

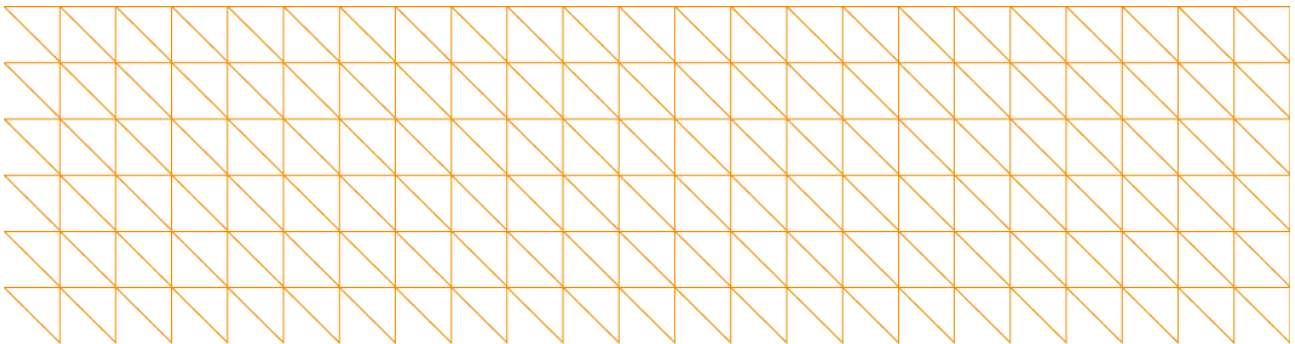


Ministry
of Justice

Senior Salaries Review Body

Judiciary: Annual Written Evidence

This document is published on 31 October 2014





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Senior Salaries Review Body

Judiciary: Annual Written Evidence

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Introduction and contact details

This document constitutes the evidence provided to the Senior Salaries Review Body for the determination of the 2015/16 Judicial Pay award.

It covers:

- The departments pay proposals for 2015-16
- Our position on the quinquennial Major Review of the Judicial Salary Structure
- The latest assessment of the impact of changes to the Judicial Pension
- An update on the impact of the O'Brien (and other associated) litigation.

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Background

1. This section covers the background context to the 2015-16 pay round for the judiciary in particular the context in which the Ministry of Justice (MoJ) is submitting its evidence to the Senior Salaries Review Body (SSRB) for the purposes of making recommendations in respect of judicial pay.
2. It includes, amongst other things, a restatement of current public sector pay policy, our progress in implementing the recommendations from 2014-15, wider recruitment, departmental expenditure and other relevant matters.

PUBLIC SECTOR PAY POLICY

3. In the Autumn Statement 2011 the Chancellor of the Exchequer announced that there would be a public sector pay freeze for two years after which awards would average at 1 per cent for the next two years (2013-14 and 2014-15).
4. In the Budget 2013, the Government announced that public sector pay awards would also be limited to an average of up to 1 per cent in 2015-16; and in addition that in 2014-15 pay awards for civil service departments who entered the pay freeze early would also average at 1 per cent, aligning them with the rest of the public sector.
5. These announcements have set the context for judicial pay awards, which have mirrored public sector pay restrictions. HM Treasury (HMT) have provided evidence on the general economic context at **Annex J**.

THIRTY-SIXTH ANNUAL REPORT ON SENIOR SALARIES 2014

6. In the 2014 SSRB Annual Report¹, 3 recommendations were made that relate to the judiciary:

Recommendation 12: *We recommend that with effect from 1 April 2014 Salaries for the judiciary be increased by 1 per cent (see Table 1).*

Table 1: Recommended Judicial Salaries from 1 April 2014

Salary group	Recommended judicial salaries from 1 April 2014
1	£244,665
1.1	£218,470
2	£211,015

¹ Review Body on Senior Salaries, "Thirty-Sixth Annual Report on Senior Salaries 2014" Report No. 82

3	£200,661
4	£176,226
5	£141,332
6.1	£130,875
6.2	£123,213
7	£104,990
Salaried medical members	£83,325
Stipendiary magistrates	£71,981

Recommendation 13: We recommend that the Government address all the outstanding recommendations from the 2011 major review of the judicial structure by 2015, before the start of the next major review of the judicial salary structure.

Recommendation 14: We recommend that each salary group in the new judicial salary structure we proposed in 2011 be increased in line with any increase to the existing structure (see Table 2)

Table 2: Recommended salary groups and rates from 1 April 2014

Current salary group	New Salary Group	Salary
1	A	£249,925
1.1	B	£239,724
	C	£229,523
2	D	£219,322
3	E	£209,121
4	F	£183,618
5	G	£142,814
6.1	H	£132,613
6.2	I	£117,312
7	J	£105,070

7. The Government responded to this report and recommendation by Written Prime Ministerial Statement on 13 March 2014:

“The Government have accepted the review body’s recommendation that the salaries of the judiciary should be increased by 1%.

Due to the continuing fiscal challenge and broader public sector pay policy it has not been appropriate to respond to the SSRB’s latest recommendations about the major review. The Government note the proposals and while they will not be able to respond at this time, the proposals will be considered in partnership with the judiciary as we develop a broader judicial strategy.”

8. The ramifications of this response were that **Recommendation 12** of the report was accepted and **Recommendations 13** and **14** could not be accepted due to the ongoing fiscal challenge.

RECRUITMENT

9. We have undertaken an analysis of judicial recruitment that has occurred since we last submitted evidence for the 2014 report. In 2013-14, the JAC made appointment recommendations for the Lord Chancellor on 35 exercises to the Lord Chancellor, nominally down from 36 in 2012-13. There was a 20% increase in the total number of vacancies and a 12% increase in the number of applications received, and a reduction in the ratio of recommendations.

	2011-12	2012-13	2013-14
Applications	5,491	4,637	5,591
Recommendations	746	597	806
Ratio	7.36	7.76	6.94

10. As with previous years, in general, there is a higher ratio of applicants to posts for courts vacancies than for tribunals’ legal posts, which may be due to the more specialist nature of many tribunal posts. For 2013-14, the position in relation to applicants to recommendations was as follows:

	Courts	Tribunals (legal)
Applications	744	2062
Recommendations	127	173
Ratio	5.86	11.92

11. In 2013-14 more than half the recommendations came from two tribunals selection exercises, both for Fee-Paid Members of the Social Entitlement Chamber (152 were disability members and 269 were medical members). These two exercises attracted more than a third of the total number of applications, with 1652 people applying to be disability members and 424 applying to be medical members. Fee-paid legal positions within the tribunals also attracted large numbers, 408 applying for the First-tier Tribunal, Health, Education and Social Care Chamber (Mental Health) and 723 applying for the Employment Tribunal.
12. There were far fewer courts than tribunals' vacancies in 2013-14 than the previous year, with the ratio falling from approximately 1:2.5 to 1:1.5. Within courts exercises, there were 25% fewer vacancies attracting 73% fewer applications. The reduction of applications received per vacancy, may in part be due to the large number of exercises for specialist roles in this period. In contrast to this, there was a 59% increase in vacancies for tribunals' exercises (including both legal and non legal) and a 161% increase in applications for these roles. This may be explained by the two large fee-paid exercises conducted in this period. The figures demonstrate that the recruitment position in England and Wales remains healthy, despite a slight drop in the overall ratio of applicants to vacancies.

OVERALL MINISTRY OF JUSTICE CONTEXT

13. The MoJ's Comprehensive Spending Review 2010 (CSR10) settlement which covers the four years from 2011-12 to 2014-15 is extremely challenging. In real terms, the MoJ Spending Review (SR) settlement represents a reduction in Resource DEL (RDEL) of 23% and a 33% real reduction in the department's administration budget over the course of the SR. This has required the Ministry to deliver annual savings of well over £2 billion by 2014-15. The Ministry has recently gone through a spending round review for 2015-16 which resulted in it being required to find a further 10% savings on its 2014-15 baseline over and above those previously required.
14. In addition to the SR settlements, the MoJ has also been asked to make in-year savings. In the 2012 Autumn Statement the Chancellor of the Exchequer announced a further budget reduction of 1% in 2013-14 (£72.96m) and 2% in 2014-15 (£140.43m) for the MoJ. In the Budget 2013, further 1% reductions in 2013-14 and 2014-15 (£73.80m and £68.62m) respectively were announced by the Chancellor. This has increased the scale of the challenge for the MoJ to live within budget, increasing the RDEL reduction to 26% in 2013-14 and 27% in 2014-15. Going forwards, the Ministry is also required to find a further 10% savings on its revised 2014-15 baseline in 2015-16.
15. MoJ's original SR10 plan committed the department to make savings of 23% over the next 4 years against a starting baseline of 2010-11. Subsequent budgets have pushed this target up to 24% by 2014-15.
16. The Ministry developed detailed plans and initiatives to support delivering the SR settlement but several significant changes have taken place since the SR was agreed. These include losses of and delays to planned savings, as well as unexpected volume increases in some areas. The tightening economic and fiscal position over the past three years has also led to further cost pressures for the department. All inflationary pressures on budgets, including increases in judicial pay, will have to be absorbed within the existing budgets. While every effort will be made to absorb these pressures

through efficiency improvements, some savings scenarios may come with the risk of operational consequences for service delivery.

HER MAJESTY'S COURTS AND TRIBUNALS SERVICE (HMCTS)

CSR10 Settlement and Spending Round 13 (SR13) Settlement

17. Judicial remuneration comes out of the HMCTS budget. CSR10 provided stretching budgetary targets for HMCTS and the agency continues to deliver savings year on year. These savings have primarily been delivered from the launch of HMCTS' business model, reductions in administrative staff head count, improved procurement, increased productivity, and a programme of targeted change programmes. This drive to deliver efficiencies will continue throughout the remaining CSR10 period and, in all likelihood, beyond.
18. HMCTS has contributed savings to date, in line with the target of 24% by 2014-15 with current savings to 2013-14 of £300m. As part of the overall negotiations with HM Treasury in relation to funding for 2015-16 (SR13) the Ministry has been required to find a further 10% saving on its 2014-15 baseline budget in 2015-16. It is likely that HMCTS will have to contribute to these cost reductions in its overall budget for 2015-16.

Judicial Remuneration

19. Judicial Remuneration, including for fee-paid office holders, accounted for £472m (25% of the HMCTS 2013-14 gross resource cost) in 2013-14. Judicial remuneration is expected to increase to £480m in line with the pay award of 1% and slight net reduction of workload forecasted for HMCTS. Of these judicial costs 71% relate to permanent salaried judiciary with the remaining 29% paid to fee-paid judiciary for specific sitting days and sessions.

Impact of Increases in Judicial Salaries and Fees

20. The impact of increases between 1 and 3 per cent in judicial salaries and fees would be as follows:
 - 1% would increase annual spend by £5m.
 - 2% would increase annual spend by £9m; and
 - 3% would increase annual spend by £14m
21. As described above, current public sector pay policy sets out that public sector pay awards will average 1% in both 2013-14 and 2014-15. Any increase above the planning assumptions for HMCTS would create pressures impacting directly on operational areas of HMCTS. The achievement of HMCTS' level of service across the range of jurisdictions is reliant on its ability to fund a sufficient number of sitting days and each 1% increase in judicial pay costs for HMCTS would be equivalent to the average marginal cost of 2500 Crown Court days or, on average, 10,500 Chairmen days in tribunals (specific tribunal jurisdictions vary in cost).

OTHER MATTERS

Pension Reform

22. As part of the Government's reforms to public service pensions, the provision of pensions to the judiciary is being reformed. The detailed design of the proposed New Judicial Pension Scheme (NJPS) was recently consulted upon by the department, and a formal response to this consultation, which closed at the end of September 2014, is expected in due course.
23. The current pension scheme for salaried judges will close on 31 March 2015, except where transitional provisions apply. From 1 April 2015, members of the judiciary will be able to accrue pension benefits under NJPS. This scheme has been designed so that it will be open to eligible members of the fee-paid judiciary.
24. In common with other public service pension schemes, NJPS will operate within the framework set out in the Public Service Pensions Act 2013 ('the Act'). As was announced by the Lord Chancellor in February 2013, this scheme will be based on the career average revalued earnings model and will reflect the terms of the reformed pension scheme for civil servants and others, but open only to judicial office holders. The Lord Chancellor will be the responsible authority for this scheme. In addition, the "Judicial Pension Board" will be established to provide oversight of the effective management of the scheme, and this Board will include equal representation between the employer and the judiciary.
25. In line with the rest of the reformed public service schemes, the Government will be extending transitional protection to pension scheme members who were in an eligible office and within ten years of their normal pension age as at 1 April 2012. For the judiciary the normal pension age is 65. Transitional protection means that some scheme members will be allowed to remain in their current scheme for a period beyond 31 March 2015. This group, which is estimated to be around 65% of all salaried judges, will continue in their current schemes until retirement. Those judges who were in an eligible office as at 1 April 2012, and who were aged between 51½ and 55 at that date, will have the option to defer joining the new scheme until an age-related later date. This "tapering protection" is intended to avoid a cliff-edge in treatment for those who fall just outside the group with full protection. It is estimated that around 14% of the salaried judiciary fall into this group.
26. The Government has committed to protecting all existing accrued benefits up to 31 March 2015, for all judges. In addition, judges will be able to retain their final salary link in respect of their accrued pension benefits.
27. In common with the approach applying to other public service pension schemes, the new scheme will be registered with HM Revenue and Customs for tax purposes. When the Lord Chancellor initially consulted on these reforms, particular concerns were expressed about the impact on some judges of moving to a tax-registered pension scheme. The Government has proposed to address these concerns by allowing those who are likely to be most affected, and who meet specific criteria, the option of a transitional protection allowance, paid alongside salary, in lieu of pension accrual in the new scheme.
28. Under current arrangements, judicial office holders are required to contribute 5.0% of their pensionable pay in member contributions, with 3.2% of these as personal

pension contributions, and 1.8% for dependants' benefits. From 1 April 2015, member contribution rates for the salaried judiciary are proposed to be either 7.35% or 8.05% subject to earnings levels. As the new scheme for salaried judges will be registered for tax purposes, scheme members will benefit from tax relief on these contributions. For members of the existing scheme, these contributions will be amended to reflect the fact that the existing scheme is not registered for tax purposes, and as such will be 4.41% or 4.83%, inclusive of contributions for dependants' benefits.

29. The department will finalise the scheme design after it publishes its formal response to the consultation. After this point, there will be an options exercise for all salaried judges allowing them to make a decision between their individual options concerning pension provision. The majority of judges will be unaffected by these reforms and will not be required to make an option.
30. The rules of the new scheme will be set out in regulations to be laid in Parliament later this year, in accordance with the affirmative procedure. All subsequent changes to the scheme regulations will also be subject to the affirmative procedure except where the Judicial Pension Board considers that the detail of the regulations is minor or wholly beneficial, in which case the negative procedure will apply.
31. In addition to the reforms to the salaried scheme, the department is also in the process of establishing a scheme for eligible fee-paid judges. The 'Fee-paid Judicial Pension Scheme' will allow for eligible fee-paid judges to accrue pension benefits in respect of service between 7 April 2000 and 31 March 2015, and beyond subject to the operation of transitional provisions. The department is currently consulting on the proposed design of this scheme. It is anticipated that this scheme will come into effect during the financial year 2015-16.
32. We have attached at **Annex I** some additional data and commentary on pensions for your information.

O'Brien v Ministry of Justice and other related litigation

33. Whilst the litigation is ongoing, it is difficult to forecast what the final outcome of providing equal benefits to eligible fee-paid judicial office holders are likely to be. However, analytical work has identified a range of scenarios up to £2bn, conditional on court decisions such as the when entitlement begins, time limitation and the number of claimants.
34. Following the UK Supreme Court judgment in the case of O'Brien v Ministry of Justice, the department has been dealing with more than 1,800 legal claims for pension and pay entitlements from serving and retired fee-paid judicial office holders.
35. Mr O'Brien's case was remitted to the Employment Tribunal to determine remedy. Following an Employment Tribunal hearing and a MoJ appeal to the Employment Appeal Tribunal, Mr O'Brien has now appealed to the Court of Appeal and the matter is listed for February 2015.
36. The Employment Tribunal is also dealing with a series of preliminary hearings from other fee-paid judicial office holders. At an Employment Tribunal hearing on 3 June 2013, the Lord Chancellor accepted that fee-paid legal members of a judicial office with a salaried full-time comparator (where a legal qualification was required for appointment) are also entitled to a pension. There are more than 3,900 fee-paid legal

members in the courts judiciary and tribunals. To provide a pension to these fee-paid legal members, the department is creating a fee-paid judicial pension scheme which will begin operation in 2015-16. As a result, it is currently estimated that the department will pay increased employer's pension contributions of £30m annually.

37. In addition to pension claims, there are claims for additional pay entitlements. The judgment of the Employment Tribunal in *Miller v Ministry of Justice* is that the department is liable to provide eligible fee-paid judges with equivalent benefits for training fees, sick pay, London weighting, writing up and daily fees. The department has implemented new policies in accordance with the judgment which have given rise to additional resourcing costs of £10m annually and has established a Judicial Pay Claims team to pay compensation.
38. There is additional litigation from non-legal members of tribunals of which there are more than 4,200. These claims have been rejected by the Employment Tribunal, but are being appealed by Claimants at the Employment Appeal Tribunal. If they are successful in establishing their entitlement to equal treatment to salaried judiciary, then the department's costs will increase accordingly.

Judicial Pay Claims

39. As stated above, in light of the *Miller* judgment in respect of past losses relating to underpayment to certain judges of daily fees, training fees, London weighting, sick pay and writing up fees in the Social Security and Child Support Tribunal, the MoJ has set up a Judicial Pay Claims team.
40. Claims were invited from 1 June 2014 and the closing date for receipt of claims is 31 October 2014. Some 4,200 claims had been received at the time of writing (compared to an estimated 4,500 eligible judges).
41. The team has collated all relevant available data held by HMCTS, Judicial College, Judicial Office and the MoJ's payroll administrators for every judge in every court and tribunal jurisdiction. The team seeks to reconcile each claim with this data in order to arrive at a settlement. Processing of claims is underway and the first offers have been made. Depending on the number of appointments, the number of years at issue and the volume and nature of the evidence available, processing a single claim can take anything from a couple of hours up to a day, or even more. Despite the large number of claims and these difficulties, the department aims to make offers of settlement on the majority of claims by the end of 2014.

Northern Ireland

42. We have explained in earlier evidence documents that in April 2010 the majority of executive functions vested in the Lord Chancellor relating to the judiciary and the administration of the courts in Northern Ireland transferred to the Department of Justice for Northern Ireland. The Lord Chancellor has, though, retained responsibility for a number of functions in Northern Ireland, including judicial remuneration for excepted offices, which would previously have been delivered through his officials in the then Northern Ireland Court Service, now the Northern Ireland Courts and Tribunals Service (NICTS), an agency within the Department of Justice for Northern Ireland. Those functions are now delivered through officials in this Ministry. Information about the Northern Ireland judiciary, collated with the assistance of NICTS officials, is, therefore, included in this report further to your letter to NICTS dated 6 August 2014.

43. The number of non-jury (Diplock) trials held in Northern Ireland is provided at **Annex E**. This shows that the number of cases dealt with by County Court Judges has risen further this year. The Review Body has noted previously that the MoJ's preferred option has been to retain the current salary uplift for County Court Judges in Northern Ireland whilst the non-jury trial provisions of the Justice and Security (NI) 2007 Act remain in force. The provisions were extended from July 2013 for a further two years. The salary uplift for County Court Judges will, therefore, continue whilst the provisions remain in force.

Statistics

44. Tables showing the composition of the judiciary in England and Wales and Northern Ireland are at **Annex B**.

45. Tables showing judicial retirement ages are at **Annex C**. These appear to continue to highlight no particular trend.

46. The current judicial salaries and fees schedules are at **Annex D**.

Expenditure Tables

47. **Table 1, Annex A**, summarises 2013-14 expenditure by MoJ central and HMCTS. **Table 2** shows 2013-14 expenditure for the National Offender Management Service (NOMS). Taken together, these figures comprise most of the Ministry's expenditure during 2013-14. **Table 3** shows the judicial pay in Northern Ireland for 2013-14.

Proposals for 2015/16

INTRODUCTION

48. **It is the Government's preferred approach to award 1% applied across to all judicial office holders in the SSRB remit group.** The rationale that underpins this position is that during challenging economic times the best approach is one that treats all judicial office holders equally and fairly. HMT public sector pay policy is 1% and therefore the appropriate course is to apply this across the board.
49. Last year, however, during the SSRB pay review process the Government was challenged to: (a) consider the Major Review recommendations in detail; (b) provide clarity on our view of the recommendations; and (c) provide a clear steer as to when some or all of the recommendations might be taken forward. The evidence that follows seeks to address these three points.

EVALUATION OF MAJOR REVIEW

50. We have now considered and fully evaluated all of the recommendations made by the SSRB in the 2011 major review. Below are two tables setting out all of the recommendations and the department's provisional view in respect of them (please note we have renumbered them for the purposes of our evidence).

Table 3a: Problematic Major Review Recommendations

No.	Description
1	Judge of Upper Tribunal from Group 6.1 to 5
2	President of Land Chamber to receive 5% salary lead
4	Chairman Industrial Tribunal and Fair Employment (NI) and Employment Judges from 7 to 6.2
5	Vice President Industrial Tribunal and Fair Employment (NI) to receive 5% salary lead
8	All salaried judicial office holders covered by recommendations in future
11	Consideration for additional reward for fraud.
13	Newly appointed judges receive lower rate, group 7 no longer receives London Weighting or London Lead. All management leads 5%

51. **Table 3a** sets out the recommendations that the department is seeking to reject. These are recommendations 1, 2, 4 and 5. In respect of recommendations 8 and 11, we consider that these should be considered as part of the next Major Review. In respect of recommendation 13 the department has made some observations which are set out in further detail below.

Table 3b: Acceptable Major Review Recommendations

No.	Description
3	Chairman Mental Health Review Tribunal (Wales) from 6.2 to 6.1
6	Presiding District Judge (Magistrates' Court)(NI) from 7 to 6.2
7	Presiding County Court Judge (NI) and Recorder of Belfast to receive 5% salary lead
9	Removal of London Weighting
10	Standardised salary lead at 5%
12	Implement new salary groups and rates

52. **Table 3b** above, sets out the recommendations that the department find acceptable, as we have been persuaded by the rationale put forward by the SSRB for them.

Table Summary

53. The recommendations in relation to judicial pay can be subdivided into:

- a. Job Evaluations which have resulted in a change of group (Nos. 1, 3, 4 and 6)
- b. Job Evaluations which have resulted in the application of a “management” salary lead and/or the standardisation of the lead applied (Nos. 2, 5,7,10 and 13)
- c. The removal of the London Weighting allowance (No. 9)
- d. The implementation of new salary groups and rates (No. 12)

54. The remaining recommendations (Nos 8, 11 and 13) relate to the remit group of judges being expanded to include all judicial officeholders (No. 8), the department being asked to consider an additional reward for a specific group of judges undertaking fraud work (No. 11) and an approach to implementation where specific judges were moving to a group with a lower level of pay or where the London lead and weighting had been removed (No. 13).

DISCUSSION

55. As the Lord Chancellor stated expressly in oral evidence, we have found many of the recommendations put forward by the SSRB persuasive. The fundamental difficulty that we face is that the Department is not able to afford to implement these proposals and more generally applying all of the proposals breach public sector pay policy of 1%. In the paragraphs that follow we have provided our thinking in respect of those recommendations that we reject.

REJECTED RECOMMENDATIONS

Upper Tribunal Judges (No. 1)

56. In October 2010, and in response to the consultation paper issued during the Major Review the department argued that the job evaluation was wrong on five grounds:

- First, the office was evaluated in 2008 and placed in Group 6.1 and importantly, we considered that no significant policy change had occurred to merit a change.
- Secondly, allocation to Group 5 would create structural pressure by leading to the expectation that other offices that achieved a higher job evaluation score would have that difference reflected in pay irrespective of the wider impact on the unified tribunal structure;
- Thirdly, we fundamentally disagreed with the evaluation and in particular the equivalencies it created. For example, it is our view that Upper Tribunal judges should not be placed at the same level as Deputy Chamber Presidents and the President of the Lands Chamber of the Upper Tribunal principally because we do not consider them to exercise sufficient management responsibilities as that level of judge, nor do they undertake work at a similar level of either the Senior Circuit Judge or Circuit Judge at the Central Criminal Court;
- Fourthly, assessment was based only on the review of the Administrative Appeal Chamber and not across the entire group; and
- Lastly, it is our view that the potential applicant pool for this office are judges from group 7 rather than from the private sector, therefore there is unlikely to be any negative consequences for maintaining this level of pay on recruitment and retention.

57. Irrespective of any further consideration, it remains the Government's view that for the reasons outlined above there is a strong basis to reject this recommendation.

58. Our view has, however, been strengthened by three further considerations:

- a. The job evaluation was based on assumptions² and only Administrative Appeals Chamber Judges were able to be evaluated.

² See page 47, "Report to the Judicial Sub- Committee of the Senior Salaries Review Body: Job Evaluation of the Judiciary 14 July 2010" excerpt attached at **Annex H**.

- b. Administrative Appeals Chamber judges only comprise 26% of all salaried Upper Tribunal Judges and 12% of all Upper Tribunal Judiciary (including members).
- c. An impact of the continuing O'Brien and related litigation is that the rationale for changes in pay or terms of service of any judicial office holder must have a clear and unequivocal evidence base.

59. Particularly, in respect of c. it is clear that changing the level of pay for a cohort of 63 judges, 25 of whom are included in the remit group on the back of an assessment of 12% of them does not reach the level of evidence necessary to support such a change when balanced against the Government's desire to deliver value for money for the taxpayer, and avert future possible litigation.

60. We note that the Crime and Courts Act 2013 did result in the transfer of a number of immigration and asylum cases into the Upper Tribunal that may be deemed analogous to judicial review work and we accept that this may have the consequence of increasing the weighting of the work of the judges carried out in that chamber by that group of judges. Nonetheless, we remain confident that the work carried out by an Upper Tribunal judge generally and across the entire cohort has neither sufficient management nor weight of the comparators highlighted above.

61. We have attached at **Annexes G and H** a document detailing the diversity data and job evaluation history of this judicial office including our consultation response of 2010.

62. We would welcome the SSRB's view on this recommendation in light of the evidence provided above.

President of Land Chamber (No. 2)

63. This recommendation was contingent on the recommendation concerning Upper Tribunal Judges. A consequence of our view in respect of Upper Tribunal Judges is that this post would no longer require a salary lead as the office holder would not have management responsibilities for other office holders in the same salary group.

Chairman Mental Health Review Tribunal (Wales) (No. 3)

64. We do not think it is appropriate for us to comment as: this is a devolved post; there is no equivalent post within the Tribunals Service; and any changes to this post would have no direct or indirect effects on the mental health jurisdiction in England. However, it is our understanding that the Wales Government has agreed to implement this recommendation.

Chairman Industrial Tribunal and Fair Employment (NI) and Employment Judges (No. 4)

65. In summary, the SSRB evaluated Employment Judges at group 6.2 since the establishment of the unified tribunal structure in 2007³. However, in its 2008 Report⁴

³ Tribunals, Court and Enforcement Act 2007

⁴ Review Body on Senior Salaries Report No. 66 'Review of Tribunals Remuneration 2008' published on November 2008

the SSRB placed this group in salary group 7, even though they had been evaluated as belonging in salary group 6.2, because “[SSRB] were asked to produce a unified tribunals’ pay structure where cross-assignment might take place in the long term.”⁵ They concluded that in order for this unified structure to be possible “it appeared to be essential that each of the three pillars had the same pay structure.”⁶

66. The recommendation in 2011, in effect re-grading them at group 6.2, was made by SSRB because at that time it appeared to them that no steps were being taken by MoJ to take forward cross-assignment.
67. The Crime and Courts Act 2013 brought into force last year has removed the statutory bar prohibiting the cross assignment of Employment Judges into the First-tier tribunal and vice versa. Now that workload pressures on Employment Tribunals have eased, steps are being taken to assign Employment Judges (and Social Entitlement Judges) into the Immigration and Asylum Chamber.
68. In addition, there has been significant change in this jurisdiction since the job evaluation involving both new rules and processes. The department suggests that such extensive change warrants fresh evaluation rather than continuing to rely on the previous evaluation. The consequences of the UK Supreme Court judgment in *O’Brien* (February 2013), regarding less favourable treatment of fee-paid judges, give emphasis to the need for a new evaluation not focussing exclusively on salaried employment judges.
69. We have attached at Annexes **G and H** a document detailing the diversity data and job evaluation history of this judicial office.
70. **We would welcome the SSRB’s view on this recommendation in light of the evidence provided above.**

Vice President Industrial Tribunal and Fair Employment (NI) (No. 5)

71. This recommendation was contingent on the recommendation concerning Employment Tribunal Judges. A consequence of the Department’s view in respect of Employment Judges is that this post would no longer require a salary lead as the office holder would not have management responsibilities for other office holders in the same salary group.

London Weighting (No. 13)

72. As indicated in **Table 3b** above we accept the SSRB’s position in respect of London Weighting. However, it is also our view that the method of implementation set out by the SSRB in recommendation 13 creates a serious risk of unfairness and sits ill at ease with the department’s principled approach adopted in the shadow of the ongoing litigation to treat similar judges the same wherever this is possible.

⁵ Para 4.44, Review Body on Senior Salaries Report No. 77 ‘Thirty-Third Report on Senior Salaries 2011’ published on March 2011

⁶ Ibid.

73. This could be resolved by removing London Weighting from all judges who receive it. In effect, the allowance component would be removed immediately however the salary lead would not be withdrawn but judges in receipt of it would receive no increase in pay until the subsequent pay awards had increased so that it exceeded the salary that they currently receive.

74. **Annex G** sets out all of the judicial officeholders who will be affected by this approach.

75. We would welcome the SSRB’s view on this recommendation in light of the evidence provided above.

Expansion of the Remit Group (No. 8) and additional award for Circuit Judges that carry out Fraud work (No. 11)

76. It is our view that both of these matters should be considered at the earliest possible opportunity as part of the next quinquennial Major Review. This Major Review is covered in more detail in the next section.

THE COST OF IMPLEMENTING THE 2011 MAJOR REVIEW

77. HMT Public Sector pay policy is clear that pay awards should not exceed 1%.

78. The cost of implementing all of the Major Review Recommendations and up-rating them by 1% is set out below in **Table 4**:

	£m
Current cost of judicial remit group	267.6
Implementing new salary groups and rates at 2014 rates	7.9
Employment Judges	1.7
Upper Tribunal Judges	0.3
President of Lands Tribunal	0.01
Total increase	9.9
Increase	3.7%

79. The total cost of this package is **£9.9m** and it is ruled out because it is neither consistent with HMT pay policy nor meets our evaluation of the recommendations.

80. The cost of implementing all of the Major Review Recommendations at 2014 rates is set out in **Table 5**:

	£m
Current cost of judicial remit group	267.6
Implementing new salary groups and rates at 2014 rates	5.2
Employment Judges	1.6
Upper Tribunal Judges	0.3
President of Lands Tribunal	0.009
Total increase	7.1
Increase	2.65%

81. The total cost of this package is **£7.1m** and it is ruled out because it is neither consistent with HMT pay policy nor meets our evaluation of the recommendations.

82. The cost of implementing the Major Review Recommendations taking into account our policy considerations at 2014 rates is set out below in **Table 6**:

	£m
Current cost of judicial remit group	267.6
Implementing new salary groups and rates	3.4
Removal of London weighting	-0.7
Total increase	2.7
Increase	1.01%

83. The total cost of this package is £2.7m and it would *ordinarily* be ruled out because it is inconsistent with HMT pay policy however if London Weighting was withdrawn from all judges this additional money could be used to bring the total cost of the package towards 1%. At 0.01% over HMT pay policy, if there was:

- a. A clear view expressed by the SSRB; and
- b. clear support from the judiciary.

it may be possible to consider this proposal by staged implementation to bring within HMT pay policy and in the context of public sector pay overall. **However, in the absence of both of these elements the Government's preferred approach must prevail.**

THE COST OF IMPLEMENTING 1% EVENLY ACROSS ALL JUDICIAL OFFICES

84. The cost of implementing 1% applied evenly across all judicial offices is set out in **Table 7**:

	£m
Current cost of judicial remit group	267.6
Implementing 1 % applied evenly across the board	2.67
Total increase	2.67
Increase	1.00%

85. The total cost of this package is £2.67m.

The Next Major Review (Post 2015/16)

- 82 SSRB have asked the Government to state its view on the timing of any future major review of the judicial salary structure. It is our view that a Major Review is both timely and necessary, and that it should commence as soon as practicable at the end of the current pay round (May 2015).
- 83 It is our view that this is the most appropriate time as firstly, the New Judicial Pension Scheme will be in place and we will begin to be able to see the impacts that flow from its introduction. Secondly, although it is likely that the O'Brien and associated litigation will continue, we are already able to analyse its impacts and we have a clear idea of the direction of travel and will be well placed to begin to make the necessary changes both in terms of policy and pay at that time. Thirdly, there is a great deal of unfinished business in respect of the size and scope of the remit group (i.e. are all the right judges included and excluded?), its composition and the current approach to the steps of the scale. Lastly, it is clear that there is an emerging structure around leadership in the judiciary and it is imperative to review the position and consider how best to reward it.
- 84 Cumulatively, all of these elements provide a pressing need for a Major Review and we hope to be in a position to engage with the SSRB as soon as possible after the conclusion of this pay round.
- 85 Lastly, in your letter to us you asked about Coroners (a policy update is provided at **Annex F**). It is our view that this is one of the issues in respect of the judicial remit group that should be examined during the course of the next Major Review.

Summary

- Public sector pay policy for 2015-16 is that pay awards will average 1%
- Current public sector pay policy and the lack of any indicators suggesting a need to depart from last year's approach means that a pay settlement of 1% applied evenly across the board would again be our **preferred approach** for the judiciary.
- This reflects previous judicial thinking expressed in their evidence to SSRB that in the context of pay restraint it is less divisive and in the round fairer if all judges were treated the same.
- We recognise that due to the independence of the judiciary it is right that Government takes the recommendations of the SSRB seriously and that clarity is provided in respect of our policy thinking around any recommendations made.
- Therefore, we have considered the recommendations set out in the 2011 Major Review and evaluated them fully. Implementing some of them as drafted provides a particular litigation risk – which has been realised, and impacted the context of judicial pay considerations, since the Major Review – and Government is keen to hear the SSRB's views before making any decision in respect of those recommendations.
- We have described how it may be possible to implement the new salary groups and rates this year and remain within public sector pay policy. For some posts, this may involve an individual increase in pay of more than 1%, as expressly recommended by the SSRB. However in order to achieve implementation, it requires agreement to the **entire package** of recommendations as described in **Table 6**. Depending on the evidence of the judiciary and the final SSRB report, we may be willing to consider this course further within the usual context of overall public sector pay.
- The Ministry continues to be required to meet challenging efficiency targets, and this will continue into the future.
- Any increases in judicial pay must be absorbed within existing budgets.

Annex A – Expenditure Tables

Table 1 – Analysis of HMCTS and MoJ Central 2013/14 Expenditure

	HMCTS	MoJ Central
	£m	£m
Administration Staff Costs	16.08	155.36
Administration Other Costs	47.00	54.72
Administration Accommodation/IT Costs	5.50	67.34
Administration Judiciary Salaries	-	1.58
Other Programme Costs (Staff costs)	506.18	71.19
Other Programme Costs (IT/Accommodation Costs)	342.37	243.96
Other Programme Costs (Other Costs) ³	477.11	261.67
Other Programme Costs Judiciary Salaries	-	4.83
Other Programme Costs (Jurors/Other Courts/Tribunals Costs)	-	-
Judicial Salaries paid from Consolidated Fund ¹	125.35	-
Judicial Salaries paid from Departmental Vote ²	101.85	-
Judicial ERNIC	41.25	-
Judicial ASLEC	72.75	-
Judicial/Lay/Medical Member Fees	131.15	-
Judicial/Lay/Medical Member T&S		-
Legal Aid ⁴		1,970.04
Judicial Appointments Commission ⁵		4.20
Information Commissioner ⁶		5.08
Legal Services Board ⁷		0
Office of Legal Complaints ⁸		0
Criminal Injuries Compensation Authority ⁹		262.11
Parole Board ¹⁰		11.48
Criminal Cases Review Commission ¹¹		5.17
Youth Justice Board (Admin Staff Costs) ^{12a}		11.69
Youth Justice Board (Admin non Staff Costs) ^{12b}		1.84
Youth Justice Board (Programme Staff Costs) ^{12c}		0
Youth Justice Board (Programme non Staff Costs) ^{12d}		210.81
TOTAL	1,866.59	3,343.07

Notes:

1. Figure represents an amount which, whilst paid from the Consolidated Fund, forms part of HMCTS's budget.
2. The HMCTS figure for judicial salaries paid from Departmental Vote includes expenditure on both judicial fees and salaries as set out in the published accounts.
3. Figure considerably higher than previous years due to NOMS estates, shared services and procurement budgets being transferred to MoJ Centre and now the inclusion of spend relating to Justice Policy Group (JPG).
4. Figure represents total spend attributable to the Legal Services Commission. The Legal Services Commission ceased to exist on 1st April 2013 and has been replaced by the Legal Aid Agency which is an Executive Agency of the Ministry of Justice.
5. Figure represents total spend attributable to the Judicial Appointments Commission.
6. Figure represents total spend attributable to Information Commissioner's Office.
7. Figure represents total spend attributable to Legal Services Board.
8. Figure represents total spend attributable to Office of Legal Complaints.
9. Figure represents total spend attributable to the Criminal Injuries Compensation Authority
10. Figure represents total spend attributable to the Parole Board
11. Figure represents total spend attributable to the Criminal cases Review Commission
12. Figure represents total spend attributable to Youth Justice Board (a-d).

Table 2 – Analysis of NOMS 2013/14 Expenditure

	Total NOMS £m
Admin Staff Costs	71.063
Admin non-staff Costs	80.710
Programme Staff Costs	2,135.719
Programme non-staff Costs	1,997.148
Total (gross)	4,284.640
Income	-364.073
Consolidated Fund Extra Receipts	-163.731
Total (net)	3,756.836

Notes:

1. The figures in the table may be subject to rounding
2. The 'Total NOMS' column shows Consolidated Net Operating Costs, as per the published NOMS final accounts Consolidated Statement of Comprehensive Net Expenditure.
3. Figures on non-staff include £0.056m towards impairments.
4. The Consolidated Funds Extra Receipts figure of £164m is a one-off sum which is surrendered to HM Treasury in respect of a refund of charges on Electronic Monitoring (and PECS) contracts for the period April 2005 to March 2013.

Table 3 – Judicial Pay 2013/14 (Northern Ireland)

	Salary	ERNIC	ASLEC	Total
Consolidated Fund	£7,494,931	£931,130	£2,306,229	£10,732,290
Departmental Vote	£1,957,617	£235,194	£613,454	£2,806,265
Total	£9,452,548	£1,166,324	£2,919,683	£13,538,554

Note:

Consolidated Fund Judges	Departmental Vote Judges
Lord Chief Justice (Northern Ireland)	Chief Social Security and Child Support Commissioner
Lord Justice of Appeal	Social Security and Child Support Commissioner
Puisne Judge of the High Court (including the President of the Land Tribunal)	Senior Coroner
Member (Lands Tribunal)	Coroner
Recorder of Belfast	District Judge (Civil)
County Court Judge	Master of the Supreme Court
District Judge Magistrates Court	President of the Appeals Tribunal ⁷
	Deputy President Appeals Tribunal ⁸
	Official Solicitor

Includes devolved offices for which NICTS are responsible.

⁷ Costs for the Appeals Tribunal are charged back to NICS department with statutory responsibility (i.e. Department for Social Development)

⁸ As above.



MINISTRY OF JUSTICE JUDICIAL FEES FROM 1 APRIL 2014

Annex B – Appointments

Appointments Table* as at 31 March 2014

England & Wales	Number in post as at 31/3/13	Number taking up post 1/4/13 – 31/3/14	Number leaving post 1/4/13 – 31/3/14	Number in post as at 31/3/14
Group 1 – Total:	1	1	1	1
Lord Chief Justice	1	1	1	1
Group 1.1 – Total:	2	0	0	2
Master of the Rolls	1	0	0	1
President of the Supreme Court	1	0	0	1
Group 2 – Total:	13	5	3	15
Chancellor of the High Court	1	0	0	1
Deputy President of the Supreme Court	1	1	1	1
Justices of the Supreme Court	8	3	1	10
President of the Family Division	1	0	0	1
President of the Queen’s Bench Division	1	1	1	1
Senior President of Tribunals	1	0	0	1

England & Wales	Number in post as at 31/3/13	Number taking up post 1/4/13 – 31/3/14	Number leaving post 1/4/13 – 31/3/14	Number in post as at 31/3/14
Group 3 – Total:	33	10	6	37
Lord Justices of Appeal	33	10	6	37
Group 4 – Total:	108	16	17	107
High Court Judges (including the Vice-Chancellor of the County Palatine of Lancaster)	108	16	17	107
Group 5+ – Total:	1	0	0	1
Former Chief Asylum Support Adjudicator	1	0	0	1
Group 5 – Total:	87	9	7	89
Circuit Judges at the Central Criminal Court in London (Old Bailey Judges)	13	0	0	13
Former Chairman, Criminal Injuries Compensation Appeal Panel	1	0	1	0
Former Deputy Presidents, Immigration & Asylum Tribunal	2	0	0	2
Judge Advocate General	1	0	0	1
Permanent Circuit Judges, Employment Appeals Tribunal	2	0	1	1
President, Employment Tribunals (England & Wales)	1	0	0	1
President, Employment Tribunals (Scotland)	1	0	0	1
President of First-tier Tribunal (General Regulatory Chamber)	1	0	0	1
President of First-tier Tribunal (Health, Education & Social Care Chamber)	1	0	0	1
President of First-tier Tribunal (Immigration & Asylum Chamber)	1	0	0	1

England & Wales	Number in post as at 31/3/13	Number taking up post 1/4/13 – 31/3/14	Number leaving post 1/4/13 – 31/3/14	Number in post as at 31/3/14
President of First-tier Tribunal (Property Chamber)	0	1	0	1
President of First-tier Tribunal (Social Entitlement Chamber)	1	0	0	1
President of First-tier Tribunal (Tax Chamber)	1	0	0	1
Senior Circuit Judges	37	6	4	39
Senior District Judge (Chief Magistrate)	1	0	0	1
Specialist Circuit Judges, Chancery, Mercantile, Patents & Business List	18	3	2	19
Specialist Circuit Judges, Technology & Construction Court	5	0	0	5
Group 6.1 – Total:	651	41	41	651
Chief Bankruptcy Registrar	1	0	0	1
Chief Chancery Master	1	0	1	0
Circuit Judges	559	37	33	563
Deputy President, First-tier Tribunal (Health, Education & Social Care Chamber)	2	0	0	2
Former President, Charity Tribunal	1	0	0	1
Judges of the Upper Tribunal (Tax & Chancery Chamber)	4	0	0	4
Regional Employment Judges	13	0	1	12
Regional First-tier Tribunal Judges (Social Entitlement Chamber)	8	1	1	8
Registrar of Criminal Appeals	1	0	0	1
Senior Costs Judge	1	0	0	1
Senior District Judge, Principal Registry of the Family Division	1	0	1	0
Senior Judge of the Court of Protection	1	0	0	1

England & Wales	Number in post as at 31/3/13	Number taking up post 1/4/13 – 31/3/14	Number leaving post 1/4/13 – 31/3/14	Number in post as at 31/3/14
Senior Queen's Bench Master	1	0	1	0
Upper Tribunal Judges (Administrative Appeals Chamber)	15	1	1	15
Upper Tribunal Judges (Immigration & Asylum Chamber)	41	1	2	40
Upper Tribunal Judge (Lands Chamber)	0	1	0	1
Vice-President, Employment Tribunal (Scotland)	1	0	0	1
Group 6.2 – Total:	35	1	2	34
Adjudicator, HM Land Registry	1	0	0	1
Chairman, Mental Health Review Tribunal (Wales)	1	0	0	1
Chamber President (War Pensions & Armed Forces Compensation Chamber)	1	0	0	1
Deputy Senior District Judge (Magistrates' Courts)	1	0	0	1
Designated Immigration Judges	24	0	2	22
Former Deputy Chief Asylum Support Adjudicator	1	0	0	1
Regional Chairmen, Mental Health Review Tribunals (Health, Education & Social Care Chamber)	2	0	0	2
Surveyor Member Upper Tribunal (Lands Chamber)	3	1	0	4
Vice-Judge Advocate General	1	0	0	1
Group 7+ – Total:	1	0	0	1
President of the Valuation Tribunal (England)	1	0	0	1
Group 7 – Total:	980	72	51	1001

England & Wales	Number in post as at 31/3/13	Number taking up post 1/4/13 – 31/3/14	Number leaving post 1/4/13 – 31/3/14	Number in post as at 31/3/14
Assistant Judge Advocates General	6	0	0	6
Bankruptcy Registrars	4	0	0	4
Chancery Masters	5	0	0	5
Chief Medical Member, First-Tier Tribunal (Social Entitlement Chamber)	1	0	0	1
Chief Medical Member, First-Tier Tribunal (Health, Education & Social Care Chamber)	1	0	0	1
Costs Judges	6	1	0	7
Deputy Adjudicator to HM Land Registry	3	0	0	3
District Judges	440	20	27	433
District Judges (Magistrates' Courts)	137	11	7	141
District Judges of the Principal Registry of the Family Division	13	0	2	11
Employment Judges	138	20	4	154
First-tier Tribunal Judges (Health, Education & Social Care Chamber)	24	0	1	23
First-tier Tribunal Judges (Immigration & Asylum Chamber)	99	0	10	89
First-Tier Tribunal Judge (Property Chamber)	0	15	0	15
First-tier Tribunal Judges (Social Entitlement Chamber)	88	5	0	93
First-tier Tribunal Judges (Tax Chamber)	5	0	0	5
Principal Judge, First-tier Tribunal (War Pensions & Armed Forces Compensation Chamber)	1	0	0	1
Queen's Bench Masters	9	0	0	9
Group 7- – Total:	7	0	0	7

England & Wales	Number in post as at 31/3/13	Number taking up post 1/4/13 – 31/3/14	Number leaving post 1/4/13 – 31/3/14	Number in post as at 31/3/14
Salaried First-tier Tribunal Members (Medically Qualified) (Social Entitlement Chamber)	7	0	0	7

*The offices in this table are those for which the Lord Chancellor makes the appointment or, where the appointment is made by some other person, the salary is paid by the MoJ.

Appointments Table as at 31 March 2014

Northern Ireland	Number in post as at 31/3/12	Number in post as at 31/3/13	Number taking up post 1/4/13 – 31/3/14	Number leaving post 1/4/13 – 31/3/14	Number in post as at 31/3/14
Group 1.1					
Lord Chief Justice	1	1	0	0	1
Group 3					
Lord Justice of Appeal	3	3	0	0	3
Group 4					
High Court Judges	8	9	1	0	10
Group 5					
Chief Social Security and Child Support Commissioner	1	1	0	0	1
Recorder of Belfast	1	1	0	0	1
Group 6.1					
County Court Judges	16	16	1	1	17
Social Security and Child Support Commissioner	1	1	0	0	1

President, Appeal Tribunals	1	1	0	0	1
President, Industrial Tribunals and Fair Employment Tribunal	1	1	0	0	1
President, Lands Tribunal (1)	1	1	0	0	1
Group 6.2					
Member, Lands Tribunal	1	1	0	0	1
Vice President, Industrial Tribunals and Fair Employment Tribunal	1	1	0	0	1
Group 7					
Presiding District Judge (Magistrates' Court)	1	1	0	0	1
District Judge (Magistrates' Court)(2)	20	20	2	2	20
District Judge	4	4	0	1	3
Masters of the Supreme Court	7	7	1	1	7
Official Solicitor	1	1	0	0	1
Senior Coroner	1	1	0	0	1
Coroner	2	3	0	0	3

Chairman, Industrial Tribunals and Fair Employment Tribunal	7	7	0	0	7
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Annex C - Retirements

England and Wales Judicial Retirement Ages, 1 April 2009 – 31 March 2014

2009-2010

Office	Number of retirements	50 - 55	55 - 60	61 - 65	66 - 70	71 - 75
Higher Judiciary	10 (1 DIO)	0	0	2 (1 DIO)	3	5
Circuit Bench	31 (2 MR)	0	0	16 (2 MR)	9	6
District Judges (Magistrates' Court)	5 (1 MR)	0	0	4 (1 MR)	1	0
District Judges	11 (1 MR)	0	1	7 (1 MR)	3	0
Supreme Court	3	0	0	0	1	2
Tribunals	16 (1 MR)	0	0	6 (1 MR)	8	2
Total	76 (1 DIO; 5 MR)	0	1	35 (1 DIO; 5 MR)	25	15

2010-11

Office	Number of retirements	50 - 55	55 - 60	61 - 65	66 - 70	71 - 75
Higher Judiciary	7	0	0	0	4	3
Circuit Bench	41 (4 MR)	0	0	14 (4 MR)	25	2
District Judges (Magistrates' Court)	9 (1 DIO)	0	2 (1 DIO)	2	5	0
District Judges	22	0	1	7	11	3
Supreme Court	4 (1 MR)	1 (MR)	0	1	0	2
Tribunals	22 (1 MR)	0	2 (1 MR)	11	9	0
Total	105 (1 DIO; 6 MR)	1 (MR)	5 (1 DIO; 1 MR)	35 (4 MR)	54	10

2011-12

Office	Number of retirements	Under 50	50 - 54	55 - 59	60 - 64	65 - 69	70 - 75	Average age
Higher Judiciary	7 (1 DIO; 1 MR)	0	0	0	0	3 (1 DIO; 1 MR)	4	68.43
Circuit Bench	42 (2 DIO; 1 MR)	0	0	1 (1 MR)	2	24 (2 DIO)	15	67.21
District Judges (Magistrates' Court)	7 (1 DIO)	0	0	0	0	7 (1 DIO)	0	66
District Judges	28 (1 DIO; 1 MR)	0	1 (1 DIO)	1	3 (1 MR)	21	2	65.75
Supreme Court	5	0	0	0	0	3	2	68.4
Tribunals	24 (1 DIO)	1 (age 43)	0	1 (1 DIO)	3	12	7	65.63
Northern Ireland	3	0	0	0	0	3	0	66.33
Scotland	10	0	0	0	2	5	3	66.8
Total	126 (6 DIO; 3 MR)	1 (age 43)	1 (1 DIO)	3 (1 DIO; 1 MR)	10 (1 MR)	78 (4 DIO; 1 MR)	33	66.58

2012-13

Office	Number of retirements	Under 50	50 - 54	55 - 59	60 - 64	65 - 69	70 - 75	Average age
Higher Judiciary	14	0	0	0	0	4	10	71.36
Circuit Bench	59 (4 DIO; 2 MR)	0	0	2 (1 DIO; 1 MR)	5 (3 DIO; 1 MR)	32	20	65.17
District Judges (Magistrates' Court)	7 (2 MR)	0	0	0	4 (2 DIO; 1 MR)	3	0	64
District Judges	31 (2 DIO; 1 MR)	0	0	0	4 (2 DIO; 1 MR)	23	4	66.35
Supreme Court	2	0	0	0	0	1	1	70
Tribunals	19 (2 DIO; 1 MR)	0	2 (1 DIO)	2 (1 DIO; 1 MR)	1	13	1	64.37
Northern Ireland	3	0	0	0	0	3	0	66.33
Scotland	10	0	0	0	2	7	1	65.2
Total	145 (8 DIO; 6 MR)	0	2 (1 DIO)	4 (2 DIO; 2 MR)	16 (5 DIO; 4 MR)	86	37	65.95

2013-14

Office	Number of retirements	Under 50	50 - 54	55 - 59	60 - 64	65 - 69	70 - 75	Average age
Higher Judiciary	12	0	0	0	2	4	6	68.92
Circuit Bench	30	0	0	0	3	16	11	67.17
District Judges (Magistrates' Court)	7	0	0	0	0	6	1	67
District Judges	18 (1 MR)	0	0	1 (MR)	3	12	2	65.33
Supreme Court	2	0	0	0	1	1	0	66
Tribunals	16 (1 MR)	0	0	0	3	10 (1 MR)	3	67.19
Northern Ireland	2 (1 MR)	0	0	1 (MR)	0	0	1	63
Scotland	4	0	0	0	1	3	0	65.75
Total	91 (3 MR)	0	0	2 (2 MR)	13	52 (1 MR)	24	66.85

Key

DIO Death In Office

MR Medical Retirement

Northern Ireland Judicial Retirement Ages, 1 April 2008 - 31 March 2014

2008/2009

Office	No of retirements	50-55	55-60	61 – 65	66-70	71 – 75
Higher Judiciary	0	0	0	0	0	0
CCJ	1	0	0	1	0	0
DJ(MC)	0	0	0	0	0	0
DJ	0	0	0	0	0	0
Sup Ct	0	0	0	0	0	0
CSSC&CCSC	0	0	0	0	0	0
SSC	1	0	0	1 (MR)	0	0
Tribs	0	0	0	0	0	0
Total	2	0	0	2	0	0

2009/2010

Office	No of retirements	50-55	55-60	61 – 65	66-70	71 – 75
Higher Judiciary	1	0	0	1	0	0
CCJ	1	0	0	0	0	1
DJ(MC)	0	0	0	0	0	0
DJ	0	0	0	0	0	0
Sup Ct	0	0	0	0	0	0
CSSC&CCSC	0	0	0	0	0	0
SSC	0	0	0	0	0	0
Tribs	0	0	0	0	0	0
Total	2	0	0	1	0	1

2010/2011

Office	No of retirements	50-55	55-60	61 – 65	66-70	71 – 75
Higher Judiciary	0	0	0	0	0	0
CCJ	2	0	0	0	2	0
DJ(MC)	0	0	0	0	0	0
DJ	0	0	0	0	0	0
Sup Ct	0	0	0	0	0	0
CSSC&CCSC	0	0	0	0	0	0
SSC	0	0	0	0	0	0
Tribs	0	0	0	0	0	0
Total	2	0	0	0	2	0

2011/2012

Office	No of retirements	50-55	55-60	61 – 65	66-70	71 – 75
Higher Judiciary	0	0	0	0	0	0
CCJ	1	0	0	0	1	0
DJ(MC)	0	0	0	0	0	0
DJ	1	0	0	0	0	1
Sup Ct	1	0	0	1	0	0
CSSC&CCSC	1	0	0	1	0	0
SSC&CSC	0	0	0	0	0	0
Tribs	0	0	0	0	0	0
Total	4	0	0	2	1	1

2012/2013

Office	No of retirements	50-55	55-60	61 – 65	66-70	71 – 75
Higher Judiciary	0	0	0	0	0	0
CCJ	2	0	0	1	1	0
DJ(MC)	0	0	0	0	0	0
DJ	0	0	0	0	0	0
Sup Ct	1	0	0	1	0	0
CSSC&CCSC	0	0	0	0	0	0
SSC&CSC	0	0	0	0	0	0
Tribs	1	0	0	0	1	0
Total	4	0	0	2	2	0

2013/2014

Office	No of retirements	50-55	55-60	61 – 65	66-70	71 – 75
Higher Judiciary						
CCJ	1			1		
DJ(MC)	2				1	1
DJ						
Master	1		1			
Sup Ct						
CSSC&CCSC						
SSC&CSC						
Tribs						
Total	4	0	1	1	1	1

Annex D – Judicial Salaries and Fees Schedules 2014-15

JUDICIAL SALARIES

Judicial Office	Salary Group	Salaries w.e.f. 01/04/12	Salaries w.e.f. 01/04/13	Salaries w.e.f. 01/04/14
Lord Chief Justice of England and Wales	1	239,845	242,243	244,665
Lord Chief Justice of Northern Ireland Lord President of the Court of Session Master of the Rolls President of the Supreme Court	1.1	214,165	216,307	218,470
Chancellor of the High Court Deputy President of the Supreme Court Justices of the Supreme Court Lord Justice Clerk President of the Family Division President of the Queen's Bench Division Senior President of Tribunals	2	206,857 203,643	208,926 207,730	211,015

Judicial Office	Salary Group	Salaries w.e.f. 01/04/12	Salaries w.e.f. 01/04/13	Salaries w.e.f. 01/04/14
Inner House Judges of the Court of Session Lord Justices of Appeal Lord Justice of Appeal (Northern Ireland)	3	196,707	198,674	200,661
Puisne Judge of the High Court Outer House Judge of the Court of Session Puisne Judge of the High Court (Northern Ireland) Vice Chancellor of the County Palantine of Lancaster	4	172,753	174,481	176,226
Chairman, Scottish Land Court President of the First-tier Tribunal (Property Chamber) and Deputy Judge of the Upper Tribunal Chief Social Security Commissioner (Northern Ireland) Circuit Judges at the Central Criminal Court in London (Old Bailey Judges) Vice President of the Upper Tribunal (Immigration and Asylum Chamber) Former Chief Asylum Support Adjudicator, Asylum Support Tribunal (now judge of the First-tier Tribunal, Social Entitlement Chamber, and Deputy Judge of the Upper Tribunal)	5	138,548 146,668	139,933 148,135	141,332 149,616

Judicial Office	Salary Group	Salaries w.e.f. 01/04/12	Salaries w.e.f. 01/04/13	Salaries w.e.f. 01/04/14
<p>President of the First-tier Tribunal (Health, Education and Social Care Chamber; Social Entitlement Chamber; General Regulatory Chamber; and Immigration and Asylum Chamber)</p> <p>Former Deputy President, Asylum and Immigration Tribunal</p> <p>Former President, Care Standards Tribunal (now judge of the First-tier Tribunal, Health, Education and Social Care Chamber, and Deputy Judge of the Upper Tribunal)</p> <p>Judge Advocate General</p> <p>Judges of the Technology and Construction Court</p> <p>Permanent Circuit Judge, Employment Appeals Tribunal</p> <p>President, Employment Tribunals (England & Wales)</p> <p>President, Employment Tribunals (Scotland)</p> <p>President First-tier Tax Chamber</p> <p>President, Lands Chamber of the Upper Tribunal</p> <p>President, Lands Tribunal (Scotland)</p> <p>Recorder of Belfast</p> <p>Recorder of Liverpool</p> <p>Recorder of Manchester</p> <p>Senior Circuit Judges</p> <p>Senior District Judge (Chief Magistrate)</p> <p>Sheriffs Principal</p>				

Judicial Office	Salary Group	Salaries w.e.f. 01/04/12	Salaries w.e.f. 01/04/13	Salaries w.e.f. 01/04/14
Specialist Circuit Judges				
Chief Registrar and Senior and Chief Masters Circuit Judges County Court Judges (Northern Ireland) Deputy Chamber President of the First-tier Tribunal (Health, Education and Social Care Chamber) Deputy Chamber President, Upper Tribunal (Lands Chamber) Former Deputy President, Care Standards Tribunal President, Appeal Tribunals (Northern Ireland) Judge of the First-tier Tribunal and Deputy Judge of the Upper Tribunal (Former President, Charity Tribunal) Judge of the First-tier Tribunal and Deputy Judge of the Upper Tribunal (Former President, Consumer Credit & Estates Agent Appeals Tribunals) Former President, Gambling Appeals Tribunal President, Industrial Tribunals and Fair Employment Tribunal (Northern Ireland) President, Lands Tribunal (Northern Ireland) Regional Chairmen Employment Tribunals (England & Wales) Judge of First-Tier Tribunal Social Entitlement Chamber (Former Regional Chairmen, Appeals Tribunals) Registrar of Criminal Appeals	6.1	128,296	129,579	130,875

Judicial Office	Salary Group	Salaries w.e.f. 01/04/12	Salaries w.e.f. 01/04/13	Salaries w.e.f. 01/04/14
Senior Costs Judge Senior District Judge, Principal Registry of the Family Division Senior Judge of the Court of Protection Sheriffs Upper Tribunal Judges - Administrative Appeals Chamber and Immigration and Asylum Chamber Upper Tribunal Judges – Tax and Chancery Chamber Social Security and Child Support Commissioner (Northern Ireland) Vice President, Employment Tribunal (Scotland)		125,917	128,693	
Deputy Senior District Judge (Magistrates' Courts) Members, Claims Management Services Tribunal Former Regional Chairmen, Mental Health Review Tribunals, England Principal Judge, Property Chamber, and Deputy Judge of the Upper Tribunal (formerly Adjudicator, HM Land Registry) Surveyor Members, Lands Tribunals (Scotland & Northern Ireland) Surveyor Members, Upper Tribunal (Lands Chamber) Vice-Judge Advocate General Vice-Presidents, Industrial Tribunals and Fair Employment Tribunal (Northern Ireland) War Pensions and Armed Forces Compensation Chamber President	6.2	120,785	121,993	123,213

Judicial Office	Salary Group	Salaries w.e.f. 01/04/12	Salaries w.e.f. 01/04/13	Salaries w.e.f. 01/04/14
Designated Immigration Judges (Outside London)		117,828	120,979	
Designated Immigration Judges (London)		119,095	121,450	
Former Deputy Principal Judge of the First-tier tribunal (Asylum Support) (London)		119,095	121,450	
<hr/>				
Assistant Judge Advocates General	7	102,921	103,950	104,990
Chairmen, Industrial Tribunals and Fair Employment Tribunal (Northern Ireland)				
Chief Medical Member, First-Tier Tribunal, Health, Education and Social Care Chamber				
Chief Medical Member, First-Tier Tribunal, Social Entitlement Chamber				
Senior Coroner (Northern Ireland)		113,213	114,345	115,489
Coroner, Northern Ireland				
Costs Judges				
District Judges				
District Judges (Magistrates' Courts)				
Presiding District Judge (Magistrates Courts) (Northern Ireland)		111,155	112,266	113,390
District Judges (Northern Ireland)				
District Judges of the Principal Registry of the Family Division				
Employment Judges (England & Wales)				
Employment Judges (Scotland)				
First-tier Tribunal Judges				

Judicial Office	Salary Group	Salaries w.e.f. 01/04/12	Salaries w.e.f. 01/04/13	Salaries w.e.f. 01/04/14
First-tier Tribunal Judge, Property Chamber (former Vice President RPT, London - legal)		n/a	100,425	102,319
First-tier Tribunal Judge, Property Chamber (former Vice President RPT, Regions - legal)		n/a	97,137	99,828
Member of First-tier Tribunal, Property Chamber (former Vice President RPT, London - valuer)		n/a	100,425	102,319
Member of First-tier Tribunal, Property Chamber (former Vice President RPT, Regions - valuer)		n/a	97,137	99,828
Masters and Registrars of the Supreme Court				
Masters of the Supreme Court (Northern Ireland)				
District Judges (Magistrates Courts) (Northern Ireland)				
Judges of the First-tier Tribunal, Social Entitlement Chamber (Former Asylum Support Adjudicators)		98,037	102,133	
Salaried Medical Members, Social Entitlement Chamber		81,620	82,500	83,325

JUDICIAL FEES

Judicial Office	01/04/12	01/04/13	01/04/14
COURT (COUNTY COURT, SENIOR COURTS AND SUPREME COURT)			
Retired Lord of Appeal / Retired Supreme Court Judge	940	950	959
Retired Lord Justices (sitting in the Court Of Appeal)	894	903	912
Retired High Court Judges	785	793	839
Deputy High Court Judge	785	793	839
Retired Judges of the Technology and Construction Court (sitting as Deputy Judge of Technology and Construction Court)	630	636	642
Recorder	583	589	623
Deputy Circuit Judge	583	589	623
Assessor, Taxation Tribunal (County Court)	468	473	477
Assessor, Taxation Tribunal (High Court)	468	473	477
Deputy District Judge	468	473	488
Deputy District Judge (Magistrates Courts)	468	473	488
Deputy Judge Advocate	468	473	477
Deputy Supreme Court Master/ Registrar	468	473	500

Chamber	Jurisdiction	Judicial Office	01/04/12	01/04/13	01/04/14
TRIBUNAL (MINISTRY OF JUSTICE)					
Upper Tribunal					
AAC		Judge (including Deputy Judge except where otherwise specified)	583	589	595
	CS	Other member	201	203	205
	IR	Judge	547	576	595
	IR	Other member	265	268	271
	Trans	Judicial Member (Chairman)	547	576	595
	Trans	Other member	334	337	340
I&A		Judge	583	589	595
I&A		Other member	265	268	271
Lands		Member	549	555	560
T&C		Judge	573	586	595
T&C		Other member	265	268	271
First-tier Tribunal					
GRC		Former Acting President	-	589	595
	LG	Former President, Adjudication Panel For England	525	545	560
	LG	Judge	446	465	477
	LG	Other member	184	186	188
	Charity	Judge	468	473	477

Chamber	Jurisdiction	Judicial Office	01/04/12	01/04/13	01/04/14
	Charity	Other member	265	268	271
	CMS	Chairman	549	555	560
	CMS	Other member	265	268	271
	CCA&EA	Judge	549	555	560
	CCA&EA	Other member	265	268	271
	Env	Judge	468	473	477
	Env	Specialist (Hydrologist) member	-	395	399
	Env	Other member	265	268	271
	GA	Judge	468	473	477
	IS	Judge	549	555	560
	IS	Other member	334	337	340
	IR	Judge	468	473	477
	IR	Other member	265	268	271
	Trans	Principal judge	583	589	595
	Trans	Judicial Member (Chairman)	468	473	477
	Trans	Other member	334	337	340
HESC	CS	Judge	450	466	477
	CS	Other member	201	203	205
	PHL	Former President	583	589	595
	PHL	Judge	486	491	496

Chamber	Jurisdiction	Judicial Office	01/04/12	01/04/13	01/04/14
	PHL	Medical member	336	339	342
	PHL	Other member	275	278	281
	MH	Judge (Restricted Patients' Panel)	583	589	595
	MH	Judge	464	472	477
	MH	Medical Member	454	459	464
	MH	Other member	212	214	216
	SEN&D	Judge	468	473	477
	SEN&D	Other member	239	241	243
I&A		Immigration Judge	468	473	477
I&A		Other member	265	268	271
SEC	AS	Adjudicator	448	465	477
	CIC	Legal	442	462	477
	CIC	Medical Member	391	395	399
	CIC	Other member	391	395	399
	SS&CS	Judge	448	465	477
	SS&CS	Medical Member (medical examination might be required)	371	375	379
	SS&CS	Medical Member (no medical examination required)	310	313	316
	SS&CS	Financial Member	302	305	308
	SS&CS	Member with experience of disability	192	194	196
Tax		Judge	549	555	560

Chamber	Jurisdiction	Judicial Office	01/04/12	01/04/13	01/04/14
Tax		Other member	265	268	271
Tax		Newly-appointed judge	468	473	477
Tax		Newly-appointed tax member	265	268	271
WP&AFC		Judge	464	472	477
WP&AFC		Medical Member	454	459	464
WP&AFC		Service Member	212	214	216
PC		Judge (former legally qualified Chair, RPT)	-	427	442
PC		Judge (former Deputy Adjudicator, HMLR)	-	473	477
PC		Judge (Principal Judge) (former Chair, Agricultural Lands)	-	406	447
PC		Judge (Chair/Deputy Chair, Agricultural Lands)	-	390	414
PC		Judge (former Deputy Adjudicator to HM Land Registry)	-	473	477
PC		Valuer Member (former valuer Chair, RPT)	-	427	442
PC		Expert member (Expert/Professional member, RPT)	-	295	298
PC		Non-legally qualified member (former lay member RPT)	-	192	194
PC		Non-legally qualified member (former non-legally qualified member Agricultural Lands – farmers, land owners, drainage experts)	-	88	115
OTHER (NON-MINISTRY OF JUSTICE) TRIBUNALS					
	EAT	Recorders	785	793	801
	EAT	Member [and Assessor (appeals against decisions of Reinstatement Committees)]	303	306	309

Chamber	Jurisdiction	Judicial Office	01/04/12	01/04/13	01/04/14
	ET	Employment Judge	464	473	477
	ET	Member	174	176	178
	GLA	Appointed Person	464	473	477
	GRP	Judge	448	465	477
	GRP	Medical Member	371	375	379
	PAT(NI)	Legal & Medical Member	454	459	464
	PAT(NI)	Service Member	212	214	216
	POAC	Member	415	419	423
	RFAT	Employment Judge/Chair	464	473	477
	RFAT	Non-legal member	174	176	178
	SSC&CSC(NI)	Deputy Social Security and Child Support Commissioners	583	589	595
	SIAC	Non-legal Member	415	419	423
	TT	President	583	589	595
	TT	Judicial Member (Chairman)	468	473	477
	TT	Non-legal Member	334	337	340
MISCELLANEOUS					
		County Court Assessor (Landlord & Tenant)	265	268	271
		County Court Assessor (Race Relations)	265	268	271
		County Court Assessor (Sex Discrimination)	265	268	271

AAC	Administrative Appeals Chamber
CS	Care Standards
IS	Immigration Services
IR	Information Rights
Trans	Transport
I&A	Immigration and Asylum
Lands	Lands Chamber
T&C	Tax & Chancery Chamber
GRC	General Regulatory Chamber
LG	Local Government Standards in England
Charity	Charity
CMS	Claims Management Services
CCA&EA	Consumer Credit Appeal and Estate Agents
Env	Environment
GA	Gambling Appeals
IS	Immigration Services
HESC	Health, Education and Social Care
PHL	Primary Health Lists
MH	Mental Health
SEN&D	Special Educational Needs & Disability
SEC	Social Entitlement Chamber
AS	Asylum Support

CIC	Criminal Injuries Compensation
SS&CS	Social Security & Child Support
Tax	Tax
WP&AFC	War Pensions and Armed Forces Compensation
PC	Property Chamber
EAT	Employment Appeals Tribunal
ET	Employment Tribunal
GLA	Gangmaster Licensing Appeals
GRP	Gender Recognition Panel
PAT (NI)	Pensions Appeal Tribunal (Northern Ireland)
POAC	Prescribed Organisations Appeal Commission
RFAT	Reserve Forces Appeal Tribunal
SSC&CSC(NI)	Social Security and Child Support Commissioners (Northern Ireland)
SIAC	Special Immigration Appeals Commission
TT	Transport Tribunal

Annex E – Diplock Trials (Northern Ireland)

Table 1: Non-Jury Crown Court Defendants Dealt With (Includes defendants Prosecuted under the Justice & Security Act)

Year	High Court Judge		County Court Judge		Total	
	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>
2000	23	26%	66	74%	89	100%
2001	17	27%	45	73%	62	100%
2002	23	20%	90	80%	113	100%
2003	32	29%	79	71%	111	100%
2004	24	31%	53	69%	77	100%
2005	29	32%	61	68%	90	100%
2006	18	20%	73	80%	91	100%
2007	30	27%	83	73%	113	100%
2008	25	35%	47	65%	72	100%
2009	20	49%	21	51%	41	100%
2010	20	71%	8	29%	28	100%
2011	10	43%	13	57%	23	100%
2012	26	47%	29	53%	55	100%
2013	3	5%	62	95%	65	100%

Table 2: Non-Jury Crown Court Cases Dealt With (Includes defendants Prosecuted under the Justice & Security Act)

Year	High Court Judge		County Court Judge		Total	
	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>
2007	14	22%	50	78%	64	100%
2008	12	36%	21	64%	33	100%
2009	9	53%	8	47%	17	100%
2010	10	59%	7	41%	17	100%
2011	4	29%	10	71%	14	100%
2012	7	33%	14	67%	21	100%
2013	3	8%	33	92%	36	100%

Table 3: Crown Court Defendants Dealt With by County Court Judge (Includes defendants Prosecuted under the Justice & Security Act)

Year	Non-Scheduled		Scheduled		Total	
	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>
2000	1093	94%	66	6%	1159	100%
2001	1013	96%	45	4%	1058	100%
2002	958	91%	90	9%	1048	100%
2003	1113	93%	79	7%	1192	100%
2004	1384	96%	53	4%	1437	100%
2005	1340	96%	61	4%	1401	100%
2006	1374	95%	73	5%	1447	100%
2007	1620	95%	83	5%	1703	100%
2008	1560	97%	47	3%	1607	100%
2009	1454	99%	21	1%	1475	100%
2010	1518	99%	8	1%	1526	100%
2011	1900	99%	13	1%	1913	100%
2012	2137	99%	29	1%	2166	100%
2013	2481	98%	62	2%	2543	100%

Table 4: Crown Court Defendants Dealt With by High Court Judge (Includes defendants Prosecuted under the Justice & Security Act)

Year	Non-Scheduled		Scheduled		Total	
	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>	<i>Number</i>	<i>%</i>
2000	61	73%	23	27%	84	100%
2001	17	20%	68	80%	85	100%
2002	23	28%	59	72%	82	100%
2003	32	32%	68	68%	100	100%
2004	24	19%	103	81%	127	100%
2005	29	29%	71	71%	100	100%
2006	18	19%	77	81%	95	100%
2007	30	26%	85	74%	115	100%
2008	25	20%	101	80%	126	100%
2009	61	75%	20	25%	81	100%
2010	35	64%	20	36%	55	100%
2011	25	71%	10	29%	35	100%
2012	23	47%	26	53%	49	100%
2013	45	94%	3	6%	48	100%

Annex F – Coroners

1. The MoJ began the process of implementing the reforms to the coroner system contained in Part 1 of the Coroners and Justice Act 2009 (the '2009 Act') with the appointment of the first Chief Coroner for England and Wales in May 2012. His Honour Judge Peter Thornton QC took up post in September 2012 and the first of his statutory powers came into force shortly thereafter.
2. The bulk of the 2009 Act's coroner reforms came into effect on 25 July 2013. The Act made a number of structural changes to the coroner system, giving coroners new titles ('senior coroner', 'area coroner' and 'assistant coroner') and making local authorities responsible for all coroner appointments, which also require the consent of the Lord Chancellor and Chief Coroner.
3. Local authorities have remained responsible for appointing coroners and setting their terms and conditions, including their remuneration and they may refer to 2011 guidance from the Local Government Association's Joint Negotiating Committee when doing so.
4. The Chief Coroner has previously announced his desire to move towards a standardised set of terms and conditions for coroners. He supports in principle having coroner salaries set by the Senior Salaries Review Board (or similar body). The MoJ will support the Chief Coroner in this work as appropriate.
5. The MoJ has no plans at this stage to appoint to the other centrally-funded judicial posts created by the 2009 Act (the Coroner for Treasure and Deputy Chief Coroner(s)).

Annex G - Equality and Diversity Data

UPPER TRIBUNAL

134 officeholders in total

Profession

63 Upper Tribunal judge

43 Barrister

21 Deputy Upper Tribunal Judge

38 Solicitor

0 ILEX

Gender

27 Unknown

96 Male

26 n/a

38 Female

Age

Ethnicity

0 U-40

114 White

7 40-49

3 Asian

38 50-59

3 Black

89 60+

4 Mixed

4 Other

Tenure

72 Fee paid

62 Salaried

EMPLOYMENT TRIBUNAL

1,498 officeholders in total

408 Employment Judge

12 Regional Employment Judge

Profession:

138 Barrister

262 Solicitors

1 ILEX

606 Unknown

491 Not Applicable

Gender:

797 Male

701 Female

Age

42 U-40

225 40-49

501 50-59

730 60 and Over

Ethnicity:

1271 White

70 Asian or Asian British

47 Black or Black British

16 Mixed

5 Other

Tenure

1,351 Fee Paid

147 Salaried

EMPLOYMENT JUDGES: LONDON WEIGHTING:

47 Judges receive LW

24 Judges receive it in part due to SPTW

Gender diversity of the affected group

13 Women

34 Men

LONDON WEIGHTING: GENERALLY

313 Recipients in total

249 Salaried (FT)

64 Salaried (PT)

Part Time Breakdown

53 Tribunal Judges

11 Court Judges

Full Time Breakdown

76 Tribunal Judges

173 Court Judges

Annex H – Job Evaluation Chronology

UPPER TRIBUNAL

2008 – Review Body on Senior Salaries, Review of Tribunal Remuneration 2008 (Report No. 66)

Paragraph 3.4:

In considering the position of judges in the Upper Tribunal, we have carefully considered the job evaluations prepared by PricewaterhouseCoopers, the written and oral evidence, and subsequent information that has emerged from the Tribunals Service. We have concluded that the appellate role for judges in the Upper Tribunal bestows seniority over judges in the First-tier Tribunal and therefore that the general judicial posts in the Upper Tribunal should be placed in salary group 6.1. We understand that there are some current posts whose holders will sit in both the Upper and First-tier Tribunals. In such circumstances, they should be paid as Upper Tribunal judges.

2010 - Report to the Judicial Sub-Committee of the Senior Salaries Review Body

Paragraph 5.12:

In terms of job weight, we believe that the office of a Judge of the Upper Tribunal in the Administrative Appeals Chamber would fall into salary group 5. This finding should be treated with caution since the office of Judge of the Upper Tribunal is newly established and our job evaluation is based on the following assumptions:

- *Each Judge of the Upper Tribunal hears the full range of cases from the First Tier Tribunal (i.e. War and Armed Forces Compensation, Social Entitlement, Health Education and Social Care and General Regulatory (except for Charities Cases));*
- *The cases will involve regular hearings requiring the use of a wide range of Court Craft skills; and*
- *Judges of the Upper Tribunal will sit exclusively in the Upper Tribunal (or deal with other cases which would be recognised as work appropriate to salary group 5 or above) rather than allocating their time between the Upper Tribunal and the First Tier Tribunal.*

The decision as to whether these posts should be placed in salary group 5 should not be made solely on the basis of job weight. It is also necessary to consider whether

there is a need to maintain consistency between the different Chambers of the Upper Tribunal and whether the placement of these judicial offices in salary group 5 is necessary from a recruitment and retention perspective. This latter point is important because it seems likely that Judges of the Upper Tribunal would generally be appointed from salary group 7 posts, rather than from outside the judiciary or from judicial offices in salary group 6.1.

EMPLOYMENT TRIBUNAL:

2005 - Report to the Judicial Sub-Committee of the Senior Salaries Review Body

Paragraph 5.27 :Table 3

Group 7 Range of scores (200-300 Range)		
	Minimum	Maximum
Employment Judge	251	291
District Judge	255	281
Masters and Registrars	241	280
District Judge Magistrates' Court	226	237
Immigration Judge	200	215

2008 – Review Body on Senior Salaries, Review of Tribunal Remuneration 2008 (Report No. 66)

Paragraph 6.5:

“The Employment Tribunals equate to the First-tier Tribunal in the third pillar. PricewaterhouseCoopers proposed, for reasons relating to job weight, that the salaried chairmen (now known as judges) of Employment Tribunals should be moved from salary group 7 to salary group 6.2 and this proposal received some support in the responses to the consultation, although other respondents expressed concern that it might undermine the creation of a unified tribunal judiciary. Taking all the evidence into account, and as we have explained in Chapter 4 and Recommendation 2, we believe that there should be a single grade for First-tier judges without management responsibility and that this should be at salary group 7.”

2010 - Report to the Judicial Sub-Committee of the Senior Salaries Review Body**Paragraph 5.12:**

“Based on our review of the job descriptions and discussions with Chairmen in Northern Ireland we believe that this post would fall into salary group 6.2, a finding that is consistent with our work on judicial offices in the new unified Tribunals Service in England and Wales in 2007. The jurisdiction of this judicial office is the same as that of Employment Judges in the rest of the United Kingdom, except that there is the additional and complex fair employment jurisdiction.

Following the consultation on the jobs within the Tribunals Service the SSRB concluded that all judicial offices in the First Tier Tribunals should be paid on a consistent basis to enable “cross ticketing” to support the wider objective of achieving more flexibility in the management of judicial resources.

The decision as to whether to move the office of Chairmen, Industrial Tribunals and Fair Employment Tribunal (Northern Ireland) up to salary group 6.2 should not be made solely on job size. It also depends on whether there is a need to treat this judicial office on a basis that is consistent with Employment Judges in the rest of the United Kingdom and on whether other issues, such as recruitment and retention, should also be taken into consideration.”

2011 - 33rd Senior Salaries Review Body Report**Paragraphs 4.44 and 4.45:**

“The role of salaried Chairman of the Industrial Tribunals and Fair Employment Tribunal in Northern Ireland is similar to that of salaried Employment Judge within the Tribunals Service; both were evaluated as belonging in salary group 6.2. Consequently, we decided to consider the two together. In 2008, we placed salaried Employment Judges in salary group 7, even though they had been evaluated as belonging in salary group 6.2, because we were asked to produce a unified tribunals’ pay structure where cross-assignment might take place in the long term. In order for this to be possible, it appeared to be essential that each of the three pillars had the same pay structure. However, the evidence provided during the 2010 consultation made it clear that cross-assignment of Employment Judges was not now expected to occur and there were no plans to bring in legislation to permit it. The MoJ said in written evidence that the Chairmen were an issue for the Department of Education and Learning in Northern Ireland (DELNI) but saw a need for consistency with the tribunals structure. As Employment Judges were not specifically named in the consultation document, the MoJ did not comment on the role but has said elsewhere that nothing has changed since the Tribunals report and therefore no changes were needed. DELNI objected to the proposed move, stating there were no recruitment difficulties. The department also stressed that an increase in the Chairmen’s pay could not be justified at a time of severe pressures on public finances. The Employment Judges, the two Presidents of the Employment Tribunals (in Scotland and in England and Wales) and

the President of the Employment Appeals Tribunal all argued in favour of a move based on the job evaluation.

We believe our previous decision to keep these judges in salary group 7 in spite of their having been job evaluated as salary group 6.2 was justified at the time. However, the dropping of the original intention to cross-assign Employment Judges to other tribunals and other judges to Employment Tribunals means that the rationale for that decision has fallen away. Therefore we recommend that salaried Employment Judges and salaried Chairmen of the Industrial Tribunals and Fair Employment Tribunal be moved to salary group 6.2. Also, we recommend that the Vice President of the Industrial Tribunals and Fair Employment Tribunal be given a salary lead to distinguish this management role from those of the Chairmen the office holder helps to manage. Fee-paid Employment Judges were job evaluated as remaining in salary group 7 during the 2007 review and we were advised that they typically heard less complicated cases so we see no case for moving them to a higher group. However, these judges are outside our remit for this review.”

Annex I – Judicial Pension Impact Data and Commentary

1. As described in paragraphs 22 to 41 above, the type of pension protection available for individual judicial office holders varies according to their proximity to normal pension age or their date of appointment. The MoJ has also considered the impact of proposed reforms on the basis of ethnicity, gender, age and salary group. As stated in the equality impact assessment published alongside the *New Judicial Pension Scheme 2015* consultation, the department does not consider that its proposals amount to unlawful direct or indirect discrimination.
2. As eligibility for transitional or tapering protection is determined by the proximity to the normal pension age of 65, age is a central factor in determining the impact of these pension reforms on individual office holders. As shown in **Table 1** below, all judicial office holders aged under 50 fall into the 'unprotected' group, while virtually all of those aged over 60 will receive transitional protection (a small number of judicial office holders aged 60 or over are expected to fall into the 'unprotected' group as they were appointed after 1 April 2012). Over half of judges aged between 50 and 59 will receive transitional protection, with the remainder falling into the 'part-protected' or 'unprotected' groups.

Table 1: Age breakdown of salaried judiciary - ages as of 1 April 2012

	Unprotected	Part-protected	Protected	Total
Under 40	17	0	0	17
	100%	0%	0%	
40 - 49	259	0	0	259
	100%	0%	0%	
50 - 59	158	261	495	914
	17%	29%	54%	
60 and over	7	0	736	743
	1%	0%	99%	
Total	441	261	1231	1933
	23%	14%	64%	

3. As Tables 2 and 3 show, a greater proportion of Black, Asian and Minority Ethnic (BAME) and female office holders fall into 'part-protected' group who will receive tapering protection and the 'unprotected' group who receive neither transitional or tapering protection than White and Male office holders. This due to the fact that office holders who are female or from a BAME background tend

to be younger, reflecting, at least in part, more recent recruitment drives seeking to increase the diversity of the judiciary.

	Unprotected	Part-protected	Protected	Total
BAME	36	18	43	97
	37%	19%	44%	
White	375	218	1054	1647
	23%	13%	64%	
Not Stated	30	25	134	189
	16%	13%	71%	
Total	441	261	1231	1933
	23%	14%	64%	

	Unprotected	Part-protected	Protected	Total
Female	190	104	233	527
	36%	20%	44%	
Male	251	157	998	1406
	18%	11%	71%	
Total	441	261	1231	1933
	23%	14%	64%	

4. There is also a significant correlation between salary grouping and the degree of pension protection received by judicial office holders. As **Table 4** shows, virtually all office holders in salary groups 3 and above will receive transitional protection, reflecting the fact that these members of the senior judiciary are, on average, closer to normal pension age. The impact on salary groups 4 and below varies, with a greater impact on office holders in the three salary groups – 4, 6.1 and 7 – that are the typical ‘entry points’ to the judiciary. This assessment therefore indicates that newer entrants to the judiciary will tend further from retirement age and a lower proportion will therefore be eligible for protection; this is particularly true of office holders in salary group 7 with 57% in the ‘protected’ group, 16% ‘part-protected’ and 28% ‘unprotected’.

Table 4: Salary group breakdown of salaried judiciary				
	Unprotected	Part-protected	Protected	Total
1	0	0	1	1
	0%	0%	100%	
1.1	0	0	2	2
	0%	0%	100%	
2	0	0	12	12
	0%	0%	100%	
3	0	1	33	34
	0%	3%	97%	
4	22	12	73	107
	21%	11%	68%	
5	14	6	69	89
	16%	7%	78%	
6.1	114	79	448	641
	18%	12%	70%	
6.2	1	1	5	7
	14%	14%	71%	
7	290	162	588	1040
	28%	16%	57%	
Total	441	261	1231	1933
	23%	14%	64%	

Annex J – HM Treasury Evidence on the General Economic Outlook

ECONOMIC CONTEXT AND OUTLOOK FOR THE ECONOMY

1. The Government's economic strategy set out in the June Budget 2010 is designed to protect the economy through the period of global uncertainty and support the process of recovery. This strategy is restoring the public finances to a sustainable path and the deficit is forecast to be halved by the end of 2014-15. The UK is seen as a relative safe haven, with low market interest rates helping keep interest payments lower for households, businesses and the taxpayer. This strategy has helped the Government equip the UK to compete in the global race.
2. UK economy is now on the path of recovery with positive growth since the second quarter of 2013. The UK economy grew by 0.8 per cent in each quarter of 2014 and the Office for Budget Responsibility (OBR) forecast the UK economy to grow by 2.7 per cent in 2014.
3. The Government remains committed to reducing the deficit and addressing the permanent structural deterioration in the public finances caused by the lasting impact of the financial crisis. Implementation of the fiscal consolidation plans is well underway. By the end of 2013-14, around 70 per cent of the annual fiscal consolidation planned for the Spending Review 2010 period had been achieved, with around 65 per cent of the spending and all of the tax consolidation in place. 80 per cent of the total consolidation in 2015-16 is expected to be delivered through lower spending.
4. While a significant amount of fiscal consolidation has already been achieved, the deficit and debt remain at unsustainable levels. The public sector net debt is forecast to continue to rise this year and reach its peak in 2015-16. Despite the positive economic growth significant risks remain to the structural position of the public finances. These include risks from external economic shocks (including ongoing weakness in the Euro area, financial instability in the emerging markets, situation in Russia and Ukraine) and weak receipts growth due to slow earnings growth (affected by low pick up in productivity as well as shift in employment pattern towards more self-employed).
5. The OBR forecast inflation of 1.9 per cent in 2014 and 2.0 per cent in 2015 and forecast it to continue to remain at target in 2016. The Bank of England's latest inflation forecast, published in the August Inflation Report is little changed compared to the May report. The Monetary Policy Committee (MPC) expect inflation to be about 1.8 per cent from fourth quarter of 2014 onwards.
6. Labour market figures continued to strengthen in the first half of 2014. The OBR expects employment to continue to rise over the forecast period although with slower growth than that seen over 2013. Unemployment rate has fallen by 0.9 percentage points since the end of 2013, and is now 6.4 per cent down from the peak of 8.4 per cent in the final quarter of 2011. Wage growth remains weak with regular pay growth slowing to 0.6 per cent in the second quarter of 2014 compared to the same period last year. While private sector pay growth has recovered somewhat from its large decline in 2009, it is growing at only about 1-2 per cent p.a. compared with the pre- recession trend of about 4 per cent p.a.

7. Public sector pay restraint has been a key part of the fiscal consolidation so far. Budget 2013 announced that public sector pay awards in 2015/16 will be limited to an average of up to 1 per cent.

GROWTH

- A1** The UK has been hit by the most damaging financial crisis in generations and the government inherited the largest deficit since the Second World War. The government's long-term economic plan has protected the economy through a period of uncertainty, and provided the foundations for the UK's economic recovery which is now well established.
- A2** The government's long-term economic plan is restoring the public finances to a sustainable path. The deficit has fallen by over a third as a percentage of GDP since 2009-10 and is forecast to have halved by the end of 2014-15. The government's plan has ensured economic stability and provided the foundations for the recovery. In order to safeguard the economy in the long term, the government continues to take decisive action through monetary activism and credit easing; deficit reduction; reform of the financial system; and a comprehensive package of structural reforms.
- A3** UK GDP growth has been positive since the second quarter of 2013 and growth has exceeded forecasts. The UK economy grew by 0.8 per cent in the second quarter of 2014, following 0.8 per cent growth in the first quarter. The level of UK GDP has surpassed its pre-recession peak for the first time in the second quarter of 2014. The recovery is also balanced across all the main sectors of the economy, with manufacturing, services and construction all growing by over 3 per cent in the second quarter on a year earlier.
- A4** Reflecting this increased momentum, the Office for Budget Responsibility's (OBR) Budget 2014 forecast revised up UK GDP growth in 2014 to 2.7% compared to 2.4% from the Autumn Statement 2013 forecast. GDP growth in 2015 was revised up to 2.3% from 2.2%.
- A5** However, external risks remain, reinforcing the case for stability in the government's long term economic plan. These include slowing growth and financial instability in some emerging markets, and ongoing weakness in the euro area. The situation in Russia and Ukraine is a new risk, and further deterioration is likely to have some impact on the UK. Abandoning the government's long-term economic plan and the path of fiscal credibility would represent the most significant risk to the recovery.
- A6** The Government is delivering ambitious structural reforms to enable the UK to compete in a rapidly changing global economy. These reforms are a key part of the Government's economic strategy, alongside fiscal consolidation, monetary activism, and reform of the financial system.
- A7** To help equip the UK to succeed in the global race the government is implementing the most radical programme of economic reform in a generation. These reforms include making the tax system more competitive, equipping the UK's young people for the future, reforming the welfare system, increasing the income tax personal allowance and delivering improvements in the UK's infrastructure.

Table 1A: Forecasts for GDP growth 2014 to 2016

Forecasts for GDP growth (per cent)	2014	2015	2016
OBR (March Budget 2014)	2.7	2.3	2.6
IMF WEO (July 2014 update)	3.2	2.7	2.4
Avg. of independent forecasters (August 2014)	3.1	2.6	2.4

INFLATION

A10 Inflation has fallen significantly since its peak in September 2011. CPI inflation peaked at 5.2 per cent in September 2011 but fell back in 2012 as past rises in commodity and energy prices and VAT dropped out of the twelve month comparison. Inflation has been below the 2.0% target for the last seven months and over the second quarter of 2014 was 1.7 per cent.

A11 Compared to the Bank of England's May 2014 *Inflation Report*, the outlook for inflation in the August report is largely unchanged. In the central case, inflation falls back a little in the near term as the appreciation of sterling bears down on import prices and, in turn, prices in the shops. The Bank of England expects inflation to remain around 1.8 per cent from Q4 2014 onwards.

The OBR expects the rate of inflation to remain close to the 2.0% target for the rest of 2014, before settling at target in the second half of 2015. The OBR states in its March 2014 *Economic and fiscal outlook* that "anchored expectations are assumed to help keep inflation around target".

Table 2A: Forecasts for CPI Inflation 2014 to 2016

Forecasts for CPI Inflation (per cent change on a year earlier)	2014	2015	2016
OBR (March Budget 2014)	1.9	2.0	2.0
IMF WEO (April 2014)	1.9	1.9	1.9
Avg. of independent forecasters* (August 2014)	1.7	2.1	2.1

*Fourth quarter

AFFORDABILITY

- A12** The Government inherited the largest deficit in post-war history due to the financial crisis and unsustainable pre-crisis increases in public spending. The historically high level of borrowing risked undermining fairness, growth and economic stability in the UK. In 2010 the Government set out clear, credible and specific medium-term fiscal consolidation plans to return the public finances to a sustainable path.
- A13** The Government's fiscal strategy has been effective in providing protection against a challenging backdrop of global uncertainty and fiscal vulnerabilities. This has restored fiscal credibility, and allowed activist monetary policy and the automatic stabilisers to support the economy through the headwinds it faced in 2011 and 2012, consistent with the approach recommended by international organisations.
- A14** The Government remains committed to reducing the deficit and addressing the permanent structural deterioration in the public finances caused by the lasting impact of the financial crisis. Substantial progress has been made, and the deficit has fallen by more than a third as a percentage of GDP since its peak (from 11.0% in 2009-10, to 6.5% of GDP in 2013-14). By the end of 2013-14, around 70% of the annual consolidation planned for this parliament had been achieved, with around 65% of the spending and all of the tax consolidation in place. 80% of the total consolidation in 2015-16 will be delivered by lower spending.
- A15** The improved economic outlook supports the public finances, with the 'underlying deficit' now expected to be around £95 billion lower over the forecast period than forecast at Budget 2013. However, although the structural deficit continues to fall year on year, the OBR judges that it has not been improved by stronger economic growth over the past year, which the OBR has judged represents an improvement in the economic outlook rather than an improvement in the economy's growth potential. Substantial risks remain to the structural position of the public finances. These risks include external economic shocks, such as those set out in paragraph A5, public spending pressures and weak receipts growth driven by disappointing earnings growth. Therefore, the balance of fiscal risks argues strongly for sticking to the government's long-term economic plan.
- A17** The deficit and debt remain at unsustainable levels. This year, the deficit is forecast to be £95.5 billion (5.5% of GDP), and public sector net debt is forecast to continue to rise to peak at 77.3% of GDP next year (2015-16), at which point the government is forecast to be spending around £59 billion on servicing its public debt – more than is planned to be spent on the Department for Education. With the deficit and debt still at these unsustainable levels, deviating from the long-term economic plan as set out in 2010 would be the biggest risk to the recovery. Maintaining a clear and credible path of deficit reduction, which is based on continued public sector spending control and public sector pay restraint, is essential to ensuring market confidence in the government's ability to get the public finances back to a sustainable position.
- A18** The international fiscal context argues strongly in favour of maintaining a credible pace of deficit reduction. Despite significant progress since 2010, the European Commission forecasts that this year the UK will have the third

largest deficit and the largest structural deficit in the European Union. Given this context, maintaining the current clear and credible path of deficit reduction is necessary in order to maintain the confidence of international bond markets.

A19 The implication of fiscal consolidation for departmental spending levels can be seen in table 3A below, which shows resource DEL budgets for each department from the Public Expenditure Statistical Analyses 2013. An estimated £164.3 billion in 2013-14 was spent on public sector pay, around 50% of departmental resource spending.

Table 3A: Departmental Expenditure Limits

Table 2.4: Departmental Expenditure Limits

	£ billion		
	Estimate 2013-14	Plans 2014-15	Plans 2015-16
Departmental programme and administration budgets (Resource DEL excluding depreciation)¹			
Education	51.7	53.5	53.5
NHS (Health) ²	105.6	108.3	110.4
Transport	3.8	4.0	3.2
CLG Communities	2.0	2.5	1.1
CLG Local Government	16.6	13.8	12.1
Business, Innovation and Skills	14.8	13.8	13.2
Home Office	10.7	10.4	9.8
Justice	7.4	6.7	6.2
Law Officers' Departments	0.6	0.5	0.5
Defence ³	27.1	25.3	23.6
Foreign and Commonwealth Office	2.0	1.5	1.1
International Development	8.1	8.3	8.5
Energy and Climate Change	1.2	1.5	1.3
Environment, Food and Rural Affairs	1.8	1.8	1.6
Culture, Media and Sport	1.1	1.2	1.1
Work and Pensions	7.2	7.8	6.2
Scotland	25.5	25.8	25.8
Wales	13.9	13.7	13.7
Northern Ireland	9.7	9.7	9.7
Chancellor's Departments	3.2	3.6	3.3
Cabinet Office	2.2	2.3	2.0
Small and Independent Bodies	1.5	1.9	1.6
Reserve	0.0	2.4	2.5
Special Reserve	0.0	0.6	1.0
Adjustment for Budget Exchange ⁴	0.0	-2.2	0.0
Spending commitments not yet in budgets	0.0	0.0	0.9
Total Resource DEL excluding depreciation plans	317.8	318.7	313.9

*Source: HM Treasury,
March 2014*

LABOUR MARKET

A20 Headline labour market figures continued to strengthen in the first half of 2014. Employment has risen by 451,000 since the end of 2013 bringing the employment level to 30.6m. The employment rate rose 0.9 percentage points to 73.0 over the the same period, in-line with its pre-recession peak. The OBR expects employment to continue to rise over the forecast period, but at a slower pace than the increase over 2013. Unemployment fell by 264,000 over the first half of 2014 and is down 437,000 over the year. The unemployment rate has fallen by 0.9 percentage points since the end of 2013, by 1.4 percentage points compared to the same period last year and down from the peak of 8.4% in the final quarter of 2011. At 6.4% the unemployment rate is 0.4 percentage points lower than forecast than the OBR forecast at budget.

- A21** In the second quarter of 2014, the overall LFS employment level was 1.03 million above its pre-recession peak in the three months to May 2008. The number of vacancies increased by 119,000 over the year to 656,000 in the three months to July 2014, and is at its highest level since the three months to May 2008.
- A22** However, while employment growth remains robust and unemployment is falling wage growth remains weak. Regular pay growth (excluding bonuses) in the second quarter of 2014 slowed to 0.6% on the year.

Employment and unemployment

- A23** The increase in the level of employment of 820,000 over the year to the second quarter of 2014 continues to see employment grow strongly and outpace forecasts for the OBR. Employment over the last year increased faster in the UK than in any other G7 country. The composition of the labour market has also changed over the last year with an increase in the share of total employment accounted for by self-employment, to 15 per cent from 14 per cent a year earlier. The composition of the labour market can have important implications for tax receipts with the self-employed typically paying less tax than employees.
- A24** The ILO unemployment rate, which rose from a low of 5.2% in the first quarter of 2008 to peak at 8.4% (2.66m people) in the final quarter of 2011, has subsequently fallen to 6.4% in the second quarter of 2014. Unemployment is down 437,000 on the year, the fastest annual decline since 1988.
- A25** Long term unemployment (unemployment of 12 months or more) stands at 738,000 in the second quarter of 2014, down by 171,000 over the year. Long-term unemployment now accounts for 35.5% of total unemployment, a reduction of 0.6 percentage points on the year.
- A26** Working age inactivity (16-64) was down by 130,000 over the year with the inactivity rate falling by 0.4 percentage points to 21.9 percent. The fall in activity has been driven by a decline in female inactivity which is down 93,000.
- A27** Youth unemployment (16-24) fell by 102,000 in the second quarter of 2014 and down 206,000 on the year, the fastest decrease since records began. The youth unemployment rate stands at 16.9%, down 2.1 percentage points on the year. Excluding people in full-time education (FTE), there were 502,000 unemployed 16-24 year olds, with a corresponding unemployment rate of 14.5 per cent.
- A28** The claimant count (the number of people claiming Jobseeker's Allowance) has fallen for twenty-one consecutive months and is down 420,000 in the year to July 2014, the fastest annual decline since December 1973.

Table 4 summarises these statistics:

Table 4A: Labour market statistics summary (Levels in 000s, rates in %)*

	2010	2011	2012	2013	2014 Q2
Employment level (All aged 16 and over)	29,019	29,166	29,519	29,896	30,597
Employment rate (All aged 16-64)	70.5	70.5	71.1	71.7	73.0
Unemployment level (All aged 16 and over)	2,476	2,564	2,548	2,460	2,077
Unemployment rate (All aged 16 and over)	7.8	8.1	7.9	7.6	6.4
Youth unemployment level (All aged 16-24)	932	985	992	954	767
Youth unemployment rate (All aged 16-24)	19.8	21.1	21.2	20.8	16.9%
Claimant Count	1,496	1,534	1,585	1,421	1,008**

* The latest public and private sector employment figures available are for the first quarter of 2014. These show that private sector employment rose by 355,000 on the quarter and was up by 795,000 over the year. This more than offset the fall in public sector employment which decreased by 11,000 on the quarter and by 16,000 over the year. This takes into account of major reclassifications where large bodies employing large number of people have moved between the public and private sectors.

** Latest monthly data used (July 2014)

Public and private sector earnings

A29 Earnings growth in the private sector continues to be weak and over the period since 2008 average earnings growth in the public sector has generally exceeded that in the private sector. While private sector pay growth has improved since 2009 (about 1-2 per cent p.a.) we are yet to a return to growth rates seen before the recession (about 4 per cent p.a.). Even after controlling for individual characteristics IFS study finds that the pay differential between public and private sector workers still continues to be in favour of the former and above the pre-recession trend.

A30 Average total pay growth (including bonuses) decreased by 0.2% in the three months to June 2014 compared to the same three month period in

2013, the first time the rate has been negative since May 2009. This was mainly due to an unusually high growth rate in April 2013 as some employers who usually paid bonuses in March paid them in April last year to benefit from the lowering of the tax rate in April 2013. Regular pay growth (excluding bonuses) rose by 0.6% over the same period. Inflation as measured by the Consumer Price Index increased by 1.9% on the year to June, meaning that real pay growth continued to be negative over this period.

Average total private sector pay has recovered somewhat from its large decline in 2009 but remains mostly weak, growing by just 2.0% in 2010 and 2.6% in 2011, compared to above 4% prior to the recession. Private sector pay growth weakened to 1.4% in 2012 and 2013. Total private sector pay strengthened in the first quarter of 2014 and grew by 2% but decreased to -0.1% in the second quarter of the year.

- A31** Public sector (excluding financial services) average regular pay was 2.3% in 2010 and 1.8% in 2011. While this recovered slightly in the middle of 2012, growing by 2.3% in the third quarter of 2012, it weakened towards the end of the year and continued to weaken in 2013 growing by 0.9%. Pay in 2014 has picked up slightly, reaching 1.5% in Q1 before falling to 1.2% in Q2.
- A32** The sharp drop in bonuses for the whole economy seen in 2009 put more downward pressure on total pay (pay including bonuses). While there were some tentative increases in the levels during 2010 and 2011, it has remained mostly subdued. Whole economy bonus pay growth has seen large fluctuations during 2013 with a fall of 4.9% in March 2013 but an extremely large single month increase in April 2013 of 44.7% corresponding to the shift in the timing of annual bonus payments. The base effects of the shifting of bonus payments meant that bonus payments were particularly weak in the second quarter of 2014, down -10.8%. This has been a large drag on private sector pay in particular.
- A33** Table 5 sets out the differences in regular and total pay growth across years in the public and private sector.

Table 5A: regular pay (excluding bonuses) and total pay growth⁹

	Total Pay, annual growth			Regular pay, annual growth		
	All	Private	Public ¹⁰	All	Private	Public ²
2009	-0.1%	-0.9%	2.8%	1.7%	1.2%	3.0%
2010	2.4%	2.0%	2.2%	1.9%	1.5%	2.3%
2011	2.5%	2.6%	1.5%	2.0%	2.0%	1.8%
2012	1.4%	1.4%	1.7%	1.6%	1.8%	1.6%
2013	1.2%	1.4%	0.8%	1.0%	1.1%	0.9%
2014 Q2	-0.2%	-0.1%	0.9%	0.7%	0.9%	1.2%

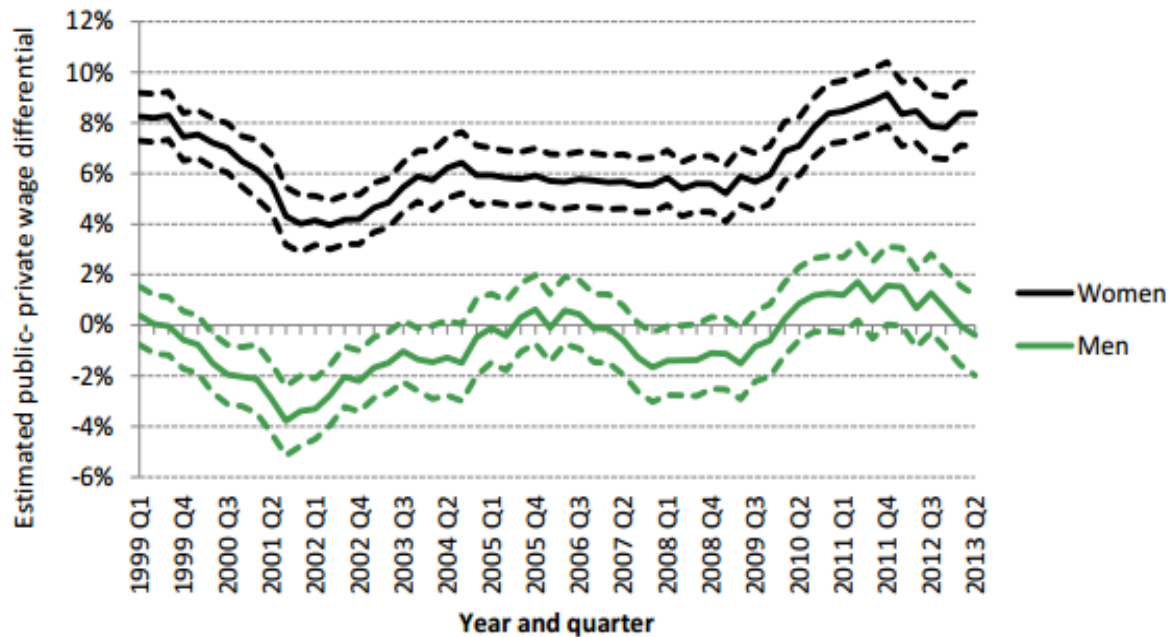
A34 Since the introduction of the pay freeze and the policy of pay restraint, average earnings in the public sector (as measured by the ONS) continue to display positive growth for a number of reasons: the provision of £250 to those earning £21,000 or less during the two years of pay freeze, the fact that some three year pay deals only ended in September 2011, and an upwards pay drift due to continued constrained recruitment.

A35 In addition the public-private sector pay differential based on average hourly earnings controlling for worker characteristics, as published in the IFS report (December 2013) shows that the public sector premium still remains above its pre-recession level.

⁹ Source: ONS, AWE; HMT calculations annual percentage change for quarter one.

¹⁰ Public sector pay excluding financial services

Figure 1: Public-private hourly pay differential controlling for individual characteristics, IFS (December 2013)



PUBLIC SECTOR PENSIONS

A36 When considering changes to remuneration, it is important to consider the overall value of the public sector reward package. As set out above, pay in the public sector continues to be above that of the private sector on average. However, there are many reasons aside from pay that may drive an individual's decision as to whether they will work in the public or private sector.

A37 One major factor in the overall reward package is pension provision. In the last few decades pension provision in the public and private sectors has diverged, in response to pressures around longevity, changes in the business environment and investment risk. This has led to a sharp decrease in the provision of defined benefit schemes in the private sector. Around 85% of public sector employees are members of employer-sponsored pension schemes, compared to only 35% in the private sector.

A38 Following a fundamental review of public service pension provision by the Independent Public Service Pensions Commission, the Government is introducing key changes to the pension element of the remuneration package. New public service pension schemes will be introduced in April 2015, which will:

- calculate pension entitlement using the average earnings of a member over their career, rather than their salary at or near to retirement;
- calculate pension benefits based on Normal Pension Age linked to the member's State Pension Age; and
- include an employer cost cap mechanism, which will ensure that the risks associated with pension provision are shared with scheme members to provide backstop protection for the taxpayer.

- A39** The changes being introduced through the Public Service Pensions Act 2013 will save an estimated £65 billion by 2061-62.
- A40** Wider changes to public service pension provision have also taken place. Progressive increases in the amount that members contribute towards their public service pension began in April 2012 and were phased in over three years, with the final increases made in April 2014. Members are now contributing an average of 3.2 percentage points more. This will deliver £2.8 billion of savings a year by 2014-15.
- A41** Protections from the impact of the contribution changes have been put in place for the lowest paid. Those earning less than £15,000 will see no increases; and those earning up to £21,000 (£26,000 for Teachers) will not see increases of more than 1.5 percentage points by 2014-15.
- A42** Public service pensions will remain among the best available and will continue to offer members guaranteed, index-linked benefits in retirement that are protected against inflation. Private sector workers buying benefits in the market would have to contribute over a third of their salary each year to buy an equivalent pension.
- A43** Putting together the evidence on pension provision and pay levels – and recognising that there will be significant variation between and within individual workforces – the overall remuneration of public sector employees is above that of the market. The Government is therefore clear that any changes to public service pensions, including the progressive increase in contributions from 2012-13, do not justify upward pressure on pay.

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