
Impairment of Field House <sup>3</sup>	6.3	5,004	–
<b>Total other operating costs</b>		<b>119,837</b>	<b>117,409</b>

1 Contracted Services have increased by £3.3m due to the inclusion of the £2.4m cost of bringing the Employment Tribunal onto the main MoJ IT infrastructure

2 External auditor's remuneration has increased due to the audit of the 2007-08 Balance Sheet restatement for transition to International Financial Reporting Standards.

3 The impairment charge relates to a fire at Field House (see note 6.3).

#### Other staff costs

In 2007-08 the Tribunals Service incurred early departure costs of £2.6m resulting from the reorganisation of the Finance and Resources Division. There were no similar events in 2008-09.

## 5.1 Other operating costs continued

### Other judicial costs

The components of this area of expenditure are:

	2008-09	2007-08
	£'000	£'000
Interpreters' costs	5,280	6,058
Members' expenses	5,786	5,338
Judicial typing	2,645	2,581
Judicial publications	1,909	1,439
Appellants' and witnesses' expenses	1,221	956
Training and conference costs	739	819
Other expenditure	726	188
<b>Total Other Judicial Costs</b>	<b>18,306</b>	<b>17,379</b>

### Departmental recharge

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

## 5.2 Interest (receivable)/payable

	2008-09	2007-08
	£'000	£'000
Notional interest on capital	(302)	(481)
Finance charges on leased assets	16	4
Finance charge on pension scheme liabilities	68	–
<b>Total interest (receivable)/payable</b>	<b>(218)</b>	<b>(477)</b>

The notional interest on capital charge reflects the cost of capital utilised by the Tribunals Service to undertake its 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 1.9 on notional and non-cash charges provides further details on the calculation of this cost.

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.

The finance charge on pension liabilities has arisen following a valuation undertaken by GAD (see note 4.3).

## 6. Tangible fixed assets

	Land and buildings excluding dwellings	Information technology	Plant and equipment	Furniture, fixtures and fittings	Assets under construction	Total
	£'000	£'000	£'000	£'000	£'000	£'000

### Cost and valuation:

As at 1 April 2008	20,968	8,702	1,069	4,609	4,217	39,565
Additions	2,818	702	329	279	3,672	7,800
Disposals	(103)	(68)	(44)	–	–	(215)
Revaluation	259	(367)	21	201	–	114
Reclassifications	(1,474)	850	–	–	(850)	(1,474)
Impairment	(5,711)	–	–	–	–	(5,711)
<b>As at 31 March 2009</b>	<b>16,757</b>	<b>9,819</b>	<b>1,375</b>	<b>5,089</b>	<b>7,039</b>	<b>40,079</b>

### Depreciation:

As at 1 April 2008	2,874	3,812	1,000	1,263	–	8,949
Charged in year	1,147	917	161	455	–	2,680
Disposals	(16)	(48)	(32)	–	–	(96)
Revaluation	(214)	(152)	19	58	–	(289)
Reclassifications	(345)	–	–	–	–	(345)
Impairment	(707)	–	–	–	–	(707)
<b>As at 31 March 2009</b>	<b>2,739</b>	<b>4,529</b>	<b>1,148</b>	<b>1,776</b>	<b>–</b>	<b>10,192</b>

### Net book value:

<b>As at 31 March 2009</b>	<b>14,018</b>	<b>5,290</b>	<b>227</b>	<b>3,313</b>	<b>7,039</b>	<b>29,887</b>
As at 31 March 2008	18,094	4,890	69	3,346	4,217	30,616

### 6.1 Land and buildings excluding dwellings

The revaluation gains/losses on 'Land and buildings excluding dwellings' are primarily as a result of valuations carried out on four properties as at 31 March 2009 by the Valuation Office Agency (VoA). These valuations were in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual and were on the basis of existing use. The net book value of the properties is £4,485k (2007-08: £4,425k).

The value of freehold land included within 'Land and buildings excluding dwellings' is £815k (2007-08: £1,040k). The value has fallen in 2008-09 due to the net effect of a revaluation gain of £75k and reclassification of land valued at £300k as 'Long lease land and buildings'.

### 6.2 Reclassifications

Following a review of our fixed assets it was found that there were discrepancies between the Fixed Asset Register and General Ledger for ingoing works, which arose when the Tribunals Service was created. The correction required to realign these balances is reflected in the reclassification line for 'Land and Buildings excluding Dwellings'.

Also included in the reclassification line is £850k relating to the Mental Health Tribunal case management system which went live in 2008-09 and was moved from 'Assets under construction' to 'Information technology'.

### 6.3 Impairments

The total impairment charge amounted to £5,434k of which £5,372k (see note 5.1) was charged to the operating cost statement and the balance taken through the revaluation reserve.

On 18 March 2009 a serious fire occurred in one of our London sites, Field House. The roof, top floor and part of the infrastructure were badly damaged in the blaze and there was significant water damage. This has given rise to an impairment charge of £5,004k which is shown in the impairment line of note 6.

The balance of the impairment charge arose from the VoA valuation of freehold land and buildings, and from information technology assets. These impairment charges are reflected in revaluation line of note 6.

### 6.4 Information Technology

Included in 'Information Technology' are assets representing the capitalised value of elements of payments made under the County Court Systems (CCS) PFI contract (see note 15), which under FRS5 are deemed to be assets of the Tribunals Service. These have a net book value of £1k (2007-08: £21k). Included within the depreciation charge for the year is an amount of £19k (2007-08: £148k) relating to these assets.

### 6.5 Plant and Equipment

Included in 'Plant and Equipment' are finance leases relating to Xerox photocopiers and one franking machine. These have a net book value of £197k; the depreciation charge for the year was £132k.

Fixed assets have increased substantially as a result of the Transforming Tribunals Programme (TTP) for which more information can be found in chapter 2 of the Annual Report.

## 7. Debtors

	2008-09	2007-08
	£'000	£'000
Amounts falling due within one year:		
VAT recoverable	900	653
Trade debtors	1,173	347
Deposits and advances	317	270
Other debtors	451	353
Prepayments and accrued income	6,361	5,517
Intra-departmental debtor	6,325	1,928
<b>Total debtors falling due within one year</b>	<b>15,527</b>	<b>9,068</b>

There were no debtors due after one year in 2008-09 or 2007-08.

### *Prepayments and accrued income*

The main element of prepayments pertains to property rent, both in 2008-09 and 2007-08.

The table below provides a further analysis of the Tribunals Service debtors by the types of organisations for which amounts are owed to the Tribunals Service.

### 7.1 Analysis of debtor balances by organisational type

Tribunals Service holds debtor balances for the following types of organisations (all due within one year):

	2008-09	2007-08
	£'000	£'000
Other central government bodies	8,516	3,434
Public corporations and trading funds	3	3
Bodies external to government	7,008	5,631
<b>Total debtors</b>	<b>15,527</b>	<b>9,068</b>

## 8. Cash at bank and in hand

	2008-09	2007-08
	£'000	£'000
Balance at start of year	19,214	8,317
Increase/(decrease) in cash during the year	(14,173)	10,897
<b>Balance at year-end</b>	<b>5,041</b>	<b>19,214</b>

### Comprises:

Balances at Office of HM Paymaster General (OPG)	4,880	19,190
Commercial banks	150	13
Cash in hand	4	1
Imprests	7	10
<b>Balance at year-end</b>	<b>5,041</b>	<b>19,214</b>

The balances of cash at bank and in hand include £177k (2007-08: £31k) held on behalf of third parties. The amount is also disclosed as a creditor.

The movement on balances held at OPG is due to the timing of transfers to the main MoJ bank account.

## 9. Creditors

### 9.1 Amounts falling due within one year

		2008-09	2007-08
	Note	£'000	£'000
Taxation and social security		5,331	4,743
Trade creditors		293	4,514
Other creditors		1,120	1,254
Accruals and deferred income		38,379	30,967
Obligations under finance leases	13.2	150	–
Intra-departmental creditor		7,413	7,970
		52,686	49,448
Cash balances held on behalf of third parties	9.3	177	31
<b>Total amounts falling due within one year</b>		<b>52,863</b>	<b>49,479</b>

## 9.2 Amounts falling due after more than one year

		2008-09	2007-08
	Note	£'000	£'000
Obligations under finance leases	13.2	65	–
<b>Total amounts falling due after more than one year</b>		<b>65</b>	<b>–</b>

## 9.3 Third party balances

The third party balances included in the accounts are:

	2008-09	2007-08
	£'000	£'000
Balances at start of year	31	21
Gross inflows	282	28
Gross outflows	(136)	(18)
<b>Balances at year-end</b>	<b>177</b>	<b>31</b>

This balance represents amounts held pending the outcome of certain Employment Tribunal hearings, whereafter the funds are paid out accordingly. The amount held with respect to these hearings is £33k (2007-08 £31k).

In addition, Tribunals Service also oversees the handling of Bail Bonds totalling £144k (2007-08: £108k), which were not included within the 2007-08 accounts.

As these monies are held on behalf of third parties, they do not form part of Tribunals Service's funding.

## 9.4 Analysis of creditor balances by organisational type

Tribunals Service holds creditor balances for the following types of organisations (due within one year and greater than one year):

	2008-09	2007-08
	£'000	£'000
Other central government bodies	19,110	18,480
Local authorities	1,880	30
Public corporations and trading funds	–	91
Bodies external to government	31,938	30,878
<b>Total creditors</b>	<b>52,928</b>	<b>49,479</b>

## 10. Provisions for liabilities and charges

		2008-09	2007-08
	Notes	£'000	£'000
Provision for early departure costs	10.1	948	914
Provision for by-analogy pension scheme	10.2	1,582	1,336
Provision – other	10.3	1,164	1,636
<b>Total provisions for liabilities and charges</b>		<b>3,694</b>	<b>3,886</b>

### 10.1 Provision for early departure costs

	2008-09	2007-08
	£'000	£'000
Balance at start of year	914	44
Increase in provision	247	906
Utilised in year	(213)	(36)
<b>Total provision for early departure costs</b>	<b>948</b>	<b>914</b>

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.

### 10.2 Provision for by-analogy pension scheme

	2008-09	2007-08
	£'000	£'000
Balance at start of year	1,336	1,323
Increase in provision	22	128
Interest on by-analogy pension scheme	68	–
Actuarial gain/(loss) on pension scheme liabilities	282	–
Utilised in year	(126)	(115)
<b>Total provision for by-analogy pension scheme</b>	<b>1,582</b>	<b>1,336</b>

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

The scheme's liabilities were valued by GAD as at 31 March 2009 (see note 4) and the cost of increasing the provision 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.

### 10.3 Provision – other

	2008-09	2007-08
	£'000	£'000
Balance at start of year	1,636	1,107
Increase in provision	439	617
Utilised in year	(911)	(88)
<b>Total provision – other</b>	<b>1,164</b>	<b>1,636</b>

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.

## II Reserves

### 11.1 General fund

	Notes	2008-09	2007-08
		£'000	£'000
Balance at start of year		(2,362)	(13,054)
Funding from MoJ		284,000	295,900
Net cost of operations		(309,836)	(305,473)
Transfer from revaluation reserve		1,337	878
Machinery of Government changes		–	350
Actuarial gain/(loss) on pension scheme liabilities	10.2	(282)	–
Fixed asset adjustments		(1,173)	–
Notional costs	17.1	14,796	19,037
<b>Balance at year-end</b>		<b>(13,520)</b>	<b>(2,362)</b>

### 11.2 Revaluation reserve

	2008-09	2007-08
	£'000	£'000
Balance at start of year	7,895	8,167
Revaluation of fixed assets during the year	795	606
Transfer to general fund of realised element of reserves	(1,337)	(878)
<b>Balance at year-end</b>	<b>7,353</b>	<b>7,895</b>

Included in the £1,337k transferred from the revaluation reserve to general fund is £637k relating to the impairment of Field House.

## 12. Capital commitments

	2008-09	2007-08
	£'000	£'000
Contracted capital commitments as at 31 March 2009	1,229	–
<b>Balance at year-end</b>	<b>1,229</b>	<b>–</b>

## 13. Commitments under leases

### 13.1 Operating leases

At 31 March 2009 the Tribunals Service was committed to making the following payments during the next year in respect of operating leases:

	2008-09	2007-08
	£'000	£'000
<b>Land and buildings</b>		
Expiring within one year	165	891
Expiring after one year but not more than five years	6,782	5,175
Expiring thereafter	28,570	16,098
<b>Total commitments under operating leases</b>	<b>35,517</b>	<b>22,164</b>

Land and building operating leases have increased due to the inclusion of properties leased from the Department of Work and Pensions, and contracts with other Government departments for minor occupation of their sites. These were not included in prior years in this note.

	2008-09	2007-08
	£'000	£'000
<b>Other</b>		
Expiring within one year	96	373
Expiring after one year but not more than five years	260	321
Expiring thereafter	1	10
<b>Total commitments under operating leases</b>	<b>357</b>	<b>704</b>

### 13.2 Finance leases

	2008-09	2007-08
	£'000	£'000
Rentals due within one year	143	–
Rentals due after one year but within five years	65	–
Rentals due thereafter	–	–
<b>Total commitments under finance leases</b>	<b>208</b>	<b>–</b>

The above disclosure is net of the finance charge of £7k.

#### **14. Private Finance Initiative (PFI) commitments**

The Tribunals Service does not have any PFI commitments to report in its own right (see note 15).

#### **15. Other 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 5.1. 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 included under 'PFI suppliers' in note 5.1.

The arrangement is the ARAMIS PFI Project with Liberata UK Limited, which provides accounting, management information and corporate IT services to, among others, Tribunals Service. The contract commenced in January 1998 and expired on 7 January 2007. Finance and Payroll services were extended to June 2010.

#### **16. Contingent liabilities and assets**

##### *Contingent liabilities*

As reported in the 2007-08 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.

##### *Contingent assets*

Tribunals Service is not aware of any contingent assets.

## 17. Notes to the cash flow statement

### 17.1 Summary of notional and non-cash costs

		2008-09	2007-08
	Notes	£'000	£'000
Notional costs:			
Interest on capital	5.2	(302)	(481)
External auditor's remuneration	5.1	121	110
Departmental recharge	5.1	14,977	19,408
<b>Sub-total notional costs</b>		<b>14,796</b>	<b>19,037</b>
Non-cash costs:			
Permanent impairment in asset value	5.1	368	327
Impairment of Field House	5.1	5,004	–
Loss on disposal of fixed assets	5.1	114	95
Movement in provisions	5.1	708	1,651
Finance charge on pension scheme liabilities	5.2	68	–
Write-off of fixed assets		–	44
Depreciation	6	2,680	2,953
<b>Sub-total non-cash costs</b>		<b>8,942</b>	<b>5,070</b>
<b>Total notional and non-cash costs</b>		<b>23,738</b>	<b>24,107</b>

### 17.2 Movements in working capital

		2008-09	2007-08
	Notes	£'000	£'000
(Increase)/decrease in debtors	7	(6,459)	394
Adjusted for movement in:			
Machinery of Government Change		–	115
<b>Total (increase)/decrease in debtors</b>		<b>(6,459)</b>	<b>509</b>
Increase/(decrease) in creditors	9	3,449	(1,811)
Adjusted for movement in:			
Third party balances	9.3	(146)	(10)
Machinery of Government Change		–	(54)
Fixed asset creditors		(2,547)	20
Between fixed assets and inter-departmental debtors/creditors		(741)	–
Between General Fund and creditors		(22)	–
<b>Total increase/(decrease) in creditors</b>		<b>(7)</b>	<b>(1,855)</b>
<b>Total movement in working capital</b>		<b>(6,466)</b>	<b>(1,346)</b>

### 17.3 Reconciliation of fixed asset additions

The purchase of fixed assets total of £4,512k for 2008-09 is derived as follows:

	£'000
Additions per note 6	(7,800)
Plus:	
Increase in capital accrual	2,547
Movement in inter-departmental fixed asset debtor/creditor	741
	<u>(4,512)</u>

### 18. Related party transactions

The Tribunals Service is an Executive Agency of the MoJ and is therefore regarded as a related party. During the year the Tribunals Service had a number of material transactions with the MoJ and other entities for which the MoJ 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.

### 19. Post balance sheet date events

In accordance with Financial Reporting Standard 21 'Events after the balance sheet date', 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 the Comptroller and Auditor General certified the accounts.

### 20. Accountability

The following disclosures are included to comply with 'Managing Public Money' reporting requirements. For 2008-09 the Tribunals Service had:

- 11 (2007-08: 39) cases involving cash losses totalling £958 (2007-08: £7,718);
- 46 (2007-08: 117) special payments totalling £48,144 (2007-08: £90,534);
- 1 (2007-08: 0) loss of accountable stores totalling £5,004,007 (2007-08: £0) arising from fire at Field House (see note 6.3); and
- 218 (2007-08: 211) instances of fees remitted or exempted, totalling £31,690 (2007-08: £28,460).

## 21. Financial instruments

Categories of financial instruments

	2008-09	2007-08
	£'000	£'000
<b>Financial assets</b>		
Cash at bank and in hand	5,041	19,214
Trade debtors	1,173	347
Other debtors	451	353
<b>Carrying amount of financial assets</b>	<b>6,665</b>	<b>19,914</b>
<b>Financial liabilities at amortised cost</b>		
Trade creditors	(293)	(4,514)
Finance lease liabilities	(215)	–
<b>Carrying amount of finance liabilities</b>	<b>(508)</b>	<b>(4,514)</b>
<b>Net income and expenses from financial assets</b>	<b>–</b>	<b>–</b>
<b>Expenses incurred on financial liabilities</b>		
Interest expense	16	–
<b>Net income and expenses from financial liabilities</b>	<b>16</b>	<b>–</b>

The carrying amount of financial assets and liabilities is the same as the fair value.

### Credit risk

The Tribunals Service is exposed to minimal credit risk as loans and receivables comprise of trade and other debtors 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 debtors is £1,624k.

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

### Aged analysis of financial assets:

Ageing of financial assets as at 31 March 2009

	Not past due (nor impaired) £'000	Past due 0–30 days £'000	Past due 31–60 days £'000	Past due 61–90 days £'000	Past due 90+ days £'000	Total £'000
<b>Not impaired</b>						
Cash	5,041	–	–	–	–	5,041
Trade debtors	1,147	3	–	2	21	1,173
Other debtors	6	54	221	43	127	451
<b>Total</b>	<b>6,194</b>	<b>57</b>	<b>221</b>	<b>45</b>	<b>148</b>	<b>6,665</b>

### Liquidity risk

The Tribunals Service's financial liabilities are trade creditors and finance leases. The following table illustrates the maturity for financial liabilities. 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 MoJ, as, largely, is capital expenditure.

However, within the normal Parliamentary supply procedure; the Tribunals Service has to budget for resources (both expenditure and capital) in the nine months preceding the financial year in which it will be granted.

### Maturity for financial liabilities:

Maturities for financial liabilities as at 31 March 2009

	On demand £'000	Within 1 year £'000	Within 1 to 5 years £'000	In greater than 5 years £'000	Total £'000
Not impaired					
Finance lease liabilities	–	150	65	–	215
Trade creditors	–	293	–	–	293
<b>Total for the year-end</b>	<b>–</b>	<b>443</b>	<b>65</b>	<b>–</b>	<b>508</b>

### Market Risk

#### Interest-rate risk

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

#### Foreign currency risk

The Tribunals Service is not exposed to foreign currency risk.

## 22 CIC statement of account as at 31 March 2009

This statement has been included in accordance with the accounts direction issued by the Secretary of State, in pursuance of section 6(3)(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.

	2008-09		2007-08	
	£'000	£'000	£'000	£'000
Income <sup>1</sup>		443		532
Staff costs:				
Staff payroll costs	(1,019)		(1,393)	
Judicial payroll costs	(1,307)		(1,037)	
Total payroll costs		(2,326)		(2,430)
Other operating costs		(1,688)		(2,222)
<b>Net cost of operations</b>		<b>(3,571)</b>		<b>(4,120)</b>

<sup>1</sup> Includes £447k (2007-08: £515k) contribution from the Scottish Executive towards Scottish cases. Cancelled invoices have been netted off income in the accounts.

# Annexes



# Tribunals and their jurisdictions

## The new tribunal structure

### The Upper Tribunal

The Upper Tribunal is a newly created superior court of record with jurisdiction throughout the United Kingdom. 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 take over hearing appeals to the courts and to the Social Security and Child Support Commissioners, and similar bodies from the decisions of First-tier Tribunal and some other tribunals; to take over some of the supervisory powers of the courts to deal with the actions of tribunals and of the government departments and other public authorities whose decisions may be appealed to tribunals; and to deal with enforcement of decisions, directions and orders made by tribunals.

### 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. In its first phase of operation it took on the following jurisdictions:

#### *Asylum Support*

The Asylum Support Tribunal, formerly known as the Asylum Support Adjudicators, transferred to the Tribunals Service from the Home Office on 1 April 2007 and hears appeals against decisions made by the UK Border Agency to either refuse support to asylum seekers or withdraw support hitherto provided.

#### *Care Standards*

This Tribunal was first established under The Protection of Children Act 1999. The Care Standards Tribunal transferred to the Tribunals Service from the Department of Health on 1 April 2007. It hears appeals from a range of individuals, establishments and agencies in the area of social care and child and vulnerable adult protection.

#### *Criminal Injuries Compensation*

Criminal Injuries Compensation (CIC) considers appeals against decisions made by the Criminal Injuries Compensation Authority (CICA). It only deals with appeals on claims for compensation for criminal injuries made on or after 1 April 1996 under the Criminal Injuries Compensation Scheme.

### *Mental Health*

Previously known as the Mental Health Review Tribunal, the Mental Health Tribunal was formerly part of the Department of Health. It hears applications made by, or on behalf of, patients under the Mental Health Act 1983. Hearings are held where a patient is detained in a hospital, nursing home or mental health unit. A panel, chaired by a legal member and consisting of a medical member and a lay member, hears the application in an inquisitorial rather than adversarial way. There is a separate Mental Health Tribunal for Wales, which is administered and based in Cardiff and a separate tribunal for Scotland.

### *Social Security and Child Support*

The Social Security and Child Support (SSCS), formerly the Appeals Service, hear appeals on decisions made by the Department for Work and Pensions (including Jobcentre Plus, Child Support Agency and Disability and Carers Service), as well as other government departments, including HM Revenue and Customs, and local authorities.

### *Special Educational Needs and Disability*

The Special Educational Needs and Disability Tribunal was formerly part of the Department for Education and Skills. It hears and decides parents' appeals against local authority decisions on children's special educational needs and claims of disability discrimination in schools. Special Educational Needs and Disability now sits in the Health, Education and Social Care Chamber of the First-tier Tribunal. Appeals against the panel's decisions now go to the Upper Tribunal instead of to the High Court.

### *War Pensions & Armed Forces Compensation (WPAFC)*

Formerly known as the Pensions Appeal Tribunal the WPAFC deals with appeals relating to war pensions and hears appeals from ex-servicemen or women who have had their claims for a War Pension rejected by the Secretary of State for Defence. The Tribunals' jurisdiction covers England & Wales (Scotland and Northern Ireland have their own tribunals), and they are independent from the Service Personnel and Veterans Agency. It also deals with appeals about the schemes that provide compensation for injuries in the Armed Forces.

## Other tribunals established or transferred since 1 April 2008

### *Consumer Credit Appeals*

The Consumer Credit Act 2006 amended and updated the 1974 Act and provided for the establishment of an independent tribunal – the Consumer Credit Appeals Tribunal (CCAT). The Tribunal transferred to the Tribunals Service in April 2008.

The CCAT hears appeals arising from licensing decisions of the Office of Fair Trading (OFT) including decisions to suspend or revoke a consumer credit licence. The Tribunal hears appeals from licensing decisions made by the OFT on or after 6 April 2008. Appeals in respect of licensing decisions made by the OFT prior to 6 April 2008 are to the Secretary of State. The Tribunal also hears appeals from decisions of the OFT under the Money Laundering Regulations 2007.

The CCAT has been incorporated into our Finance and Tax Tribunal shared administration arrangements.

### *Estate Agents Appeals*

Under the Estate Agents Act 1979, the Office of Fair Trading (OFT) can make an order prohibiting a person from acting as an estate agent. A prohibition order can be made where, for example, a person has been convicted of an offence involving fraud or other dishonesty, provided that the OFT is, in addition, satisfied that the person is not fit to carry on estate agency work. It is also open to the OFT to issue warning orders where, for example, someone has not met their duties under the 1979 Act. Since 1 April 2008, the Tribunals Service has been responsible for the administration of appeals to the Secretary of State under the 1979 Act.

The Estate Agents Appeals has been incorporated into our Finance and Tax Tribunal shared administration arrangements.

### *Tribunals established or transferred since 1 April 2007*

#### *Charity Appeals, Reviews and References*

Charity Appeals, Reviews and References was established in March 2008, as an independent body to hear appeals against the decisions of the Charity Commission (the Commission), hear applications for review of decisions of the Commission and to consider references from the Attorney General or the Commission on points of law. It has jurisdiction in respect of Charity Commission decisions made on or after 18 March 2008.

### *Tribunals established or transferred since 1 April 2006*

#### *Claims Management Services (CMST)*

The CMST was established on 14 February 2007 as an independent judicial body under section 12 of the Compensation Act 2006 to hear appeals from businesses and individuals providing claims management services in areas including personal injury, endowment misselling, employment and housing disrepair who are refused authorisation by the claims management Regulator or who are subject to sanctions imposed by the Regulator.

The Claims Management Services Tribunal has been incorporated into our Finance and Tax Tribunal shared administration arrangements.

### *Gambling Appeals*

The Gambling Appeals Tribunal was established in January 2007 as an independent body to hear appeals against the decisions of the Gambling Commission (the Commission). The Commission issues operating licences to companies, personal functional licences and personal management licences (for people in key management positions). Holders of, or applicants for, either operating or personal licences have a right of appeal to the Tribunal against the decisions of the Commission, which relate to their licences or licence applications.

The Gambling Appeals Tribunal is administered alongside the Information Tribunal and the Gender Recognition Panel.

### *Tribunals already within the Tribunals Service at April 1 2006*

#### *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.

#### *Asylum and Immigration*

The Asylum and Immigration Tribunal (AIT) was launched in April 2005, superseding the former Immigration Appellate Authority. The AIT handles cases relating to decisions on asylum, immigration, human rights, citizenship and race discrimination. The administrative arm of the AIT also supports the Special Immigration Appeals Commission.

#### *Employment*

Employment Tribunals hear claims about matters to do with employment. These include: unfair dismissal; redundancy payments and discrimination. The Employment Tribunals 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 Tribunal, the Certification Officer or the Central Arbitration Committee. Administrative support is provided by the Employment Tribunals Service.

#### *Financial Services and Markets*

The Financial Services and Markets Tribunal (FSMT) is an independent judicial body established under section 132 of the Financial Services and Markets Act 2000 (the Act) and it hears references arising from decision notices issued by the Financial Services Authority. The decision notices may cover a wide range of regulatory and disciplinary matters.

The FSMT has been incorporated into our Finance and Tax Tribunal shared administration arrangements.

### *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 a Gender Recognition Certificate and gain legal status in that gender.

### *General Commissioners of Income Tax*

The General Commissioners of Income Tax hear appeals against decisions made by Her Majesty's Revenue and Customs on a variety of different tax related matters including Income Tax, Corporation Tax, Capital Gains Tax, National Insurance Contributions, Statutory Maternity Pay, Statutory Sick Pay and Stamp Duty Land Tax.

The Tribunal called the General Commissioners of Income Tax was abolished on 1 April 2009, and its functions transferred into the Tax Chamber of the First-tier Tribunal established under the Tribunals, Courts and Enforcement Act 2007.

### *Immigration Services*

The Immigration Service Tribunal deals with appeals against decisions of the Immigration Services Commissioner. It also hears disciplinary charges brought about by the Commissioner against immigration advisers.

### *Information Tribunal*

The Information Tribunal deals with appeals against decisions of the Information Commissioner, in respect of the Data Protection Act 1998 and the Freedom of Information Act 2000. A designated panel of the Tribunal handles national security appeals.

### *Lands Tribunal*

The Tribunal was established by the Lands Tribunal Act 1949 to determine questions of disputed compensation arising out of the compulsory acquisition of land; to decide rating appeals; to exercise jurisdiction under section 84 of the Law of Property Act 1925 (discharge and modification of restrictive covenants); and to act as arbitrator on references by consent. Under the 1949 Act, other jurisdictions may be added and a number have been since the Tribunal came into existence on 1 January 1950. The Tribunal's jurisdiction is exercised in England and Wales. The Lands Tribunal deals with appeals from Valuation tribunals and Leasehold Valuation tribunals.

### *Pathogen Access Appeals Commission*

The Pathogen Access Appeals 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.

### *Pensions Regulator Tribunal*

The Pensions Regulator Tribunal (PRT) is an independent judicial body established under section 102 of the Pensions Act 2004. The Tribunal hears references arising from certain determinations issued by the Pensions Regulator. The Tribunal however, only has the functions conferred upon it by or under the Act. This means that a reference may only be made to the Tribunal if the Act specifically provides that a person may refer the matter to the Tribunal.

The PRT has been incorporated into our Finance and Tax Tribunal shared administration arrangements.

### *Proscribed Organisations Appeals Commission*

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

### *Special Commissioners (SCIT)*

The Special Commissioners hear and determine appeals concerning decisions of HM Revenue and Customs relating to all direct taxes, e.g. income tax, corporation tax, capital gains tax and inheritance tax. Their jurisdiction extends to the whole of the United Kingdom and, whilst most of their hearings are in London, they visit Edinburgh from time to time to hear Scottish appeals and will visit other locations where good cause can be shown. Hearings are informal and appellants may present their own case or be represented.

The work of the SCIT has been incorporated into our Finance and Tax Tribunal shared administration arrangements.

### *Special Immigration Appeals Commission*

The Special Immigration Appeals Commission deals with appeals against decisions made by the Secretary of State for Home Affairs under the terms of the Special Immigration Appeals Commission Act 1997. It deals with appeals in cases where the Secretary of State for the Home Department exercises statutory powers to deport, or exclude, someone from the UK on national security grounds, or for other public interest reasons.

### *Transport*

The Transport Tribunal deals with appeals against decisions of traffic commissioners and the Registrar of Approved Driving Instructors, oversees the resolution of disputes under the Postal Services Act 2000 and handles appeals from Transport for London.

### *VAT and Duties*

The VAT and Duties Tribunals (VAT) hear appeals by traders and organisations against decisions of HM Revenue and Customs relating to amounts of tax or duty to be paid, against penalties imposed upon them and against certain other decisions. The jurisdiction derives from the relevant sections in the statutes relating to value added tax, customs duties, excise duties, landfill tax, insurance premium tax, aggregates levy and climate change levy.

The work of the VAT has been incorporated into our Finance and Tax Tribunal shared administration arrangements.

## ANNEX B

# Performance against performance indicators for 2007-08 and 2008-09

\* Due to various changes in the way the Tribunals Service measures its performance, data for 2006-07 is not comparable with 2007-08 or 2008-09. Performance data for 2006-07 can be found on the Tribunals Service website at: [www.tribunalservice.gov.uk/Tribunals/Publications/publications.htm](http://www.tribunalservice.gov.uk/Tribunals/Publications/publications.htm)

Type of case	Performance indicators	Target	Performance*	
			2008-09	2007-08
Asylum and Immigration	Receipt in AIT to promulgation <sup>1</sup> by an immigration judge (all cases)	75%	56%	59%
	Asylum cases, percentage promulgated in 6 weeks	75%	68%	61%
	Managed migration cases, percentage promulgated within 8 weeks	75%	71%	66%
	Family visitor cases, percentage promulgated within 10 weeks from receipt of the respondent's bundle	75%	53%	66%
	Entry clearance cases, percentage promulgated within 10 weeks from receipt of the respondent's bundle	75%	52%	49%
Employment Appeals	The percentage of appeals listed for a first hearing within 26 weeks of registration	75%	89%	89%
Employment	The percentage of single accepted cases where hearing begins within 26 weeks of receipt	75%	74%	74%
Social Security and Child Support	The percentage of appeals where the first hearing takes place within 14 weeks of the receipt at SSCSA	75%	78%	87%
Land Registry	The percentage of cases disposed <sup>2</sup> of within 70 weeks of receipt	75%	66%	53%
Asylum Support	The percentage of cases to be determined <sup>3</sup> within 12 working days of receipt	100%	100%	100%
Commissioners Office	The percentage of all cases disposed of within 30 weeks of receipt	75%	N/a <sup>4</sup>	88%

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 Now part of the Upper Tribunal

Type of case	Performance indicators	Target	Performance*	
			2008-09	2007-08
Care Standards	The percentage of cases to be determined within 40 weeks of receipt	75%	82%	87%
Criminal Injuries Compensation	The percentage of cases disposed of within 6 months of being ready to list	75%	75%	75%
Charity Appeals, Reviews and References <sup>5</sup>	The percentage of cases disposed of within 30 weeks of receipt	75%	–	–
Claims Management <sup>6</sup>	The percentage of cases to be disposed of within 50 weeks of receipt	75%	–	100%
Consumer Credit Appeals <sup>7</sup>	The percentage of cases to be disposed of within 25 weeks of receipt	75%	71%	–
Estate Agents Appeals <sup>8</sup>	The percentage of cases disposed of within 27 weeks of receipt	75%	–	–
Financial Services and Markets	The percentage of cases disposed of within 50 weeks of receipt	75%	100%	94%
Gambling Appeals <sup>9</sup>	The percentage of cases to be disposed of within 30 weeks of receipt	75%	–	100%
Gender Recognition	The percentage of cases disposed of within 20 weeks of receipt	75%	63%	91%
Immigration Services	The percentage of cases disposed of within 30 weeks of receipt	75%	91%	89%
Information	The percentage of cases disposed of within 30 weeks of receipt	75%	52%	49%
Lands	The percentage of cases disposed of within 50 weeks of registration	75%	69%	70%
Mental Health	Section 2 (Mental Health Act 1983) cases that are listed for hearing within 7 days of receipt (statutory target)	75%	91%	Not available
War Pensions and Armed Forces Compensation	The percentage of cases disposed of within 20 weeks of receipt	75%	77%	76%

5 Created March 2008 and only three appeals received in 2008-09

6 One appeal received 2008-09

7 Created 6 April 2008

8 Joined the TS 1 April 2008 and only one appeal received in 2008-09

9 No appeals received 2008-09

Type of case	Performance indicators	Target	Performance*	
			2008-09	2007-08
Pensions	The percentage of cases disposed of within 50 weeks of receipt	75%	100%	100%
Special Commissioners	The percentage of cases disposed of within 50 weeks of receipt	75%	73%	60%
Special Educational Needs and Disability	The percentage of cases disposed of within 22 weeks of receipt	75%	70%	85%
Transport	The percentage of cases disposed of within 16 weeks of receipt	75%	87%	91%
Value Added Tax	The percentage of Category 1 and 3 cases disposed of within 90 weeks of receipt	75%	54%	71%
	The percentage of Category 2 cases disposed of within 35 weeks of receipt	75%	82%	87%
Upper Tribunal (Administrative Appeals Chamber) <sup>10</sup>	The percentage of all work disposed of within 30 weeks of receipt	75%	90%	–

- A Key Performance Indicator (KPI) figure has not been provided for some of the tribunals, even though intake was received during the year as the case(s) are still ongoing and still awaiting closure. When they are disposed of, they will be counted against the performance for the period 2009-10.

<sup>10</sup> Upper Tribunal commenced in 2008-09.

## ANNEX C

# Receipts and disposals 2007-08 and 2008-09

	2008-09		2007-08	
	Receipts	Disposals	Receipts	Disposals
SSCS	242,800	245,500	229,100	256,600
ET – (Total)	150,900	99,800	189,300	86,200
AIT	186,900	171,800	167,500	161,500
MHT (formerly MHRT)	23,000	25,400	21,900	19,500
TCO*	N/a	N/a	N/a	N/a
SEND	3,100	3,300	3,400	3,100
VAT	5,400	3,500	3,900	2,400
WPAFC (formerly PAT)	2,500	2,600	2,800	2,900
CIC	2,500	3,100	2,300	2,600
ALR	1,800	2,100	1,700	2,200
Lands	1,100	950	1,400	1,000
GRP	280	290	300	460
TT	860	910	640	530
SCIT	420	280	260	260
IT	80	120	140	120
FSMT	24	19	29	18
IMSET	9	11	12	18
PRT	2	6	5	2
AST	2,000	2,000	2,400	2,400
EAT	1,800	600	1,800	670
CST	210	260	290	260
CMST	1	–	2	2
GAT	–	–	1	1
CT	3	–	–	–
CCAT	12	7	–	–
EAAP	1	–	–	–
Upper Tribunal (Administrative Appeals Chamber)	4,800	5,600	5,800	5,800
<b>Total</b>	<b>630,502</b>	<b>568,153</b>	<b>634,979</b>	<b>548,541</b>

\* Since November 2008 TCO has been part of the Upper Tribunal and the Upper Tribunal figures for 2007-08 were all TCO cases.

# Glossary of abbreviations

## Tribunals and jurisdictions

AIT	Asylum & Immigration
ALR	Adjudicator to HM Land Registry
AST	Asylum Support
CCAT	Consumer Credit Appeals
CIC	Criminal Injuries Compensation
CMST	Claims Management Services
CST	Care Standards
CT	Charity Appeals, Reviews and References
EAT	Employment Appeals
EAAP	Estate Agents Appeal Panel
ET	Employment
FSMT	Financial Services & Markets
GAT	Gambling Appeals
GCIT	General Commissioners of Income Tax
GRP	Gender Recognition Panel
IMSET	Immigration Services
IT	Information
Lands	Lands
MHT	Mental Health
PAAC	Pathogen Access Appeals Commission
PAT	Pensions Appeal
PRT	Pensions Regulator

POAC	Proscribed Organisations Appeals Committee
SCIT	Special Commissioners
SEND	Special Educational Needs & Disability
SSCS	Social Security & Child Support
TCO	The Commissioners Office
TT	Transport
Upper	Upper Tribunal
VAT	VAT & Duties
WPAFC	War Pensions and Armed Forces Compensation

#### Other

Acas	Advice, Conciliation and Arbitration Service
AJTC	Administrative Justice and Tribunals Council
APE	Adjudication Panel for England
ASC	Administration Support Centre
BIS	Department for Business, Innovation and Skills
CETV	Cash Equivalent Transfer Value
CICA	Criminal Injuries Compensation Authority
CSP	Civil Service Pension
DCA	Department for Constitutional Affairs
DWP	Department for Work and Pensions
ENE	Early Neutral Evaluation
FHSAA	Family Health Service Appeals Authority
FreM	Financial Reporting Manual
GAD	Government Actuaries Department

Other continued	
HMCS	Her Majesty's Courts Service
HMRC	Her Majesty's Revenue and Customs
JWG	Joint Working Groups
KPI	Key Performance Indicator
MJHC	Multi-jurisdictional Hearing Centre
Moj	Ministry of Justice
NAO	National Audit Office
NDPB	Non-Departmental Public Body
NVQ	National Vocational Qualification
OFT	Office of Fair Trading
PCSPS	Principal Civil Service Pension Scheme
PEP	Performance Efficiency Programme
PFI	Private Finance Initiative
RES	Regulatory Enforcement and Sanctions
RFAT	Reserve Forces Appeal Tribunal
RMC	Risk Management Committee
SSAP	Statement of Standard Accounting Practice
TPC	Tribunal Procedure Committee
TS	Tribunals Service
TSET	Tribunals Service Executive Team
TSMB	Tribunals Service Management Board
TS RMP&S	TS Risk Management Policy & Strategy
TTP	Transforming Tribunals Programme
UKBA	United Kingdom Border Agency

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