



The Supreme Court  
Annual Report and Accounts  
2016–2017





# The Supreme Court Annual Report and Accounts 2016–2017

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# Foreword

BY THE PRESIDENT OF THE SUPREME COURT  
LORD NEUBERGER



This is the last foreword that I shall be writing for the Supreme Court's annual report as I am retiring this summer. It has been an enormous privilege to lead the Court over the past five years and I am tremendously grateful for all the support I have received from so many different people involved with the work of the Court and beyond. The judgments the Court has given during this period are too numerous to cite here but unsurprisingly – since it is the test for cases coming to the Supreme Court – they have all involved significant points of law of public importance.

Undoubtedly, the highest profile of our cases arose out of the appeal brought by the Government in December 2016, on the proper constitutional process for triggering Article 50 of the Treaty of Lisbon. This case was truly exceptional for the Court, not least because all 11 current Justices sat to give judgment, and it placed a considerable demand on the Court's staff, who rose magnificently to the occasion. We were able to hear the case in relatively short order, to accommodate an unprecedented number of legal teams, to provide extensive overflow viewing facilities for members of the public as well as seats in court, and to deliver judgment by the end of January.

With Lord Toulson's retirement last summer we have been operating for most of the year with 11 Justices and I am grateful to my colleagues for shouldering the extra burden uncomplainingly. My retirement this coming summer, along with Lord Clarke's, has prompted competitions for a new President and two, possibly three, Justices. So there will be some significant changes at the start of

the new legal year, with more to come, given that there are three statutory retirements in 2018 and three in 2020. We shall also be adjusting to changes brought about by the UK's withdrawal from the European Union.

As well as my colleagues at the Court, I should also like to thank the Lord Chief Justice of England and Wales, the Lord President and the Lord Chief Justice of Northern Ireland for their continued support.

After a period of relative stability, the Court is about to enter a period of change internally and, probably, externally, and I wish all the Justices and staff every good wish as they navigate their way through whatever lies ahead. Knowing them as I do, I have great confidence that they will do so admirably.

I should like to end this Foreword by thanking my present and past colleagues on the Court for their support and comradeship, and the present and past members of the staff for the efficient and friendly way in which they have carried out their work. I have been very fortunate indeed to have been a member of the UK Supreme Court.

# Introduction

BY THE CHIEF EXECUTIVE  
MARK ORMEROD



I am pleased to present my second Annual Report, prepared to meet the obligation placed upon the holder of my office by section 54 of the Constitutional Reform Act 2005.

The cover of this report records a moment in what has been a memorable year for the Court. The hearing in December 2016 of the case relating to Article 50 of the Treaty of Lisbon brought us to the attention of the media and the public in a way that has not previously been experienced. With the live streaming through our website and the broadcast media's relaying of the case on several channels, the highlights on the TV news programmes and the round-ups at the end of the day, the Supreme Court found its way into public consciousness to an unprecedented degree.

Lord Neuberger has spoken in his foreword about the demands this placed on the judiciary and staff. It was a considerable test of our planning, service delivery and responsiveness and I believe we rose admirably to the challenge, very much helped by the spirit of co-operation of those involved. While there will inevitably be a range of opinions on the legal decision itself and its implications, it was particularly rewarding to receive a large number of thanks from counsel, solicitors, the media and members of the public for the care and effort that staff had put into making sure that all the administrative arrangements worked so well.

The Article 50 case was, of course, just one of many heard by the Supreme Court and Privy Council this year but it has helped to draw attention to the work of the Court and this has helped underline the Court's place in the constitution. We hope that it will prompt more people to visit the Court and find out about its role. Our visits and tours remain popular and we have extended the number of tours this year in response to demand.

During the year we have improved our service to those jurisdictions that send appeals to the Privy Council by installing video hearing facilities in the courtroom used for Privy Council cases. The Privy Council held its first video hearing this year using temporary facilities and this proved its worth. We believe that this is a service that a modern court should offer to overseas jurisdictions.

Looking ahead, planning is underway for the Court's first sitting out of London, in Edinburgh in June this year. This will be another historic moment for the Court and one that we hope will be followed by hearings in Belfast and Cardiff.

I am very grateful to the support received from the Justices during the year. I should also like to pay tribute to the hard work and good spirit of the staff in keeping the Court in such excellent shape. It is a strong position in which to be as we approach a period of considerable change.

# Section One

## Overview: objectives and governance



## Our Mission

The mission of the administration of the Supreme Court of the United Kingdom (UKSC) and the Judicial Committee of the Privy Council (JCPC) is to ensure that the President, Deputy President and Justices of the two Courts can deliver just and effective determination of appeals heard by the Court, in ways which also best develop the Rule of Law and the administration of justice.

## Our Strategic Objectives

The administration of the UKSC/JCPC will:

- 1 Create an environment, which effectively maintains the independence of the Justices, in which they can carry out their work protected from external pressures and which supports them in developing the Rule of Law.
- 2 Maintain and increase confidence in the delivery of justice throughout the United Kingdom. It will promote transparency in, accessibility to and knowledge of the ways in which justice should be rightly administered. It will thereby promote knowledge of the importance of the rule of law, not least as a guarantee of democratic freedom.
- 3 Provide efficient and effective support, which enables both the UKSC and the JCPC to secure the effective determination of justice, while demonstrating the best possible value for the resources with which they are provided. In particular it will operate case management systems, which provide appropriate measurable monitoring of the throughput of applications and cases, thereby enabling the most effective support of the Justices in their work.
- 4 Promote good relations with all the individual jurisdictions, legislatures and governments in the different parts of the United Kingdom.
- 5 Support the Justices in developing appropriate relationships with courts in Europe, throughout the Commonwealth and in other countries, especially those which share their common law heritage.
- 6 Demonstrate appropriate corporate social responsibility. In particular it will promote diversity amongst its staff, ensuring they are also representative of all the jurisdictions of the United Kingdom. It will also both source its supplies and consume its resources in ways which contribute as much as possible to sustainable development and the conservation of the world's natural resources.
- 7 As the statutory custodian of its own records, provide the most appropriate environment it can for the organisation, preservation and future inspection of those records.
- 8 As occupant of the former Middlesex Guildhall, promote knowledge of, and interest in, this historic building, the works of art it houses, especially the Middlesex Art Collection, and more generally the history of the County of Middlesex.

These objectives informed the business plan for 2016–17.

## Our Values

Although the mission and strategic objectives inform both our annual business plan and the objectives of individual members of staff, the way we go about these tasks is also important. All staff, including those with us on a temporary basis, for example, Judicial Assistants, are expected to follow the core values and behaviours set down in the Civil Service Code. In addition, we have developed our own set of values more specific to the organisation.

Each member of staff is expected to understand and demonstrate the following values. We hope they are evident in all we do.

### 1. Impartiality

We will respect judicial independence and deal with all casework fairly and objectively.

### 2. Clarity and Openness

We will undertake our work without prejudice in an open and transparent manner.

### 3. Professionalism

We will seek to understand other people's pressures and give support to each other. We will treat our colleagues, court users and visitors with respect, and work professionally and co-operatively with outside organisations.

### 4. Accountability

We will be responsible for delivering a high quality service to Justices, court users and to the public.

### 5. Efficiency

We will use our time, finances and resources effectively and efficiently. We will invite and listen to feedback and continuously look to improve our processes and the services we provide.

### 6. Accessibility

We will provide a service that meets the reasonable needs and expectations of users. We will positively promote awareness and understanding of the UKSC and interest in the history of the building and the works of art.

### 7. Influence

We will be ambassadors for the court, and we will maintain good relations, and share our knowledge and experience, with individual jurisdictions and governments in the UK, and with other courts around the world.

## Our governance

Like any public organisation, the administration of the UKSC and the JCPC has in place structures and safeguards to ensure proper accountability and clear lines of responsibility.

The administration of the UKSC is classified as a non-ministerial Department, established by the Constitutional Reform Act 2005 (CRA). The Court is supported by a Chief Executive, currently Mark Ormerod. The Chief Executive holds a statutory office created by s48 of the CRA; and he must carry out his functions in accordance with any directions given to him by the President of the Court, to whom he reports, although he may not act inconsistently with the standards of behaviour required of a civil servant, or with his responsibilities as Accounting Officer. The President of the Court may appoint officers and staff of the Court, but under s48(3) of the CRA the President of the Court may delegate to the Chief Executive this function and all other non-judicial functions of the Court; and the President, Lord Neuberger, has so delegated them.

The Chief Executive, officers and staff of the Court are all civil servants. Their pay, terms and conditions must be determined as such, although, subject to that constraint, the CRA (as amended by the Crime and Courts Act 2013) provides that the Chief Executive may determine the number of officers and staff of the Court and the terms on which they are appointed.

Under the CRA the Lord Chancellor must ensure the Court is provided with such accommodation and other resources as she

thinks are appropriate for the Court to carry on its business. The Chief Executive is placed under a parallel statutory duty to ensure that the Court's resources are used to provide an efficient and effective system to support its business. This is why the administration of the Court is classified as a non-ministerial Department. It is not part of the Ministry of Justice and does not report to the Lord Chancellor.

The Justices regard maintaining independence from both the Legislature and the Executive as a key constitutional objective. This is particularly important because the Government is in practice a party in slightly more than half the cases in which an application is made or a hearing takes place before the Court. The Chief Executive is therefore also an Accounting Officer in his own right, accountable directly to the House of Commons Public Accounts Committee.

The Chief Executive has two immediate deputies, the Director of Corporate Services (William Arnold), responsible for the institutional and organisational side of the Court; and the Registrar (Louise di Mambro), who exercises administrative and judicial functions under the Rules, and is responsible for the progress of cases and the Court's business.

Corporate Services cover broadly:

- accommodation and health & safety
- finance
- human resources
- communications, publicity and educational outreach; and
- records, IT and library services.



More details of key developments in these business functions over the year can be found in Section Six.

The Registry functions cover:

- the management of applications for permission to appeal
- the listing and actual hearing of appeals
- the issuing of court judgments and orders, and
- the resolution of disputed costs issues.

The Registrar also has management responsibility for the Justices' legally qualified Judicial Assistants.

### Who's who: Membership of Management Board and Committees

To support the Chief Executive in both his statutory responsibilities and his responsibilities as an Accounting Officer, an internal governance structure was established in 2009. This now comprises a Management Board, and Audit and Risk Assurance Committee, a Remuneration Committee and a Health and Safety Committee.

In addition there is a Strategic Advisory Board (SAB), which comprises the President, the Deputy President, one other Justice appointed by the President, the Chief Executive, the Director of Corporate Services, the Registrar and the UKSC's two Non-Executive Directors. Its remit is to consider the strategic direction of the Court and to approve and review the UKSC's Strategic Framework. This board has no direct role in managing either the judicial or non-judicial

functions of the Court. It met three times in 2016 – 2017, in June, October and February. A consequence of creating the SAB was that the number of meetings of the Management Board was reduced to six times a year at two monthly intervals. In 2016 – 2017 it therefore met in May, July, September, November, January and March.

More details can be found in the Governance Statement in Section Seven.



The Justices of the Supreme Court, as at 1 October 2016:

Back row (left-right) Lord Toulson (now retired), Lord Carnwath, Lord Sumption, Lord Wilson, Lord Reed, Lord Hughes, Lord Hodge;  
Front row (left-right) Lord Kerr, Lady Hale, Lord Neuberger, Lord Mance, Lord Clarke

	Maximum number of meetings possible to attend	Number of meetings attended
<b>Management Board</b>		
Mark Ormerod – Chief Executive	6	5
William Arnold – Director of Corporate Services	6	6
Louise di Mambro – Registrar	6	6
Olufemi Oguntunde – Director of Finance	6	6
Martin Thompson – Head of Accommodation/Health and Safety Manager (retired 30 September 2016)	3	2
Ben Wilson – Head of Communications	6	6
Chris Maile – Head of Human Resources	6	5
Paul Brigland – Head of ICT and Records Manager (Head of Office Services and Departmental Records Officer from 1 October 2016)	6	6
Paul Sandles – Librarian and Secretary to the Management Board (from 1 October 2016)	4	4
Stephen Barrett – Non-Executive Director (NED)	6	6
Kenneth Ludlam – Non-Executive Director (NED)	6	6
<b>Audit and Risk Assurance Committee</b>		
Kenneth Ludlam (Chair)		
Stephen Barrett		
Charles Winstanley – NED, Scottish Government		
Ronnie Armour – Chief Executive Northern Ireland Court Service (to 31 January 2017)		
Peter Luney – Acting Chief Executive Northern Ireland Court Service (from 1 February 2017)		
<b>Remuneration Committee</b>		
Stephen Barrett (Chair)		
Kenneth Ludlam		
Mark Ormerod (or, in his absence, William Arnold)		
<b>Health and Safety Committee</b>		
William Arnold (Chairman)		
Martin Thompson – Head of Accommodation and Health & Safety Manager (to 30 September 2016)		
Paul Brigland – Head of Office Services (from 1 October 2016)		
Ryan Stanbrook – Head of Accommodation and Health & Safety Manager (from 1 October 2016)		
Toyin Soleye – Deputy Head of Accommodation and Deputy Health & Safety Manager		
Chris Maile – Head of Human Resources		
Ian Sewell – Trade Union Health & Safety representative		
James Noone – Security Manager, Carlisle Security		
Clive Brown – Building Engineer, MJ Ferguson – Hard FM Contractors		
Caroline Hutchins – General Manager, Julius Rutherford – Cleaning Contractor		
David Mills – Director of Zafferano’s – Café Concessionaire		

Meetings of the Health and Safety Committee are open to staff to attend and raise issues or observe; and minutes posted on the staff intranet. Management Board minutes are published on the UKSC website.







## Policy developments

In our Business Plan for 2016/17 we highlighted a number of policy areas which we thought had the potential to impact on the work of the UKSC and/or the JCPC.

The most significant wider policy development of 2016-17 has been the EU Referendum vote and subsequent start of the process of withdrawing from the European Union. Although the decision has so far only led to one major case heard by UKSC (described on page 50), other issues may arise which are brought before the Court and the UKSC's relationship with the Court of Justice of the European Union will change in the longer term, as will its own role. This will become clearer during the legislative session 2017-18.

In 2015 the Government introduced changes to judicial review and the leapfrog appeals procedure which were given effect in the Criminal Justice and Courts Act 2015. We were consulted by Ministry of Justice officials on those provisions which affected the Supreme Court. So far, the wider range of cases that can "leapfrog" to the Supreme Court has not led to a significant rise in the rate of applications for permission to appeal, though we will continue to monitor this closely.

We have continued to keep in touch with Ministry of Justice officials, and with members of our User Group, about the continuing implementation of reforms to the provision of legal aid in England and Wales. There has been a variety of approaches to legal aid reform around the United Kingdom, and we have continued to keep in touch with the devolved jurisdictions about their thinking in this area. The number

of litigants in person applying for permission to appeal to the Supreme Court has risen slightly during the year, from 22 last year to 24 in 2016-17.

Similarly, we have been monitoring the impact of relevant provisions of the Courts Reform (Scotland) Act 2015 which, among other changes, introduced a permission to appeal regime for civil cases coming from Scotland to the Supreme Court. There is no evidence so far of this change leading to a significant change in the rate of cases coming from Scotland.

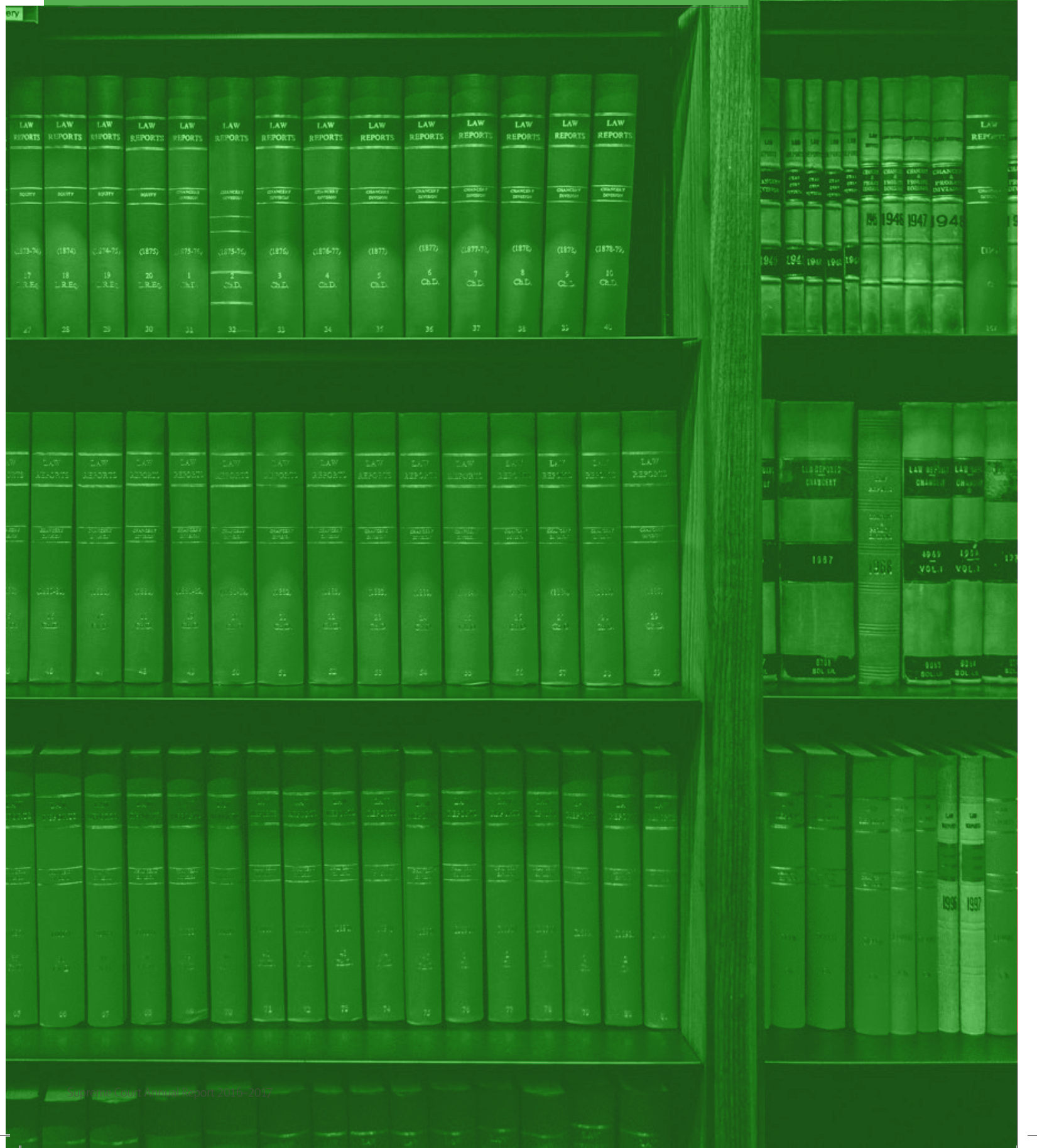
During the year, the statutory review of the operation of Sections 34 – 37 of the Scotland Act 2012 was initiated, to assess the provisions which allow for issues relating to the compatibility with EU law or with the Human Rights Act 1998 of steps taken in criminal proceedings in Scotland to be referred to the Supreme Court. Lord Reed has agreed to represent the UKSC on the review body; and in 2017-18 we shall be monitoring its outcome carefully for any likely impact on the workload of the UKSC.

We have continued to monitor progress on relevant provisions of the Scotland Act 2016 and the Wales Act 2017. Both Acts provide for mechanisms for draft legislation to be referred to UKSC from the devolved parliament and assembly respectively, though these provisions have yet to be brought into force.



# Section two

# Performance Report: Judicial appointments



For the first half of this year the Court operated with a full complement of twelve Justices. However, Lord Toulson reached his statutory retirement age in September 2016, and for the rest of the period covered by this Report there were eleven Justices. Lord Toulson has sat occasionally since his retirement as part

of the Supplementary Panel of Justices. A Supplementary Panel member ceases to be on the panel after five years of ceasing to hold a qualifying office or (if earlier) when 75. Lord Gill reached the latter milestone in March, while Lord Hamilton and Lord Dyson remain members of the Panel.

#### Extract from Lady Hale's valedictory remarks for Lord Toulson, 26 July 2016

"Lord Toulson can turn his formidable legal mind to anything, but it is surely as a common lawyer that he will best be remembered... in his judgments he has shown a learned, deeply thoughtful and principled approach to find the right answer to difficult and disputed questions of law... We shall all miss him badly, but fortunately he will join the Supplementary Panel and will be coming back to sit with us from time to time, so his talents are not entirely lost to us. We all wish him and his wife a long and happy life after the bench."



In addition to Lord Toulson's retirement, a further five vacancies for Supreme Court Justices are due to arise before the end of 2018. Lord Neuberger reaches his statutory retirement age in January 2018 but has indicated he will leave in the summer of 2017 to allow his successor to begin at the start of the new legal year. Lord Clarke reaches his statutory retirement age in May 2018 and has similarly indicated that he will retire at the end of the current legal year.

Recommendations for appointments to the UKSC are made by an independent selection commission, convened by the Lord Chancellor under rules set by Parliament. The Constitutional Reform Act 2005 and the Crime and Courts Act 2013 stipulate the main elements of the process to be followed, including the senior judges and politicians who need to be consulted at different stages of the process.

It was announced in July 2016 that, in order to encourage the broadest and most diverse range of applications and achieve the most efficient process for candidates and the selection commission, recruitment for the forthcoming vacancies would be grouped together in several joint selection exercises.

In November, the Lord Chancellor wrote to Lord Neuberger and Lord Kakkar (Chair of the Judicial Appointments Commission for England and Wales), inviting them to convene selection commissions to fill the vacancies created by the retirements of Lord Neuberger, Lord Clarke and Lord Toulson. The Selection Commission to find a successor to Lord Neuberger as President of the Supreme Court has a slightly different membership

to reflect the fact that the President does not sit on that panel and instead it is chaired by the Chair of one of the three judicial appointments bodies, in rotation.

The full membership of that panel is Lord Kakkar, Lord Thomas (Lord Chief Justice of England and Wales), Lord Mance, Professor Nichola Rooney (a Commissioner of the Northern Ireland Judicial Appointments Commission), and Deirdre Fulton (a member of the Judicial Appointments Board for Scotland). The membership of the panel to recommend candidates as Justices is Lord Neuberger, Lord Thomas, Lord Kakkar, Professor Nichola Rooney and Deirdre Fulton.

When planning the recruitment process, the selection commissions considered a number of the recommendations made by the Court's former Chief Executive Jenny Rowe in her report of July 2015, which sought to identify improvements to the procedures used to fill vacancies during the first five years of the Court, particularly in terms of attracting a more diverse range of eligible candidates.

All three vacancies were advertised widely and a dedicated section of the UKSC website presented information on the job description and selection criteria, supported by a media campaign to raise awareness of the opportunities.

Other steps undertaken by the UKSC and the selection commissions to encourage a broad pool of eligible applicants included the launch of 'insight sessions' to give potential candidates an opportunity to make a private visit to the Court and discuss

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the role with a serving Justice, and ensuring that the application material made clear the availability of part-time working for new Justices.

Applications closed on 10 March and, at the close of the period to which this Report relates, the selection commissions have considered the applications submitted and are proceeding with the appointment process by way of interviews of shortlisted candidates. It is hoped that the names of those appointed will be announced by HM Government on behalf of HM The Queen by the end of July, and the new post-holders will take up office at the beginning of the new legal year in October 2017.



# Section three

## Performance Report: Jurisdiction and casework

## The UKSC

### Jurisdiction and casework

The UKSC is the UK's highest court of appeal. It hears appeals on arguable points of law of general public importance, concentrating on cases of the greatest significance. The UKSC is the final court of appeal for all United Kingdom civil cases, and criminal cases from England, Wales and Northern Ireland and (in certain cases) Scotland.

The Court plays an important role in the development of United Kingdom law. The impact of UKSC decisions extends far beyond the parties involved in any given case, helping to shape our society. Its judgments directly affect everyday lives.

The UKSC hears appeals from the following courts in each jurisdiction:

### England and Wales

- The Court of Appeal, Civil Division
- The Court of Appeal, Criminal Division
- (in some limited cases) the High Court

### Scotland

- The Court of Session
- The High Court of Justiciary (in certain cases)

### Northern Ireland

- The Court of Appeal in Northern Ireland
- (in some limited cases) the High Court

During 2015, the statutory provisions which allow for cases to 'leapfrog' to the Supreme Court were extended and several measures have already been brought into force.

The devolution jurisdiction of the JCPC transferred to the UKSC on its establishment. The UKSC can be asked to give judgments on questions which relate to whether the acts of the devolved administrations in Scotland, Wales and Northern Ireland are within the powers given to them by the UK Parliament. These administrations were established by the Scotland Act 1998, the Government of Wales Act 2006 and the Northern Ireland Act 1998.

The UKSC can also be asked to scrutinise Bills of the Scottish Parliament (under section 33 of the Scotland Act 1998), Bills of the Northern Ireland Assembly (under section 11 of the Northern Ireland Act 1998) and Bills of the National Assembly for Wales under section 112 of the Government of Wales Act 2006.

Devolution cases can reach the UKSC in four ways:

- A question is referred by a court
- An appeal is made against a judgment by certain courts in England and Wales, Scotland and Northern Ireland
- A devolution issue is referred by certain appellate courts
- A devolution issue is directly referred whether or not the issue is the subject of litigation.

The UKSC has to consider and rule on the compatibility of United Kingdom legislation with the law of the European Union and the European Convention on Human Rights. In these and some other respects it represents a constitutional court.

### Rules and Practice Directions

The underlying procedure of the UKSC is in many respects the same as that of the Appellate Committee of the House of Lords, but section 45 of the Constitutional Reform Act 2005 imposes upon the President a specific duty in relation to the rule-making power bestowed upon him under section 45(3).

The Constitutional Reform Act 2005 requires that the Rules are 'simple and simply expressed' and that the Court is 'accessible, fair and efficient' and many of the rigid and detailed requirements in the House of Lords Practice Directions have been dispensed with. The Court must interpret and apply the Rules with a view to securing that the Court is 'accessible, fair and efficient and that unnecessary disputes over procedural matters are discouraged'. Rule 9(6) provides that, if any procedural question is not dealt with by the Rules, the Court or the Registrar 'may adopt any procedure that is consistent with the overriding objective, the Act and these Rules'. These words are very important in underpinning the approach adopted by the Court.

The Rules are kept under review and feedback from users is welcomed – both formally through our User Group, or informally in other ways. The Rules and Practice Directions have generally worked well, and have been improved further to reflect suggestions made by practitioners.

### The procedure for appealing: permission to appeal (PTA) applications

Following changes to the position relating to appeals coming from Scotland, now all appellants require permission to appeal before they can bring a case to the UKSC. The court appealed from may grant permission, but where that court refuses permission, the appellant can then apply to the UKSC which has to rule on whether the permission should be granted. Such applications are generally decided on paper by a panel of three Justices, without an oral hearing. There have been two oral permission hearings during the year.

Once the required papers have been filed, an application for permission will normally be determined within twelve sitting weeks. In urgent cases, a request for expedition may be made and an expedited application can be determined within 14 days or even less (see Table 2).

Applications by third parties to intervene in appeals may also be made, usually after permission to appeal has been granted. Over the course of the year, 28 such applications have been made and 21 were granted.

TABLE 1 – PTAs (1 April 2016 – 31 March 2017)

Applications Received	209
Applications Granted	67
Applications Refused	119
Applications with other result	6

### Appeals

Once permission to appeal has been granted, a hearing date is fixed using the time estimate provided by the parties, and the views of the panel considering the application. Hearings last for an average of two days.

Between 1 April 2016 and 31 March 2017:

- 91 appeals were heard, and
- 76 judgments were given.

### Sitting Days

Over the year, the UKSC sat for 142 days out of a maximum of 153 possible sitting days (the Court does not sit on Fridays, which are reserved for case preparation and judgment writing, and some other days are unavailable for hearings owing to judicial engagements affecting a number of Justices).

The Court's target remains for all appeals to be heard within nine months of the grant of permission. The Court, however, seeks to arrange hearings according to the availability of parties' legal representatives. In practice it is this factor alone which can prolong the 'life' of an appeal as instructing new advocates, if their advocate of choice is not available within the target period, involves the parties in considerable extra expense.

The UKSC can and has arranged hearings within weeks of the grant of permission in urgent cases. The Court deliberately allows some gaps in its listing to enable such cases to be heard. The following table indicates some cases heard by the UKSC within six months, and the timescales within which they were handled.

TABLE 2 – Urgent appeal cases

Case Name	Permission to Appeal Application filed	Permission to Appeal determination given	Hearing	Judgment
R (on the application of The Public Law Project) v The Lord Chancellor	23 December 2015	15 March 2016	18 April 2016	13 July 2016
R (on the application of Johnson) v Secretary of State for the Home Department	24 February 2016	1 March 2016	25 July 2016	19 October 2016
In the Matter of EV (a child) (Scotland)	9 December 2016	N/A	12 January 2017	1 March 2017
PJS v News Group Newspapers Ltd	19 April 2016	N/A	21 April 2016	19 May 2016



## Section three

## Performance Report: Jurisdiction and casework

TABLE 3 – Total UKSC statistics, including all jurisdictions: 1 April 2016 – 31 March 2017

	Total
PTA applications received	209
PTA applications referred to Justices	188
PTA applications granted	67
PTA applications refused	119
PTA applications other result	6
PTA fee remissions	13
PTA fee deferred	1
Appeals/references lodged with permission or as of right	32
Number of Appeals heard	91
Number of Appeals allowed	35
Number of Appeals dismissed	36
Number of Appeals other outcome	8*
Number of Appeals referred to CJEU	4**
Number of sitting days	142
Number of possible sitting days	153
<b>Number of Judgments given</b>	<b>76</b>

\* Includes three cases which were withdrawn and therefore not included in total number of Judgments given; plus one striking out, one declaration and three references to the CJEU, all of which are included in total number of Judgments

\*\* Includes one case where a question was referred before full Judgment was handed down after the year end, and therefore not included within appeals with other outcome

TABLE 4 – PTAs from Scotland and Northern Ireland: 1 April 2016 – 31 March 2017

	Total
<b>Permission to Appeal applications received</b>	
Scotland	21
Northern Ireland	11
<b>Permission to Appeal applications granted (not all filed during period)</b>	
Scotland	3
Northern Ireland	3
<b>Permission to Appeal applications refused (not all filed during period)</b>	
Scotland	12
Northern Ireland	6
<b>Appeals/references lodged as of right</b>	
Scotland	10
Northern Ireland	4

TABLE 5 – UKSC Applications for permission to appeal disposed of, by subject area  
1 April 2016 – 31 March 2017

Subject area	Number Granted	Number Refused	Number other	Total
Arbitration	1	2		3
Company	1	1		2
Competition	1			1
Contract law	2	10		12
Coroners		1		1
Costs	2	1		3
Crime	4	1		5
Defamation		2		2
Devolution		5		5
Discrimination	3			3
Education	1			1
Employment	6	3		9
Environment		2		2
EU law	1	3		4
Extradition		2		2
Family	1	7		8
Financial Services		1		1
Freedom of Information		2		2
Housing		2		2
Human Rights	2	3		5
Immigration	6	18	1	25
Insolvency		2		2
Insurance	2			2
Judicial Review	9	13		22
Landlord and Tenant		2		2
Negligence	2	1	1	4
Patent	1	1		2
Pensions		1		1
Personal Injury	2	5		7
Planning	5	4	1	10
Procedure	6	10	2	18
Shipping	2			2
Solicitor	1	1		2
Social Security		1	1	2
Taxation	4	10		14
Tort	1	2		3
Trade Mark	1			1
<b>Total</b>	<b>67</b>	<b>119</b>	<b>6</b>	<b>192</b>

## Section three

## Performance Report: Jurisdiction and casework

TABLE 6 – UKSC appeals, disposed of by judgment, by subject matter 1 April 2016 – 31 March 2017

	Total number of judgments
Arbitration	1
Children	2
Confidence	1
Conflict of Laws	1
Contract	7
Costs	2
Crime	4
Devolution	1
Discrimination	4
Employment	2
EU law	3
Extradition	1
Financial Services	2
Human rights	4
Immigration	7
Insurance	2
Insolvency	1
Judicial review	7
Land	1
Landlord and Tenant	2
Legal Aid	1
Limitation	1
Mental Capacity	1
Occupiers Liability	1
Planning	1
Privacy	1
Procedure	1
Sale of Goods	1
Statutory interpretation	4
Tax	3
Tort	4
Trusts	1
Wills	1
<b>Total</b>	<b>76</b>

### References to the Court of Justice of the European Union

Like other courts, the UKSC is able (under Article 267 of the Treaty on the Functioning of the European Union) to ask the Court of Justice of the European Union (the CJEU) to give preliminary rulings concerning:

- a. the interpretation of the Treaties; and
- b. the validity and interpretation of acts of the institutions, bodies, offices or agencies of the Union;

where such a question is raised in proceedings before it and it considers that a decision on the question is necessary to enable it to give judgment.

As the final court of appeal in the UK, the UKSC has to refer a question to the CJEU unless it falls within the four categories identified in the decision of the CJEU in *CILFIT v. Ministry of Health* (Case C-283/81). That case laid down the categories of case where the European Court considered that no reference should be made to it, namely:

- a. where the question raised is irrelevant;
- b. where the Community provision in question has already been interpreted by the Court of Justice;
- c. where the question raised is materially identical with a question which has already been the subject of a preliminary ruling in a similar case; and
- d. where the correct application of Community law is so obvious as to permit no scope for any reasonable doubt.

In judgments given between 1 April 2016 – 31 March 2017 following substantive appeal hearings, the UKSC agreed to refer questions in four cases. It declined to do so in three cases.

In permission applications in cases said to raise a question of European Union law, the UKSC also considers whether the appeal falls outside of the *CILFIT* categories outlined above.

The Court may order a reference to the Court of Justice before determining whether to grant permission to appeal. In such circumstances proceedings on the application for permission to appeal are stayed until the answer is received. Between 1 April 2016 and 31 March 2017, the UKSC made four such references. Over the same year, the UKSC has, when refusing permission to appeal, refused to make references in two cases.



## Section three

Performance Report: Jurisdiction and casework



Top: Exceptionally, eleven Justices sat to hear the appeal in R (Miller and Dos Santos) – see page 50

Above: Justices of the Supreme Court process to Westminster Abbey for the Service at the Opening of the Legal Year, October 2016

### Size of panels hearing cases

The Supreme Court Justices usually sit in panels of five, but sometimes in panels of seven or nine. When a panel decides to grant permission to appeal, a recommendation is made if the panel considers more than five Justices should sit. The criteria for making such a recommendation are available on our website. Of particular note is the fact that all eleven Justices sat to hear the 'Article 50' case of R (on the application of Miller and another).

### Easter term (5 April – 27 May 2016)

Seven Justices sat on the following appeals:

- R (on the application of Agyarko) v Secretary of State for the Home Department
- R (on the application of Ikuga) v Secretary of State for the Home Department
- R (on the application of The Public Law Project) v Lord Chancellor
- Mohammed and others v Ministry of Defence and another

### Trinity term (7 June – 29 July 2016)

Seven Justices sat on the following appeals:

- R v Golds
- FirstGroup Plc v Paulley

### Michaelmas term (3 October – 21 December 2016)

Seven Justices sat on the following appeals:

- Ilott v The Blue Cross and others

Nine Justices sat on the following appeals:

- Mohammed and others v Ministry of Defence and another

Eleven Justices sat on the following appeal:

- R (on the application of Miller and another) v Secretary of State for Exiting the European Union and linked references

### Hilary term (11 January – up to 31 March 2017)

Seven Justices sat in the following appeals:

- PNM v Times Newspapers Limited and others
- R (on the application of UNISON) v Lord Chancellor

## Cases and judgments

Although every appeal heard by the UKSC is of importance, many also attract considerable public interest owing to their impact on wider society, or legal interest because of the scope of the precedent set. Some of the most significant appeals determined by the Court this year include:

### **PJS v News Group Newspapers Ltd [2016] UKSC 26**

A decision of the Supreme Court to uphold an injunction prohibiting the publication of information concerning the sexual relationships of PJS, a well-known person in the entertainment business, was the subject of much attention. The respondent newspaper publisher had applied to discharge the injunction, on the ground that PJS's identity had been widely disclosed on the internet, in the US and in Scotland, meaning that the injunction no longer served any purpose.

The majority of the justices considered that there was no public interest in the story and that the intrusive impact of additional disclosure in the English media on PJS and his children's right to privacy, as opposed to confidentiality, would be considerable. The injunction was the only remedy of any value to PJS and his family. Lord Toulson dissented, holding that the form of the publication should not make a significant difference in circumstances where the information was widely available.

### **R (on the application of The Public Law Project) v Lord Chancellor [2016] UKSC 39**

By this judgment, seven justices unanimously restored a declaration of the High Court that Parliament had not granted a power to the Lord Chancellor to introduce a residence test for civil legal aid by way of delegated legislation under the Legal Aid, Sentencing and Punishment of Offenders Act 2012. The exclusion of a specific group from the right to receive legal services on the ground of personal circumstances, which had nothing to do with the nature of the services involved or the individual's need or ability to pay for the services, was not within the scope of the power granted to the Lord Chancellor by Parliament to 'vary or omit' services by delegated legislation. The draft order put before Parliament was therefore unlawful.

### **Patel v Mirza [2016] UKSC 42**

The question of when a party's involvement in illegality bars a claim has come before the Supreme Court in several recent cases. This appeal raised the issue again, and it was heard by nine justices to allow a comprehensive review of the rationale and the application of the doctrine of illegality.

Mr Patel had given Mr Mirza £620,000 to place bets on a bank's share price with the benefit of insider information. The intended betting did not take place but Mr Mirza did not return the money to Mr Patel and he sued for its return.

The Supreme Court unanimously upheld the decision of the Court of Appeal in favour of Mr Patel, but the court divided on the process of reasoning. Six of the justices adopted a flexible approach, taking

into account a mix of factors relevant to the policy considerations behind the defence of illegality, in order to ascertain whether it would be disproportionate to refuse relief to which a claimant would otherwise be entitled. Mr Patel satisfied the ordinary requirements of a claim for unjust enrichment and should not be debarred from enforcing his claim by reason only of the fact that the money was paid for an unlawful purpose. The other three justices preferred the existing rule-based approach, which they considered would preserve greater coherence or certainty in the application of the doctrine.

### **The Christian Institute and others v The Lord Advocate [2016] UKSC 51**

The Supreme Court held in this devolution appeal that certain aspects of the Children and Young People (Scotland) Act 2014, which made provision for a 'named person' service for every child, were outside the legislative competence of the Scottish Parliament because they were incompatible with rights protected under the European Convention on Human Rights and by EU law.

The court considered that there was an interference with the right to family life protected by article 8: the rules governing the sharing of information by public authorities about the child were difficult to access and lacked safeguards by which the proportionality of any interference with article 8 rights could be adequately examined. Thus, while the scheme as a whole was a reasonable measure in pursuit of legitimate aims, it was capable of operation in a manner which gave rise to disproportionate interferences in particular cases, and it should not come into effect unless these aspects were addressed.

### **Belhaj and another v Straw and others [2017] UKSC 3**

This was one of three important judgments handed down relating to issues arising from the alleged complicity of UK officials in acts of torture and unlawful detention by the UK or other states overseas.

On the assumption that the alleged facts were true, the Supreme Court had to determine whether the doctrines of state immunity or 'foreign act of state' applied so that the cases were not properly triable in the English courts. Seven justices unanimously held that the pleas of state immunity failed as the foreign states would not be affected in any legal sense by the proceedings, which were brought solely against the British Government. Nor would the doctrine of foreign act of state apply: it was subject to a public policy exception applicable in cases of violations of fundamental rights. On the assumed facts it could not be relied on to defeat the proceedings, which should therefore proceed to trial.

### **FirstGroup Plc v Paulley [2017] UKSC 4**

The Supreme Court unanimously allowed an appeal by a wheelchair user who had been unable to board a bus because the wheelchair space had been occupied by a passenger with a pushchair. The policy of the bus company, under which a driver was required simply to request a non-wheelchair user to vacate the wheelchair space, but not to take any further steps in the event of a refusal, amounted to disability discrimination. The court held that where a driver considers that a refusal is unreasonable he or she should consider some further step (short of ordering the passenger off the bus, but including rephrasing the request as a requirement



and/or refusing to drive on for several minutes) to pressurise the non-wheelchair user to vacate the space.

The court divided over whether the award of damages to Mr Paulley by the County Court should be restored. By a majority of 4 to 3 the Supreme Court held that the Recorder had not considered whether Mr Paulley would in fact have been able to travel on the bus had the driver been more forceful (but not going so far as removing the passenger occupying the wheelchair space from the bus if necessary) and so an award of damages was not possible.

### **R (on the application of Miller and another) v Secretary of State for Exiting the European Union [2017] UKSC 5**

In an historic appeal, all eleven Justices sat together for the first time to hear an appeal from a decision of the High Court that the Secretary of State for Exiting the European Union did not have the power to serve notice of the UK's intention to withdraw from the EU without prior authorisation by an act of Parliament. The appeal required the court to consider the UK's constitutional requirements, which were a matter of domestic law which all parties agreed should be determined by UK judges.

The appeal was joined with two references from Northern Ireland raising additional issues of whether the terms on which powers had been devolved required consultation with or the agreement of the devolved legislature or otherwise operated to restrict the Government's power to serve such notice. The Lord Advocate and Counsel General on behalf of the Scottish and Welsh

governments respectively intervened in the appeal. There were three further interveners and two interested parties.

The Supreme Court, by a majority of 8 to 3, dismissed the Secretary of State's appeal, holding that the terms of the European Communities Act 1972, which gave effect to the UK's membership of the EU, were inconsistent with the exercise by ministers of any power to withdraw from the EU treaties without authorisation by a prior Act of Parliament. The dissenting judges would have held that the effect of the 1972 Act was conditional on the UK's membership of the EU and did not affect the Crown's prerogative power to withdraw from international treaties.

On the devolution issues, the justices unanimously concluded that any obligation to consult the devolved institutions operated as a political rather than a legal constraint on the activity of the UK Parliament, the policing of which was not within the constitutional remit of the courts.

### **R (on the application of MM (Lebanon) v Secretary of State for the Home Department [2017] UKSC 10**

Over the course of the year the Supreme Court heard a series of appeals concerning the application of the right to family life, protected by article 8 of the European Convention on Human Rights, in the immigration context and following the introduction of new Immigration Rules in 2012.

This judgment concerned challenges to the introduction of a minimum income requirement of £18,600 per annum which a

sponsoring spouse must now satisfy in order for their non-EEA spouse to join them in the UK. The court upheld the compatibility of the Immigration Rules as a whole with the rights protected by the European Convention on Human Rights, because they envisaged a two-stage process by which a fact-sensitive consideration of any human rights issues outside the rules would take place at the second stage. It also upheld the principle of a minimum income requirement as a measure with the legitimate aim of ensuring that the couple do not have recourse to welfare benefits and can play a full part in British life. Amendments were however needed to the rules and guidance to give effect to the duty to have regard to the welfare of children and to allow alternative sources of income to be taken into account in appropriate cases.

## The JCPC

### Jurisdiction and casework

The JCPC is the court of final appeal for the UK Overseas Territories and Crown Dependencies and for those Commonwealth countries that have retained the appeal to Her Majesty in Council or, in the case of republics, to the Judicial Committee. A list of the relevant countries is at Annex A. Although the Judicial Committee was instituted by a United Kingdom Act, the substantive law which it applies is the law of the country or territory from which the appeal comes. The Judicial Committee therefore plays an important role in the development of law in the various constituent jurisdictions and the impact of its decisions extends far beyond the parties involved in any given case, and often involves questions arising out of the relevant constitution and/or the fundamental rights and freedoms of the inhabitants of the country or territory.

The JCPC hears a wide variety of cases and deals with complex commercial or wide-reaching matters – often in a short timeframe – e.g. *Pearson v Primeo Fund* (Cayman Islands)

The JCPC also has jurisdiction in a number of miscellaneous areas such as appeals from the Disciplinary Committee of the Royal College for Veterinary Surgeons, certain maritime disputes and non-doctrinal ecclesiastical matters.

### Rules and Practice Directions

The underlying procedure of the JCPC is in many respects the same as that of the UKSC. The Rules are kept under review and feedback from users, whether formally through the User Group or informally in other ways, is welcomed. The Rules, Practice Directions and forms for the JCPC can be accessed on the JCPC website at [www.jcpc.uk](http://www.jcpc.uk)

### The procedure for appealing

Unlike in the UKSC where, in most cases, an Appellant requires permission to appeal before he can bring an appeal, the Judicial Committee hears a number of appeals 'as of right'. The right of appeal to the JCPC is largely regulated by the constitution and legislation of the relevant individual jurisdiction or by Order in Council. In broad terms, provision for leave 'as of right' is made where the value of the dispute is more than a specified amount or where the appeal raises questions as to the interpretation of the constitution of the country concerned. In other civil cases, leave may be granted by the court appealed from or, on application, by the JCPC itself.

The JCPC receives a number of applications for permission to appeal in criminal cases including 'death row' cases. Permission to appeal is granted in criminal cases for applications where, in the opinion of the Board, there is a risk that a serious miscarriage of justice may have occurred.

The timescale for dealing with applications for permission to appeal to the JCPC is often dependent on the actions of local attorneys or of the relevant court from which the appeal is brought. Although the JCPC can, and has, dealt with applications for permission to appeal quickly, an application for permission would normally be determined with twelve sitting weeks.

TABLE 7 – PTAs (1 April 2016 – 31 March 2017)

Applications Received	60
Applications Granted	9
Applications Refused	35
Applications with other result	1

### Appeals

As in the Supreme Court, the hearing date for an appeal is fixed using the time estimate provided by the parties and/or by the panel which granted permission to appeal, and appeals are almost invariably listed to the convenience of the parties involved, particularly if they are having to travel long distances.

A key development during 2016/17 has been the trialling of video link equipment to reduce the need for parties to travel to London for brief hearings. A pilot was carried out in November 2016 whereby an appeal from Mauritius was heard with two parties appearing via video link from the island. Following the success of this pilot, permanent equipment has been installed in Court Three to allow for greater use of this technology in future.

Between 1 April 2016 and 31 March 2017:

- 47 appeals were heard
- 38 judgments were given.

TABLE 8 – Total JPC statistics: 1 April 2016 – 31 March 2017

	Total
PTA applications received	60
PTA applications referred to Justices	49
PTA applications granted	9
PTA applications refused	35
PTA applications other result	1
PTA fee remissions	4
Appeals filed as of right	42
Number of Appeals heard	47
Number of Appeals allowed	14
Number of Appeals dismissed	21
Number of Appeals other result	3
Number of sitting days	38
Number of possible sitting days	153
<b>Number of Judgments given</b>	<b>38</b>



## Section three

## Performance Report: Jurisdiction and casework

TABLE 9 – Permission to appeal applications lodged and other appeals presented, by jurisdiction:  
1 April 2016 – 31 March 2017

	Number of PTA applications lodged	Number of PTA applications granted (not all lodged during period)	Number of PTA applications refused (not all lodged during period)	Number of other appeals presented (i.e. lodged as of right)
Akrotiri and Dhekelia				
Anguilla				1
Antigua and Barbuda	3	1	1	
Bahamas	9		7	6
Bermuda	2		2	
British Indian Ocean Territory				
British Virgin Islands	3	1	1	4
Cayman Islands	1	1	4	5
Cook Islands and Niue				0
Falkland Islands				
Gibraltar				
Grenada	1			
Guernsey	6		1	2
Isle of Man	4	1	6	
Jamaica	8		5	7
Jersey	4	1		
Mauritius	8	1	4	2
Montserrat				
Pitcairn Islands				1
St Christopher and Nevis				
St Helena				
St Lucia	2		1	1
St Vincent and the Grenadines				
Solomon Islands	1		1	
Trinidad and Tobago	5	2	2	12
Tristan da Cunha				
Turks and Caicos	3	1		1
Tuvalu				
<b>UK</b>				
Royal College of Veterinary Surgeons				
Schemes of the Church Commissioners under Pastoral Measure				
Arches Court of Canterbury				
Chancery Court of York				
Referrals under section 4 of the Judicial Committee Act 1833				
<b>Total</b>	<b>60</b>	<b>9</b>	<b>35</b>	<b>42</b>

### Size of panels hearing cases

The JCPC usually sits as a Board of five, but sometimes in panels of three, seven or nine. When a panel decides to grant permission to appeal, a recommendation is made if the panel considers more (or less) than five judges should sit. The criteria for making such a recommendation are available on our website. During this year there have been no panels of more than five judges.

### Cases and judgments

JCPC cases of particular legal interest over the year included:

#### **In the matter of the Baronetcy of Pringle of Stichill [2016] UKPC 16**

This was an unusual case, governed by Scots law, in which the Board was asked to advise Her Majesty as to who should be entered on the Official Roll of the Baronetage as the Baronet of Pringle. The Baronetcy had been granted in 1683 by King Charles II to Robert Pringle of Stichill 'and the male heirs of his body'. DNA evidence obtained from the 10th baronet had given very strong support to the contention that his father, the 9th baronet, had not in fact been the biological son of the 8th baronet and should not have succeeded to the title. A claim was made by Murray Pringle, a grandson of the 8th baronet, to be recognised as the proper heir. A preliminary issue was the admissibility of the DNA evidence.

The Board found that there was no legal ground for excluding the DNA evidence and that it established that the title should not have passed to the 9th baronet but instead to Murray Pringle's father, and now to him as the heir male of the first baronet. The passage of time and the failure of either Murray Pringle or his father to claim the baronetcy sooner did not extinguish or bar his claim.

#### **Arorangi Timberland Limited and others v Minister of the Cook Islands National Superannuation Fund (Cook Islands) [2016] UKPC 32**

In a case from the Cook Islands, short-term migrant workers complained that a mandatory national pension scheme established in 2000, under which they were entitled to withdraw their contributions upon permanent departure from the Islands, but not to take the benefit of their employers' contributions, was generally unconstitutional, and both unjustifiably deprived them of their property and discriminated against them.

The Board upheld the overall constitutionality of the scheme, finding that it was sufficiently secure and independent of government interference, and the restriction on the withdrawal of funds was a permissible legislative policy choice. By a majority of four to one it held, however, that the treatment of migrant workers under the scheme was unconstitutional. The provision entitling them to withdraw only their contributions treated their employer contributions as if they were not earned and vested in them, and no justification for it had been shown.

### **Barrow v Attorney General of Saint Lucia [2016] UKPC 38**

A former Justice of Appeal of the Eastern Caribbean Supreme Court appealed to the Privy Council in relation to the refusal to grant him a judicial pension. He had retired nine years before the compulsory retirement age, after less than four years' service.

The Board dismissed his appeal, holding that a judge must, under the relevant legislation, have been in public service for at least ten years in order to retire 'in pensionable circumstances'. Nor did it consider that the judge had had a legitimate expectation that he would receive a pension based on previous practice. Such practice had only occurred in respect of judges who had attained the mandatory retirement age of 65.





Court Three, typically used for JCPC hearings, is furnished with a carpet with the Privy Council crest that can be moved to other courtrooms if necessary; underneath is a representation of the UKSC emblem, ensuring flexibility of the space.



# Section four

## Performance Report: Communications and external relations

During the year, the UKSC has continued to seek ways of making its proceedings as accessible as possible and to nurture effective relationships with a wide range of stakeholders across the UK and beyond.

### **Maintaining effective relationships with all jurisdictions in the United Kingdom**

We have continued to build constructive relationships with legislatures across the UK. Regular breakfast meetings between the senior judiciary and the House of Lords have continued, with a number of Peers visiting the UKSC on 12 October 2016 and a return visit taking place on 14 March 2017. Members of the Justice Committee visited on 27 October 2016 and Lord Neuberger and Lady Hale made their annual appearance before the House of Lords Constitution Committee on 29 March 2017 (the transcript of their appearance can be found on the Committee's website).

The context within which the Court operates, particularly in relation to the devolution settlements in Scotland, Wales and Northern Ireland, underlines the importance of building and maintaining relationships with judges, lawyers, the devolved administrations and other bodies throughout the United Kingdom. It is an expectation that Justices who originate from either Scotland or Northern Ireland will keep in touch with judges and lawyers in those jurisdictions. Lord Reed and Lord Hodge have done this for Scotland; and Lord Kerr plays a similar role in relation to Northern Ireland. Additionally, Lord Hughes has occasional meetings with the Counsel General for Wales.

We have also benefited from the contribution of judges drawn from across the United Kingdom sitting either as Acting Judges of the UKSC or in the JCPC. The following Judges have sat in this financial year: Lord Thomas, the Lord Chief Justice of England and Wales, Sir Declan Morgan, Lord Chief Justice of Northern Ireland, Lord Dyson, formerly a Justice of the Supreme Court and recently retired as Master of the Rolls, recently retired Supreme Court Justices Lord Toulson and Lord Collins, Lord Gill, formerly Lord President of the Court of Session, Lord Justice Gillen from Northern Ireland, Lord Justice Lewison, and Lady Justice Arden from England and Wales. We are grateful to all of them for the contribution they have made.

### **England**

The Justices undertake a wide range of outreach work across the country, attending events and speaking to audiences about the law, Supreme Court jurisprudence and the work of the senior courts. The breadth of this engagement is impossible to list comprehensively, but illustrative examples include Lord Neuberger speaking at a fundraising breakfast for the Personal Support Unit at the Law Society of England and Wales in March; Lady Hale giving an address at the Society of Legal Scholars Conference in September on judicial law reform; Lord Wilson speaking to the University of Bristol Law Club in March about financial provision after divorce; Lord Reed giving the Annual Law Lecture at the University of Liverpool on comparative law in December; Lord Carnwath giving a lecture on environmental law to staff and students at Northumbria University in Newcastle in March; and Lord Hodge speaking at Durham University Union in November on the role of judges.

## Scotland

Regular 'keeping in touch' meetings have continued throughout the year: Lord Reed and Lord Hodge met with the Lord Advocate and the Solicitor General for Scotland on 15 June 2016; Lord Neuberger and Lady Hale met the Lord Advocate on 6 March 2017; and Lord Reed and Lord Hodge met the Advocate General on 28 April 2016 and 8 February 2017.

During the year, Lord Reed was invited by the Lord President of the Court of Session to be a member of the review of the Sections 34-37 of Scotland Act 2012 (see page 15).

Lord Reed visited the University of Aberdeen in July to deliver the inaugural Lord Rodger Lecture to students enrolled in the university's annual Summer School in Comparative Law.

Lord Hodge attended the Law Society of Scotland's St Andrews Night dinner in London and gave an after-dinner address.

Lord Neuberger delivered two lectures in Scotland during the year: the first in Glasgow in October 2016, when he spoke about the constitutional role of the Supreme Court in the context of devolution in the UK; the second in Edinburgh in November 2016 when he explored different approaches to judicial reasoning across jurisdictions.

Lady Hale gave the keynote address at a conference in honour of Professor Eric Clive at the University of Edinburgh in April 2016. At the invitation of Lord Hope, the Lord High Commissioner and former Deputy President of the Supreme Court, Lady Hale also attended the opening of the General Assembly of the Church of Scotland in May 2016.

In October 2016, Lord Sumption delivered the Annual Lecture of the University of Edinburgh's Commercial Law Centre in the University Library.

In March 2017, the UKSC announced it would sit in Edinburgh for a week during June 2017, the first time the Supreme Court or the Law Lords have ever heard appeals outside London. Mark Ormerod, Chief Executive, visited Scotland on 25 January 2017 to discuss arrangements for these sittings, which will be held in the City Chambers on the Royal Mile. He led a further visit on 23 and 24 March 2017 for discussions with those involved with the arrangements. During the course of these visits he had meetings with the Lord President, the Lord Justice Clerk, the Lord Advocate, the Vice-Dean of the Faculty of Advocates, the Society of Solicitors in the Supreme Courts of Scotland, the Scottish Law Society, the Edinburgh Law School and the Scottish Courts and Tribunals Service.

## Northern Ireland

Lord Kerr met the Attorney General of Northern Ireland on 30 June 2016. Lord Kerr addressed the Joint Meeting of the Bars of Northern Ireland and the Republic of Ireland, held in Belfast in June 2016. He also spoke at a Property Law Conference at Queen's University Belfast in April 2016.

Lord Neuberger and Lord Kerr both attended the British/Irish Commercial Bar Association's annual law forum, held at the Royal Courts of Justice in Belfast in April 2016.

Lady Hale met delegates at the University of Ulster's Transitional Justice Institute Conference in July 2016.

Mark Ormerod was in Northern Ireland for the opening of the legal year in September 2016. As well as attending the ceremony and the Lord Chief Justice of Northern Ireland's address, he had meetings with the Lord Chief Justice, the Minister of Justice, the Chief Executive of the Northern Ireland Courts and Tribunals Service, and the Head of the Government Legal Service for Northern Ireland, among others.

### Wales

Lord Hughes held a meeting with the new Counsel-General for Wales, Mick Antoniw AM, at the Supreme Court on 7 November 2016. They had also met at the Legal Wales conference in Bangor on 7 October 2016.

Mark Ormerod visited Wales on 3 June 2016 and had meetings with Elisabeth Jones, Prif Gynghorydd Cyfreithiol/Chief Legal Adviser at the Cynulliad Cenedlaethol Cymru/National Assembly for Wales; Jeff Godfrey and Hugh Rawlings at the Llywodraeth Cymru/Welsh Government; Professor Richard Wyn Jones, Richard Percival and Huw Pritchard at Ysgol y Gyfraith Caerdydd/Cardiff Law School; and solicitor Emyr Lewis.

Mark Ormerod also attended the Legal Wales Conference held on 7 October 2016.

### Judicial Committee of the Privy Council

Over the year the Justices and administration have continued to maintain and enhance the relationship with the jurisdictions which use the JCPC.

In February 2017, the JCPC sat at the invitation of the Bahamian Government in The Bahamas and heard five cases. Five

Justices – Lord Mance, Lord Kerr, Lord Sumption, Lord Reed and Lord Hodge – formed the Board for the visit. In addition to hearing appeals, the Board took the opportunity to meet a large number of people across different parts of the legal profession, as well as politicians and other civic leaders. The Board is happy to consider invitations to sit abroad in the jurisdictions which retain a right of appeal, where sufficient workload can be demonstrated and where the host government is content to cover in-country costs and travel expenses.

The Chief Executive, the Director of Corporate Services and the Registrar have continued to offer to brief incoming Governors of the British Overseas Territories or senior diplomats serving in other JCPC countries upon appointment or at another convenient juncture. This year such meetings were held with the new High Commissioner for Barbados and the new Resident Commissioner based in St Lucia before they left for their postings.

We have continued to issue a twice-yearly e-newsletter to JCPC jurisdictions, as well as to Privy Council agents and other court users. In that newsletter we aim to bring people up-to-date with key judgments which may have a wider significance, as well as with other developments of particular interest to JCPC users. The number of subscribers has grown over the year.

In March we hosted a delegation from the British Overseas Territories, arranged by the Foreign and Commonwealth Office (FCO) as part of a wider programme on child protection. Delegates were given a private tour of the court as part of the event.



A number of the Caribbean countries which use the JCPC have continued to debate the pros and cons of moving to the jurisdiction of the Caribbean Court of Justice (CCJ). In Jamaica, the Government is undertaking consultation on taking forward legislation to transfer to the CCJ. A referendum in Grenada in November saw the majority of the population reject a proposal to move to the CCJ; while a referendum in Antigua and Barbuda originally planned for autumn 2016 has been postponed. We have monitored all these debates, and the media comment on those debates, and it is clear that opinions are divided. Our position has always been, and remains, that the decision is one for the Governments and Parliaments concerned. Our principal concern is to ensure that the public debate is well informed, and that adequate provision is made for any cases which may be in progress at the time any change takes place.

### Engaging with professional users

The User Group, covering both the UKSC and the JCPC, has continued to meet when there is sufficient business to discuss. Lord Kerr chairs the meetings, with the Chief Executive and the Registrar attending, alongside other Justices and staff as necessary.

A variety of users are involved in these meetings, including barristers' clerks, solicitors and members of the Bars from around the United Kingdom. Agendas and papers are circulated to a wide range of users, with meetings typically attended by between 20 and 30 people. Once minutes of the meetings have been approved, they are placed on our website.

As in previous years we are particularly grateful to members of the Group who have raised practical issues which have needed to be reflected in revised Practice Directions or operational changes. This year, helpful discussions took place in relation to the increasing use of information technology to support the work of the court and reduce costs for parties, and the size and format of core bundles.

### Welcoming visitors

During the year we received almost 92,000 visitors from both the UK and overseas. This represents a small decrease of around 5% against 2015/16, a trend reflected in many other central London visitor destinations. We have produced leaflets aimed at the tourist market, distributed by specialists with leaflet dispensers in major transport hubs and hotels, to help raise awareness of the fact we are open for visitors.

We encourage all visitors to observe proceedings, even for a short while, when the court is sitting. Summaries of the facts and issues in each appeal are available from our Reception desk to aid understanding. In addition, visitor guides are available freely in a number of languages, including Braille.

We again participated in the 'Open House London' weekend in September 2016 (where more than 4,000 people visited over just two days) and in addition to four other dedicated 'open days' we also held six evening tours, enabling those usually unable to visit during the day to see the building with the benefit of a staff guide. We aim to repeat this initiative on a number of dates in 2017-18, in light of the positive feedback received.

Photo credit: University of Aberdeen



Left: Lord Reed (second left) pictured with former UKSC Deputy President Lord Hope (second right) and staff from the University of Aberdeen, July 2016

Below: Delegates drawn from across the British Overseas Territories visit the JPCPC courtroom, March 2017

Bottom: Justices pictured with Bahamian Chief Magistrate Joyann Pratt-Ferguson during the JPCPC's sitting in The Bahamas, February 2017





## Section four

Performance Report: Communication and external relations



Photo credit: Eggham Museum

Above: Students at the Magna Carta Constitutional Convention held at Royal Holloway, University of London in June 2016, supported by UKSC.

Right: Architectural model of Singapore's Supreme Court, displayed as part of a temporary exhibition during the autumn of 2016.

Below: Ann-Marie O'Neil and Ilana Hirschberg prepare to take part in the Open University Law Society's moot final, March 2017.



Additionally, in September 2016 and January 2017 we offered a series of free tours during the lunch hour to local workers, mainly targeting government departments in and around Whitehall. This initiative was designed to help better inform civil service stakeholders about the Court's role.

### Educating and inspiring

We welcomed 385 educational groups for visits to the court over the year – slightly more than the total in 2015/16. The proportion of visits from UK schools and colleges dropped slightly from 90% in 2015/16 to around 85% of the total, while the proportion of school visits from the state sector remained stable at around 75%.

The percentage of educational visits from Wales, Scotland and Northern Ireland has dropped slightly, from 9% of the total last year to 7% this year. We will be exploring ways of reversing this shift next year. Over the reporting period we have welcomed groups from Graeme High School from Falkirk, New College from Lanarkshire, Cardiff High School, the University of Stirling, Aberystwyth University, and Queen's University Belfast. Additionally, student groups from the University of Edinburgh, the University of Strathclyde and the University of Glasgow visited over the course of the year and arrangements were made to enable them to meet with at least one of the Scottish Justices during their trip.

In addition to regular tours, each month we have offered A Level/Higher groups the opportunity to participate in a one-day workshop where students prepare legal arguments on a case previously considered by the UKSC. These 'debate days' are

supported by our Judicial Assistants and other volunteer lawyers. The debate is staged in our main courtroom, judged by a group of the students' peers. These days remain extremely popular with both students and teachers, who value the chance to explore the role of appellate courts in a real-life setting.

We also offered 12 universities the opportunity to hold the final of their mooted competition in a UKSC courtroom, judged by a Justice. The universities were selected based on published criteria, which gave priority to those institutions which had not taken advantage of such an opportunity here before. Students report finding this experience immensely rewarding – if at times a little nerve-wracking – and we are pleased to be able to welcome parents and other supporters on these occasions.

We have continued our support for the Big Voice London project, a student-led initiative working with sixth formers drawn from across the capital to explore advocacy and law reform. Other educational projects included supporting the third 'Magna Carta Constitutional Convention' held in April 2016 and led by Royal Holloway and Egham Museum, where 75 students mainly drawn from the South East of England debated the clauses they would include in a modern-day charter of rights. A display panel describing the day was again produced for our exhibition area.

We have also been involved in the 'Inspire the Future' initiative, where members of staff have attended secondary schools outside of London to promote the work of the UKSC and explain to students the type of job opportunities available within the wider court service and legal sector.



### Using art to educate

During 2016/17, the independent UKSC/JCPC Arts Trust met several times to develop plans for delivering its charitable aims of promoting a greater understanding of the development of justice and the rule of law within the context of the UK's and the Commonwealth's legal systems. In the summer, the Trust hosted an exhibition called 'PAPERWORK', curated by the Koestler Trust, in collaboration with Victim Support. The exhibition was situated on the lower ground floor of the court and showcased artwork produced by prisoners and those serving community service or in secure psychiatric care. The selected artworks explored the creative ways paper, a material which is integral to the workings of the legal system, has been re-imagined and re-worked. A number of the exhibits were sold in aid of the two charities and the respective artists, and visitor feedback was very positive.

In the autumn, the Trust mounted a temporary exhibition entitled "Where Modern Justice Lives", again on the lower ground floor. The exhibition showcased modern Supreme Court buildings from around the world and explored how leading architectural practices have been employed to support and reflect the work and values of the judiciary. The architectural models from international projects proved particularly popular with visitors.

The Trust now has the ability to acquire (and if appropriate dispose of), maintain and manage works of art for the UKSC's collection, similarly to accept or decline gifts of appropriate works of art, as well as to commission appropriate new works of art. It will seek to raise and hold funds to be

used for these purposes. Over the past year, a part-time curatorial consultant has been appointed, and she will continue to work with the Trust to take forward the trustees' programme of activities.

### Serving the media

The communications team works proactively to support accurate coverage of the Court's decisions and wider work, primarily through communicating judgments in a timely and accessible manner. We continue to develop positive working relationships with journalists and bloggers interested in our work, in a continually evolving media landscape.

We have continued to issue press summaries for every UKSC judgment (and JCPC judgments of particular significance), a list of highlights of each term's forthcoming hearings and determinations of permission to appeal applications likely to be of news value.

More video footage from UKSC proceedings has been used by media outlets this year than ever before, including on newspaper websites, partly as a result of some particularly high profile cases (including R (on the application of Miller and another): see page 50).

We have also continued to routinely issue the texts of lectures delivered by Justices at external events, and helped organise a number of profile interviews with different media outlets over the course of the year. The communications team also developed a strategy to support the launch of the independent application process for judicial vacancies this spring (see Section Two),

where Lord Neuberger and Lord Reed were both interviewed by BBC Radio 4's Today programme about the job of being a senior judge and attempts to attract a more diverse pool of eligible applicants.

The Communications team received a Halsbury Legal Award for Legal PR and Media Communications during the year, acknowledging their achievements in assisting the media's reporting of the Court.

### A user-focused online presence

The number of visitors to our websites has grown significantly over the year to a monthly average of 90,000 unique users. Approximately 75% of total traffic over the year was from devices registered in the UK, and, in common with all other organisations, we are seeing continued growth in the proportion of traffic from tablets and mobile devices (from 20% in 2014-15 to 32% this year).

Over the year we have sought to make our website homepages more dynamic, giving greater prominence to significant events. We have also begun to use infographics to present complex information in an accessible style, where this format is considered appropriate.

The Court's official Twitter profile now has 220,000 followers, providing legal professionals, students and others with real-time alerts on judgments and other Court news. We continue to operate this account in accordance with our published policy.

### Maintaining links with Middlesex

We value greatly the historical relationship the building enjoys with the county of Middlesex and we have continued to reflect this heritage in our guided tours and other visitor material.

The Middlesex Guildhall art collection continues to form the majority of the portraiture on display in the building. This is managed by a set of Trustees independently of the Court (and separately to the Supreme Court Arts Trust mentioned on the opposite page), who hold their quarterly meetings in the building.

On 12 November the annual Middlesex Remembrance Service took place around the war memorial in the entrance hall. The ceremony, which focused on the centenary of the Battle of the Somme, was attended by a large number of retired members of the Middlesex Regiment and their families. Lord Reed laid a wreath on behalf of the Supreme Court and Mark Ormerod read a lesson. Following the amalgamation of the Middlesex Regiment with the Princess of Wales's Royal Regiment, in future years the service will be co-organised by representatives of the latter unit. A commemorative plaque has been erected by the war memorial to mark the many years of annual remembrance services organised by the Middlesex Regimental Association, and in September a luncheon was held in the building to mark the transition.

## The Article 50 'Brexit' case: R (on the application of Miller and another) v Secretary of State for Exiting the European Union

On 8 November, the UK Government lodged an application for permission to appeal the Divisional Court of England and Wales' decision of 3 November that the government did not possess the prerogative power to give notice to leave the European Union without an Act of Parliament.

Three Justices granted permission for the government's appeal to proceed to a full hearing. UKSC staff immediately began preparations for the most high profile hearing in the Court's history, aware of the fact that the proceedings were of great political significance and that there would be huge demand for access to, and information about, the appeal hearing itself and the wider institution.

Within a period of days the Court received ten valid applications from third parties for permission to 'intervene' in the proceedings, including from the Scottish and Welsh

Governments, alongside references from Northern Ireland. These sought to clarify the legal powers of the Scottish Parliament, Welsh Assembly and Northern Ireland Assembly to have a determinative say in whether Article 50 should be triggered. Other intervening parties sought to represent the legal position of ex pats living within the EU, and EU citizens who have settled in the UK.

By the time of the hearing, listed for 5-8 December, two interested parties and five interveners had been joined to the original appeal. The President of the Court directed that all eleven serving Justices should sit to hear the case – the first time in modern history that more than nine Justices have sat, either in the Supreme Court or the House of Lords.

Preparations for the hearing involved significant logistical planning and liaison with the Metropolitan Police, broadcasters and other agencies so that court proceedings could continue smoothly while also ensuring that the public and media were able to observe the legal submissions being made.

Right: A number of media organisations live streamed proceedings via their own websites and social media channels, with the Court's permission

Below: Court One was full with around 50 lawyers and 50 members of the public and media representatives



At the opening of the hearing, Lord Neuberger reminded observers that “the Supreme Court exists to decide points of law which fall within its jurisdiction. The Justices of the Court are of course aware of the public interest in this case. And we are aware of the strong feelings associated with the many wider political questions surrounding the United Kingdom’s departure from the European Union. However, as will be apparent from the arguments before us, those wider political questions are not the subject of this appeal. This appeal is concerned with legal issues, and, as judges, our duty is to consider those issues impartially, and to decide the case according to the law. That is what we shall do.”

On 24 January the Court published its decision, explained on page 32. By a majority of 8-3, the Court ruled that the nature of the European Communities Act 1972 is such that the Government cannot trigger Article 50 without Parliamentary authority in a statute.

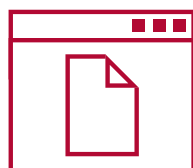
The immediate political implications were clear and the UK Government accepted the Court’s decision, placing a Bill before Parliament to give authority to ministers to trigger Article 50.

The longer term legal impact of the decision is less clear to predict, and for others to assess. But what is certain is that the case represented a landmark for the Supreme Court, propelling the institution into the public consciousness to an extent not seen previously. Our hope is that the manner in which the proceedings were conducted and the steps taken to encourage access to the hearing will have helped promote a better understanding of the nature of our work, and indeed the role of all those involved in such litigation in upholding the rule of law as a pillar of democracy.



**90** journalists were accredited to cover the case from within the building

Online viewing figures from the UKSC, BBC and ITN **website feeds** totalled more than **300,000** on the first day of the hearing



**150,000** users accessed a dedicated ‘**hub page**’ containing the parties’ written arguments and daily transcripts of the proceedings

The judgment has been **downloaded 35,000** times and the press summary **22,000** times since they were published.



Links to the parties’ written arguments, transcripts and video of the hearing can all be found at <https://www.supremecourt.uk/news/article-50-brex-it-appeal.html>



# Section five

# Performance Report: International Relations

The UKSC and JCPC continue to attract international interest from judges, lawyers and others keen to visit and meet Justices and staff to discuss aspects of our jurisdiction and work.

There are various levels at which the international relationships operate. These include the following:

- Links with the courts, the lawyers, and to a certain extent the governments in the countries which use the JCPC as their highest court.
- Relationships with the Court of Justice of the European Union and the European Court of Human Rights.
- Relationships with senior courts in Europe, most notably the French Conseil d'Etat and the Bundesverfassungsgericht, the German Constitutional Court, with both of which we have regular judicial exchanges.
- Relationships with other European courts, such as the Italian Council of State and the Supreme Court of Ireland.
- Relationships with Common Law countries such as Australia, New Zealand, Canada and the USA.
- Relationships with other Supreme Courts/Constitutional Courts.
- Visits from the judiciaries and countries where democratic arrangements are not well settled, where we can assist in developing understanding of the importance of the rule of law and of a high quality independent judiciary as a key component of good governance.

These visits, and the relationships which develop as a result, have a number of benefits. For the Justices there are opportunities to exchange views on how different courts have approached legal issues, the format of judgments, relationships with the Executive and with the legislature; and specifically discussions with other European Judges about the interpretation, implications and application of CJEU and ECHR jurisprudence.

Other visits allow for exchanges of views about administrative and management matters. We have, for example, continued to receive enquiries and requests for visits to look at what the administration of the UKSC has done in terms of openness and transparency, including televising court hearings and making use of social media. Other delegations have been interested in case management and handling of records.

As in previous years we have participated in a judicial exchange scheme run by the Network of Presidents of Supreme Courts of the European Union. Under this scheme we hosted Judge Liana Zoso from the Supreme Court of Italy during November 2016.

## Justices' International Links

Developing relations with China has remained a priority. The Third UK-China Judicial Roundtable took place in Beijing in May 2016, with Lord Neuberger leading a UK Delegation which also included Lord Hodge among other senior judges. Discussions included the role of alternative dispute resolution mechanisms, access to justice in the digital era and future plans for UK-China judicial co-operation. The following month, we were able to build upon the Roundtable by receiving a senior delegation from the Supreme Peoples' Court of China led by Chief Justice Zhou Qiang, as part of a wider tour of Europe he was undertaking. Lord Neuberger and Lord Hodge welcomed the delegation and there was a discussion on judicial reform and judicial precedent, also attended by other judges from the UK Supreme Court, the Royal Courts of Justice of England and Wales, and from Scotland. Lord Hodge continues to take a co-ordinating role for the UK judiciary in terms of relations with China, and in April 2016, he convened a plenary session with a number of UK judges to gain a broader picture of the different levels of contact currently underway, to inform a more strategic approach for the future.

In May 2016, Lady Hale, Lord Toulson and Lord Hodge attended the UK-Canada legal exchange in Ottawa, which usually takes place every three years. Topics of discussion included judicial appointments, judicial independence, assisted dying and the role of damages as a remedy in human rights breaches.

A delegation from Austria led by Dr Markus Thoma, President of the Association of Justices of the Supreme Administrative Court, visited us in early June 2016. The group met Lord Mance, Lord Kerr and Lord Hughes and discussed various administrative processes undertaken by the UK Supreme Court.

In late June 2016, we hosted the inbound leg of the UK-Israel Legal Exchange which occurs every three years. The last one took place in 2013 in Jerusalem. The host delegation was led by Lady Hale, while the Israeli delegation was led by Miriam Naor, President of the Supreme Court of Israel. Discussions covered a range of topics including freedom of information and data privacy.

Lord Mance led the UK delegation, which also included Lord Reed, for the outbound leg of the UK-US Legal Exchange in September 2016. The exchange included various visits and discussions on subjects including freedom of speech and privacy.

Lord Neuberger led a delegation of Justices to visit the Conseil d'Etat, the Conseil Constitutionnel and the Cour de Cassation in Paris in late January 2017. Together with their French counterparts, the Justices discussed various topics which included the ongoing challenge of balancing civil liberties against anti-terrorism measures.

Lord Neuberger also led a delegation of Justices to visit the German Federal Constitutional Court in March 2017. During this visit, the group discussed issues of mutual interest including privacy and surveillance and non-justiciability or "no go" areas for courts.





Top: Delegates at the UK-Israel Legal Exchange, June 2016  
Above: Lord Neuberger and SPC President Zhou Qiang unveil an exhibit on the common law at the SPC's museum during the Third UK-China Judicial Roundtable in Beijing, May 2016





Left: Lord Carnwath (centre) with other delegates at the South Asian Judicial Conference on Environment and Climate Change, November 2016

Below: Lord Mance, Bertrand Louvel (President of the French Court of Cassation), Lord Neuberger, Lady Hale and Jean-Claude Marin (General Prosecutor) during a visit to UKSC in October 2016



## Visits by individual Justices of the UKSC

In addition to the activities listed above, some Justices undertook further engagement with international counterparts.

**Lord Neuberger** has continued the practice of authorising up to two Justices to sit as non-permanent judges on the Court of Final Appeal in Hong Kong for up to a month each. Lord Neuberger himself undertook this role in September 2016. The cost of these sittings are met by the Hong Kong authorities. While there he gave a lecture to the Hong Kong Competition Association on 'The Implementation of Competition Law in Hong Kong and the Role of Judges'. While in the region, Lord Neuberger also gave a number of lectures in Singapore on 'The Role of the Judge: Umpire in a Contest, Seeker of the Truth or Something in Between?'; 'Some Thoughts on Principles Governing the Law of Torts'; and 'Express and Implied Terms in Contracts'.

**Lady Hale** attended the International Association of Women Judges Biennial Conference in Washington DC in May 2016. She was the United Kingdom representative at a meeting of the Working Group established by the Hague Conference on Private International Law to develop a guide to good practice in relation to article 13(1)(b) of the Hague Convention on Child Abduction in July 2016. She also attended the annual Global Constitutionalism Seminar at Yale University in Newhaven, Connecticut, in September 2016. In November 2016, she delivered the 30th annual Sultan Azlan Shah lecture in Kuala Lumpur, Malaysia, attended the Hong Kong Family Law Association's 30th Anniversary

celebrations, delivered a lecture on children's rights to the Hong Kong judiciary and spoke to a large gathering of staff and students at the University of Hong Kong.

**Lord Mance** gave the annual Europa Lecture at Leiden University in September, reflecting on questions of jurisdiction relating to states outside the Brussels and Rome regimes. He chaired the International Law Association's 77th Biennial Conference in Johannesburg in August 2016 and attended the Annual General Meeting and Conference of the European Law Institute in Ferrara in September 2016. Lord Mance also spoke to the British German Jurists Association in Mainz on Interpretation of Contracts in October, attended the meeting of Association of Councils of State and Supreme Administrative Jurisdictions in The Hague in November, attended a discussion group in Karlsruhe in the same month and debated The Nature of Arbitration with Professor Emmanuel Gaillard in the Conseil d'Etat in December.

**Lord Sumption** visited The Bingham Centre for the Rule of Law in New York in June 2016, at the invitation of the New York City Bar Association, to give a talk on comparative law.

**Lord Reed** gave a lecture at the Conseil d'Etat in November 2016, on the UK Supreme Court and Fundamental Rights.

**Lord Carnwath** visited South America in April for the International Union for Conservation of Nature's World Environmental Law Congress, taking the opportunity to give a lecture at the British Embassy in Argentina on the Rule of Law

and a lecture at Buenos Aires University on the Environmental Rule of Law. In May 2016, Lord Carnwath gave a speech at the EU Environmental Enforcement Network Conference in the Netherlands. In September 2016 he returned to South America as a delegate for the Commonwealth Magistrates and Judges Association's annual conference in Guyana. Also in September he attended the Asian Judges Network on Environment in Manila. In November 2016, Lord Carnwath gave a speech on Climate Change Justice at the South Asian Judicial Conference on Environment and Climate Change held in Dhaka, Bangladesh. At the end of March 2017, Lord Carnwath co-chaired a discussion panel on the 2015 Paris Agreement at the World Conference on Environment in Delhi.

**Lord Hughes** visited the Supreme Court of Trinidad and Tobago and the Caribbean Court of Justices in September for meetings with Judges. He also visited the Supreme Court of Mexico where he gave a lecture and met with several Judges.

**Lord Hodge** gave a lecture at the George Washington University in November on the common law of contracts. While in Washington he also visited the US Supreme Court and met the Chief Justice.

### Costs

As a general rule, international travel and accommodation costs were paid for by the host country or institution, where Justices have been invited to speak or attend events. There were however costs of approximately £29,000 for outbound travel for some of the major exchanges mentioned earlier in this chapter, as a high number of outgoing long haul exchanges have fallen within the reporting year. This mirrors the fact that in 2015-16 such costs were particularly low, as most of our exchange partnerships were on inbound legs.



It is order and law is good order  
INJUSTICE ANYWHERE IS A THREAT TO JUSTICE EVERYWHERE  
Performance Report: International Relations  
The first duty of a man is the seeking of truth  
the suspension of truth  
Those having not the law  
are a law unto themselves  
WE ARE CAUGHT IN AN INESCAPABLE NETWORK OF MUTUALITY  
TIED IN A SINGLE GARMENT OF DESTINY  
WHATEVER AFFECTS ONE DIRECTLY AFFECTS ALL INDIRECTLY  
He who commits injustice is ever made more wretched than he who suffers it  
Justice is truth in action



SPC President Zhou Qiang and colleagues are shown an early C19th manuscript volume of Magna Carta and related laws in the UKSC Library, June 2016



# Section SIX

# Performance Report: Corporate Services

The core work of the UKSC and JCPC is underpinned by a number of professional support functions which help ensure the independence of the Justices and which provide tailor-made services to ensure the Court operates efficiently.

## Human Resources

### Managing a committed team

On 31 March 2017 there were 46 UKSC and JCPC employees (44 full-time equivalents) paid by UKSC. This figure represents 38 permanent staff, 1 secondee and 7 fixed term Judicial Assistants. Approximately 45 further staff are employed through services provided under contracts. These contracts cover broadcasting, security, building maintenance, catering and cleaning.

Employees are on UKSC terms and conditions of service with pension benefits provided through the Civil Service pension arrangements and administered by MyCSP Liverpool.

The complete range of HR services is provided by our in-house team and this includes a contract for payroll services with Liberata UK.

We monitor and manage sick absence for staff and act promptly to support individuals to try and avoid any long term sickness. This year we had an average sickness absence rate of 1.4 days per member of staff. This is once again well below both the public and private sector average. Sick absence and turnover are monitored by the Head of HR and Chief Executive each month and reported to Management Board.

Following two retirements in 2016, the Court was able to appoint a new Head Librarian in May 2016 on promotion and a new Building and Procurement Manager in September 2016. We also appointed two new personal assistants to the Justices over the Summer and reviewed the structure of the Judicial Support Team, changing the management structure to form a new Office and Building Services Team. One of our Case Managers in the Registry Team accepted a promotion to another government department and we appointed a replacement on a secondment basis for three months with the view that we will advertise the permanent vacancy later in 2017. We have continued to review business areas and offered internal promotion opportunities where these have been possible. All vacancies have been successfully filled and we continue to review business structures and roles to ensure we have suitable resilience in key areas by encouraging job shadowing and wider team working across different business areas.

The annual Judicial Assistant (JA) recruitment campaign was launched in January 2017 to recruit seven qualified lawyers to work on fixed term contracts from September 2017 to July 2018. The JAs support the Justices by carrying out research in connection with appeals and summarising applications for permission to appeal. We encouraged applications from across the UK jurisdictions, and worked to promote the opportunity through the Scottish Young Lawyers Association (with an event held in Edinburgh), the Law Society of Northern Ireland and the Association of London Welsh Lawyers. We also used social media to help promote the opportunity, providing an interview with Lord Kerr for the UKSC legal

blog and running a 'Day in the Life' video diary with one of our current JAs. In addition this year we attended the Bar Council's annual pupillage fair at the University of Law and this was well attended by previous JAs who enthusiastically spoke to law students about the opportunity and the benefits of considering appointment as a JA as part of a future career path. We continue to seek innovative ways to promote this annual opportunity across the UK jurisdictions and attract a diverse pool of candidates each year.

### Creating a great place to work

As in previous years we used our annual staff survey to help measure staff engagement and this was completed in October 2016. We received a 100% response rate, providing credibility to the responses. The results gave another increase to our overall employee engagement score, up from last year's 83% to 85%. This puts the organisation in the top quartile of public and private sector workplaces. There were some very positive section scores and no areas marked as concerns. Staff are proud to work at the court and value the culture and status held as the highest court of the land. The challenge will be to maintain such high engagement scores in future years.

We were also awarded the London Mayor's Healthy Workplace Achievement Award in November 2016 in recognition of the support in place to help keep staff happy and healthy. The award recognises a number of different key areas including inclusion, policy and leadership.

The established 'Results into Action' team has been considering the results of the 2016 staff survey and continue working on identifying opportunities to bring different sections of the court together. There have been a number of initiatives that have quickly established themselves as part of the culture of the court. The 'Can't Sing Choir' meet each week and performed at a Christmas event with the Treasury Singers in the Library. We have also continued the UKSC Book Club, choosing a wide variety of different works of fiction from classics to new bestsellers and our monthly Film Club at the British Film Institute, in conjunction with the Department for Culture, Media and Sport. Lunchtime pilates sessions, table tennis tournaments, badminton at the Queen Mother Sports Centre and our popular five-a-side football held at St Andrew's Youth Club are other activities offered.

Staff have again given generously of their time and talents to raise money for charity, including taking part in the London Legal Walk in May 2016, Christmas Jumper Day for Save the Children and once again the Great Legal Bake in February 2017 in aid of legal advice centres.

We have updated and improved our intranet site to communicate clearly key information to staff. We held an in-house team building exercise in October 2016 and continue to develop staff and managers with a view to ensuring there is sufficient flexibility to cover different roles and understand other people's jobs. The staff survey results were added to the intranet in November 2016 and were discussed in January 2017 at our quarterly staff meeting.



We have continued to invest in the development of staff and encourage each member of staff to have a training plan linked to their objectives and the required competencies. This assists in individual development and also future succession planning for the Court. Development activities in 2016-17 included a range of different training activities including Understanding Finance for Non-financial Managers, Presentation Skills, Mental Health in the Workplace, Mindfulness at Work, Competency Based Interviewing and Public Sector Procurement. We have also sponsored

a member of staff to complete the Chartered Institute of Legal Executives diploma. Staff have continued to use Civil Service Learning (now run in conjunction with KPMG) and we support a variety of different development opportunities and continuous improvement of skills and knowledge.

We employ professional leads in a number of specialist areas such as the library, communications, finance, human resources, information technology, and health and safety. We continue to value and support staff with professional membership in these areas.



Top left: Yasmin Rahman (left) and Chris Maile (right) receive the Healthy Workplace Charter Achievement Award on behalf of UKSC, November 2016

Above: 'Team Supreme' prepare for the London Legal Walk, in aid of free legal advice centres in the South East, May 2016

Left: The Treasury Singers perform Christmas carols in the Library in aid of Crisis, December 2016



## Valuing equality and diversity

We have continued making good progress with our Equality and Diversity strategy and have a diverse work force which understands and appreciates difference. Our aim is to create an organisation that fully reflects the diversity of the society it serves, valuing the contribution that is made by all staff, court users and the public.

We continue to deliver services that are accessible and meet the needs of all court users and members of the public, including tactile tours and the use of portable hearing loops.

Some of the further actions we have taken to achieve this include:

- Training staff on diversity and equality issues to increase awareness and encourage respect for individual differences.
- Compulsory training for all managers on Unconscious Bias.
- Ensuring that our website conforms to all recommended accessibility requirements.
- Maintaining physical accessibility across the building and responding positively to any comments or suggestions for improvements.
- Pro-actively encouraging tours and visits from all sections of society.
- Actively encouraging diversity in all recruitment campaigns while continuing to appoint on the basis of merit.
- Ensuring our shared values are promoted and reflect that all staff, court users, and visitors should be treated with respect at all times.

## Our information and resources, and how we manage them

### Information Assurance, Freedom of Information and Data Protection

The Court holds an array of information, including case papers and financial and administrative records. Information assurance policies and procedures were followed throughout the year so that the information entrusted to the Court, or generated by it, was properly used, managed and protected.

All staff have personal responsibility for making sure they are aware of and understand the Court's information risk-related policies and procedures and handle information accordingly. All new staff complete the Civil Service Learning e-learning package 'Protecting Information' shortly after their appointment, with refresher assessments taking place annually. This year refresher assessments were completed in April 2016.

The annual Departmental Security Health Check identified no significant weaknesses in the systems we follow for handling our information. There were no recorded breaches concerning protected personal data reported either to the Information Commissioner or recorded centrally in the Court.

Over 75 Freedom of Information (FOI) requests were received in addition to the many general enquiries which the Court receives daily about its work, rules and procedures and public access arrangements. This was more than double the number of requests received in the previous year.

95% of the FOI requests were handled within their respective statutory deadlines. The FOI requests generated four requests for internal review and no complaints to the Information Commissioner.

### Using information technology to create a more efficient court

Since January 2014 the UKSC/JCPC has been using its own IT network. The IT arrangements include provision of good quality hardware and software provision based around Microsoft Office 365. This includes a case management system based on Dynamics CRM. Data hosting is supported by a combination of on-site server and cloud storage. This arrangement has provided an IT system which meets the needs of the Court and over which the organisation has more direct control.

The IT provided supports both Justices and staff whether working within the building or remotely. Improved Wi-Fi provision has also enabled parties to make better use of IT during hearings.

Further development of the IT system is ongoing. The secure off-site back up facility established in March 2016 has proven to be effective and has enhanced the resilience of the system while reducing annual running costs. The in-house IT team have also developed a video-link facility which can be used in appropriate cases to reduce travel times and costs for parties to attend the building. This was installed in Court Three (used by the JCPC) over the Christmas break and we have tested the facility on a number of occasions ahead of its first scheduled use for a live case in June 2017.

Work is ongoing to develop Dynamics CRM to log and manage FOI requests, DPA requests, formal complaints made under the Courts complaints procedures and general correspondence.

### Providing an effective library service

The Library has continued to support the information and research needs of the Court by providing the Justices, Judicial Assistants (JAs) and court staff with relevant publications and electronic databases, as well as current information on legal topics. The Library assisted with over 450 enquiries ranging from requests for case law reports, journal articles and legislation, to more detailed research including some with an international element.

The Library manages a collection of print textbooks, law reports, journals and legislation. The textbook collection has been much improved and expanded since 2009 and now comprises some 4,000 books. Over 850 loans were recorded this year. The Library has continued to keep the collection up-to-date and relevant by identifying and acquiring key works published during the year, and by deepening certain areas of the collection – this year international law and intellectual property law in particular. As far as the collection of law reports and journals is concerned, we have continued to fill gaps by purchasing volumes or receiving donations from other libraries. For example, the Library acquired a donation of over 2,000 individual volumes of law reports and journals from the Government Legal Department Library during the winter.

Of increasing importance is the use of electronic resources. The Library has therefore continued to provide the Justices and JAs with access to a number of online subscription databases, and organised training sessions and produced supplementary material to guide their effective use. We have enhanced the electronic coverage of international and comparative law resources in particular this year.

In order to alert colleagues to useful information, the Library has continued to develop a number of 'current awareness' services, including a monthly internal newsletter listing journal articles, books, and judgments; the distribution of contents pages of certain journals and textbooks; and monitoring new legislation passed by the UK Parliament and the devolved assemblies.

The Library has also continued to engage actively with the wider law library community, both across Government and the wider legal profession, and both nationally and internationally. The Librarian represented the Court at the annual conference of the British & Irish Association of Law Librarians in Dublin; hosted and chaired a meeting of the Government Law Librarians Forum in January; and received a visit from delegates to the International Association of Law Librarians' conference that took place in Oxford in August 2016.

The Library has also seen staffing changes necessitated by the retirement of the Court's first Librarian, Christine Younger, at the end of April 2016. Paul Sandles was appointed as Librarian in May 2016 and Rachel Forrest joined as the new Assistant Librarian in September 2016.

## Building services

### Health and Safety

Like all employers, the UKSC has a legal duty to ensure the health, safety and welfare of employees. Our commitment goes further than this. In our health and safety policy we commit the Court to set and maintain exemplary standards of health and safety performance. The Management Board model their monitoring of standards in health and safety by reference to the IoD/HSE publication, Leadership Actions for Directors and Board Members.

In addition to our health and safety policy, we have maintained the practice that Justices and staff are given, upon appointment, a formal briefing on health and safety at the Court. Contractors engaged by the Court, or on behalf of the Court, continue to have to sign up to an induction booklet of safety procedures developed in collaboration with an independent adviser on health and safety, before commencing any maintenance work or building projects.

Every health and safety incident, including any 'near miss', is recorded and investigated, and any action considered necessary is taken to avoid a recurrence.

The intention throughout is to have a comprehensive health and safety management system, which engages Justices, staff and visitors and encourages them to observe sensible and proportionate precautions.

The Health and Safety Committee, which includes members co-opted from the Court's facilities management contractors, continued to monitor health and safety

performance against measures set in a Health and Safety Corporate Plan (adopted originally in 2011–12 and updated for 2016–17), and has adopted an annual cycle of monitoring including annual reviews of the risk assessments and biennial reviews of the Health and Safety Policy.

### Building a sustainable court

An updated Display Energy Certificate was commissioned over the course of the year, which showed an energy efficiency rating of 'D' (our score was 87, an improvement on previous years when the building rating was 92: 100 would be the expected score for this type of building and a score of less than 100 indicates a better than average performance).

### Maintaining our accommodation

The building's Grade II\* Listed status means that its architectural and historic fabric is protected and alterations, either outside or inside, are carefully scrutinised. Extensive work on our emergency lockdown system has been carried out including updating system software, installing new lockdown doors. External redecoration works have also been undertaken for the first time since 2009, partly as a preventative measure to reduce the costs of potential remedial works in future.

The facilities management services of security guarding, building maintenance and cleaning are all outsourced; and the performance of each contractor has been satisfactory. Regular meetings are held with our account managers to deal with any issues and ensure service level agreements are met.

### Dealing with complaints

The UKSC has established procedures in place to deal with complaints. There are separate arrangements for complaints about members of staff exercising their administrative functions, and procedural complaints about the Justices and the Registrar in the performance of their judicial functions. A number of complaints received by the Court are in effect seeking to appeal judicial decisions and cannot therefore be dealt with under either procedure.

Full details of the Judicial and non-Judicial complaints procedures, including details of how a complaint will be handled, can be found on our websites. If a complainant is not happy with how a non-Judicial complaint has been handled by the Court, they can refer it via a Member of Parliament to the Parliamentary and Health Service Ombudsman (PHSO). No complaints received in the 2016–17 reporting year were subsequently referred to the PHSO.



# Section seven Performance Report: Management Commentary



## Financial Position and Results for the Year Ended 31 March 2017

### Financial Position (Statement of Financial Position)

The Court's activities are financed mainly by Supply voted by Parliament, contributions from various jurisdictions and financing from the Consolidated Fund.

The Court's Statement of Financial Position consists primarily of assets transferred from the Ministry of Justice (MoJ) at the inception of the UK Supreme Court on 1 October 2009. These were Property, Plant & Equipment and Intangible Assets totaling £30m. Of this, £29m represents land and buildings with the remainder being Office Equipment, Furniture and Fittings, Robes and Software Licenses.

A liability of £36m was also transferred from MoJ. This represents the minimum value of the lease payments for the UK Supreme Court building until March 2039.

There have been no substantial movements (apart from the revaluation of land and building) in the Gross Assets and Liabilities since the date of the transfer from MoJ.

### Results for the Year (Statement of Comprehensive Net Expenditure)

The Statement of Comprehensive Net Expenditure represents the net total resources consumed during the year. The results for the year are set out in the Statement. These consist of:

- Net Operating Costs amounted to £4.8m (2015/16, £4.5m)
- Justices & Staff costs of £5.9m (2015/16, £6.0m)

- Other Administration Costs of £0.2m (2015/16, £0.2m)
- Other Programme Costs of £6.4m (2015/16, £6.3m)
- Operating Income of £7.71m (2015/16, £8.0m)

The Court employed an average 43 (Full Time Equivalent) staff during the year ended 31 March 2017 (2015/16, 46 FTE). There were also 12 Justices (2015/16, 12 Justices) who served during the same period.

Accommodation costs and Finance Lease costs account for about 67% of non-pay costs (2015/16, 70%). Depreciation charges, Library, Repairs & Maintenance and Broadcasting costs were responsible for the majority of other non-pay costs.

The Court had operating income of £7.71m which was used to support the administration of justice. Out of this, £6.63m was received by way of contribution from the various jurisdictions i.e. £5.92m from HMCTS, £0.48m from the Scottish Government and £0.24m from Northern Ireland Court Service.

UKSC Court fees during the year were £0.76m whilst £0.20m was generated as Court fees for JCPC. The court also had income of about £0.12m from Wider Market Initiatives such as Event Hire and Sales of Gift Items.

### Long-term Expenditure Trend

Given the fact that UKSC Spending Review settlement for the next three years is flat in cash terms, we expect the long-term expenditure trend to follow the same pattern.

### Comparison of Outturn against Estimate (Statement of Parliamentary Supply)

Supply Estimates are a request by the Court to Parliament for funds to meet expenditure. When approved by the House of Commons, they form the basis of the statutory authority for the appropriation of funds and for the Treasury to make issues from the Consolidated Fund. Statutory authority is provided annually by means of Consolidated Fund Acts and by an Appropriation Act. These arrangements are known as the "Supply Procedure" of the House of Commons.

The Supreme Court is accountable to Parliament for its expenditure. Parliamentary approval for its spending plans is sought through Supply Estimates presented to the House of Commons.

The Statement of Parliamentary Supply provides information on how the Court has performed against the Parliamentary and Treasury control totals against which it is monitored. This information is

supplemented by Note 1 which represents Resource Outturn in the same format as the Supply Estimate.

In the year ended 31 March 2017, the UK Supreme Court met all of its control totals. At £4.82m the net resource outturn was £1.25m less than the 2016-17 Estimate of £6.08m. £1m of this reported variance was due to non-utilization of £1m AME provision for diminution in the value of the building.

A reconciliation of resource expenditure between Estimates, Accounts and Budgets can be found below.

### Statement of Cash Flows

The Statement of Cash Flow provides information on how the UK Supreme Court finances its ongoing activities. The main sources of funds are from the Consolidated Fund.

The Statement of Cash Flow shows a net cash outflow from operating activities of £4.37m.

Reconciliation of resource expenditure between Estimates, Accounts and Budgets	
	2016-17
	£'000
<b>Net Resource Outturn (Estimates)</b>	2,015
Adjustments to additionally include:	
Non-voted expenditure in the OCS	2,808
<b>Net Operating Cost (Accounts)</b>	4,823
Adjustments to additionally include:	
Resource consumption of non-departmental public bodies	0
<b>Resource Budget Outturn (Budget) Of which</b>	4,823
Departmental Expenditure Limits (DEL)	4,823
Annually Managed Expenditure (AME)	0



### Pensions Costs

Details about the Department's pensions costs policies are included in the notes to the accounts. Details of pension benefits and schemes for Management Board members are included in the remuneration report.

### Sickness Absence

The average number of sick days per member of staff for 2016-17 was 1.4 days (2015-16, 1.7 days).

### Data incidents

No recorded breaches concerning protected personal data were reported.

### Principal risks and uncertainties

The key risks and uncertainties facing the Court are detailed in its Risk Register and on page 78 of the Governance Statement.

### Payment within 10 working days

The Department seeks to comply with the "The Better Payments Practice Code" for achieving good payment performance in commercial transactions. Further details regarding this are available on the website [www.payontime.co.uk](http://www.payontime.co.uk).

Under this Code, the policy is to pay bills in accordance with the contractual conditions or, where no such conditions exist, within 30 days of receipt of goods and services or the presentation of a valid invoice, whichever is the later.

However, in compliance with the guidance issued for Government Departments to pay suppliers within 10 working days, the UK Supreme Court achieved 99% prompt payment of invoices within 10 working days. The average payment day of invoices from suppliers during the year was 5.1 days.

### Auditors

The financial statements are audited by the Comptroller and Auditor General (C&AG) in accordance with the Government Resources and Accounts Act 2000. He is head of the National Audit Office. He and his staff are wholly independent of the UK Supreme Court, and he reports his findings to Parliament.

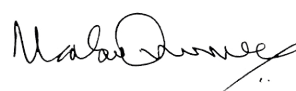
The audit of the financial statements for 2016-17, resulted in an audit fee of £35K. This fee is included in non-staff programme costs, as disclosed in Note 3 to these accounts. The C&AG did not provide any non-audit services during the year.

### Other Elements of the Management Commentary

Information on the Management Board and committees, information assurance, data protection and sustainability is contained in the Corporate services section of this report.

### Disclosure to Auditor

As far as I am aware, there is no relevant audit information of which the Department's auditors are unaware. I confirm that I have taken all the steps that I ought to have taken to make myself aware of any relevant audit information and to establish that the Department's auditors are aware of that information.



Mark Ormerod  
Accounting Officer  
14 June 2017



# Section eight

## Accountability Report

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## Statement of Accounting Officer's Responsibilities

1. Under the Government Resources and Accounts Act 2000, the Supreme Court of the United Kingdom (the Department) is required to prepare resource accounts for each financial year detailing the resources acquired, held or disposed of during the year and the use of resources by the Department during the year. The 2016-17 accounts are to be prepared in the form and on the basis set out in the Accounts Direction given by the Treasury dated 19 December 2016.
2. The resource accounts are prepared on an accrual basis and must give a true and fair view of the state of affairs of the Department, and of its the net resource outturn, resources applied to objectives, changes in taxpayers equity, and cash flows for the financial year.
3. HM Treasury has appointed the Chief Executive as Accounting Officer of the Department with overall responsibility for preparing the Department's accounts and for transmitting them to the Comptroller and Auditor General.
4. In preparing the accounts, the Accounting Officer is required to comply with the Financial Reporting Manual (FReM) prepared by HM Treasury, and in particular to:
  - a. observe the accounts direction issued by Her Majesty's Treasury including relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis;
  - b. make judgement and estimates on a reasonable basis;
  - c. state whether applicable accounting standards, as set out in the FReM, have been followed, and disclose and explain any material departures in the accounts; and
  - d. prepare the accounts on a going-concern basis.
5. The responsibilities of an Accounting Officer (including responsibility for the propriety and regularity of the public finances for which the accounting officer is answerable, for keeping proper records and for safeguarding the Department's assets) are set out in the Accounting Officers Memorandum issued by HM Treasury and published in Managing Public Money.

## Governance Statement

### Introduction

The UKSC is an independent non-Ministerial department established by the Constitutional Reform Act 2005 which came into existence on 1 October 2009. The role of the Court is to determine arguable points of law of general public importance arising from civil cases throughout the United Kingdom; and from criminal cases in England and Wales and Northern Ireland. The Court also hears cases to determine issues relating to the legislative competence of the devolved administrations, Parliaments and Assemblies.

The UKSC administration assumed responsibility for the administration of the Judicial Committee of the Privy Council (JCPC) on 1 April 2011. The JCPC hears appeals from a number of Commonwealth countries, Crown Dependencies and British Overseas Territories.

As an independent non-Ministerial Government department, the UKSC's governance structure differs from that of a conventional Ministerial Government Department, although it still complies with the requirements of 'Corporate governance in central government departments: code of good practice 2011'.

### Scope of responsibility

I was appointed Accounting Officer by HM Treasury with effect from 1 September 2015 in accordance with section 5, subsection (6) of the Government Resources and Accounts Act 2000.

As Accounting Officer, I am responsible for the non-judicial functions of the Court which have all been delegated to me by the President, in accordance with the Constitutional Reform Act 2005, section 48 (3). I have responsibility for maintaining a sound system of internal control that supports the delivery of the UKSC's policies, aims and objectives, whilst safeguarding the public funds and departmental assets for which I am personally responsible, in accordance with the responsibilities assigned to me in Managing Public Money.

In delivering this role I am supported by the Management Board and its sub-committees.

This Governance Statement, for which I, as Accounting Officer take responsibility, is designed to give a clear understanding of how the duties set out above have been carried out during 2016/17.

## The governance framework of the organisation

The UKSC has a robust governance framework, appropriate for an organisation of its size. More details about this can be found in Section One of the annual report.

The governance structure is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to deliver services, aims and objectives; it therefore provides reasonable and not absolute assurance. The structures and controls provide clarity and accountability in managing the delivery of the UKSC's administrative objectives. They ensure the administration of the court has the capacity to make decisions, monitor performance and assess and manage resources and risk.

The key elements of the governance framework in place are:

### Management Board

The Management Board supports me in delivering the strategic objectives and in ensuring effective corporate governance of the court administration.

- The Management Board is chaired by me and comprises two Non-Executive Directors & all Heads of Division.
- The Board meets bi-monthly and considers as standing agenda items:
  - Dashboard report of key performance indicators
  - Risk Register
  - Finance and fees incorporating financial performance reports
  - Media and communications update
  - Human Resources update
  - Parliamentary Questions and Freedom of Information requests; and
  - Case Update (on appeals before the UKSC/JCPC)
- Minutes of the Management Board meetings are posted on the website and made available to staff on the intranet.
- The attendance records of individual board members are as detailed below

Management Board	Maximum number of meetings possible to attend	Number of meetings attended
<b>Mark Ormerod</b> Chief Executive	6	5
<b>William Arnold</b> Director of Corporate Services	6	6
<b>Louise Di Mambro</b> Registrar	6	6
<b>Olufemi Oguntunde</b> Director of Finance	6	6
<b>Martin Thompson</b> Head of Accommodation/ Health and Safety Manager (until 30 September 2016)	3	2
<b>Ben Wilson</b> Head of Communications	6	6
<b>Paul Brigland</b> Head of Office and Building Services, and Departmental Records Officer	6	6
<b>Chris Maile</b> Head of Human Resources	6	5
<b>Paul Sandles</b> Secretary	4	4
<b>Ken Ludlam</b> Non Executive Director	6	6
<b>Stephen Barrett</b> Non Executive Director	6	6

In order to draft this statement, I have considered the various management reports reviewed and debated by the Management Board through the year as well as seeking and making use of various sources of assurances relating to governance, risk and control within the administration.

I have considered the effectiveness of the Board against the NAO's compliance checklist for corporate governance in central government departments and I am satisfied with the Board's effectiveness. Agendas for Board meetings comprise a mixture of standard items as listed above and specific issues, some of which are dealt with quarterly, and others as the need arises. Individual members of the Board are held to account for decisions, and the Non-Executive Directors play a full role in challenging and supporting the Executive members of the Board.

The Board receives regular reports from its sub-committees and has sight of the Risk Register at each of its meetings. Each quarter the Risk Register is subject to a formal review.

Board papers are generally distributed in good time, and minutes and matters arising are dealt with at each meeting. The Dashboard report sets out key performance information which comes to the Board monthly. The statistics are challenged where necessary. The Board plays a full part in developing Strategic and Business Plans and exercises a monitoring role throughout the year. All the Board papers presented are reviewed and challenged as appropriate. The quality of the papers and reports meets the objectives of the Board.

Taking all the above factors into account I am satisfied that the governance structure complies with the Code of Practice for Corporate Governance in Central Government Departments, insofar as it is relevant to us. Areas of the Code which require the involvement of Ministers do not apply to us because we are a non-Ministerial department. The size of the UKSC administration means that we do not require a separate Nominations Committee.

### Strategic Advisory Board

The Strategic Advisory Board which was set up in January 2016 has now fully embedded during the reporting year. It exists to consider the strategic direction of the UK Supreme Court (UKSC) and the Judicial Committee of the Privy Council (JCPC); and to approve and review the Strategic Framework.

In doing so it takes into consideration:

- information on the current state of the UKSC and JCPC
- the strategic issues facing the UKSC and JCPC
- strengths, weaknesses, opportunities and threats; and
- the financial provision

The Board has no role in directing the judicial functions of the Court.

Similarly, the Board has no role in directing the running of the non-judicial functions of the Court, including the allocation of resources, which remains the responsibility of the Management Board.

The members of the Strategic Advisory Board are:

- The President (Chair)
- The Deputy President
- A Justice (as appointed by the President)
- The Chief Executive
- The Director of Corporate Services
- The Registrar
- The two Non-Executive Directors

At least two Judicial members, two UKSC members and one Non-Executive Director are required to form a quorum. The Board may invite others to attend meetings as required for specific items. It meets three times during the financial year, in June, October and February.

### Audit and Risk Assurance Committee

The Audit and Risk Assurance Committee provides assurance that all aspects of the court administration's policies, procedures, internal controls and governance are effective and appropriate to deliver statutory responsibilities and strategic objectives. It is also responsible for assuring the Management Board that all aspects of the risk management policies and procedures are effective and appropriate. It provides an independent challenge to the appropriateness, adequacy and value for money of the Department's governance, risk management and assurance processes; and offers independent advice to the Accounting Officer.

- The Audit and Risk Assurance Committee is constituted in line with HM Treasury's Audit Committee Handbook, to advise me as Accounting Officer. It is chaired by Kenneth Ludlam who is one of the Court's two Non-Executive Directors.
- The Audit and Risk Assurance Committee meets three times a year and includes representatives from Scotland and Northern Ireland.
- It considers regular reports by internal audit, to standards defined in the Public Sector Internal Audit Standards, which include the Head of Internal Audit's independent opinion on the adequacy and effectiveness of the UKSC's system of internal control together with recommendations for improvements.
- It also reviews the adequacy of management responses to the external auditor's management letter.



- It plays a key role in developing a risk management framework, and in considering the Risk Register. The Chairman of the Audit and Risk Assurance Committee is one of the nominated officers (together with the other Non-Executive Director) for whistle-blowers.
- It reviews and challenges management on the Annual Report and Accounts.

The Chair of the Audit and Risk Assurance Committee has provided the following statement:

“We have an effective Audit and Risk Assurance Committee commensurate with the size and complexity of the Supreme Court. The committee is well supported by management, the secretariat and both internal and external audit. There is a range of skills and experience amongst the committee members which provides valuable insight and review.

The Supreme Court has experienced a very active year of high profile cases which has placed additional pressure on all the internal control systems. The Committee is of the opinion that all control systems performed well and there are no significant issues to be drawn to the attention of the Accounting Officer.”

The attendance details of the committee members for 2016/17 are as detailed below:

Audit and Risk Assurance Committee		
	Maximum number of meetings possible to attend	Number of meetings attended
<b>Ken Ludlam</b> Chairman & Non Executive Director	3	3
<b>Stephen Barrett</b> Non Executive Director	3	3
<b>Charles Winstanley</b> Representative from Scotland	3	3
<b>Ronnie Armour</b> Representative from Northern Ireland (until January 2017)	2	2
<b>Peter Luney</b> Representative from Northern Ireland (from February 2017)	1	1

The Chief Executive, Director of Corporate Services and Director of Finance are regular attendees of the Audit Committee and they attended all the three meetings held in 2016/17.

### Remuneration Committee

The Remuneration Committee is chaired by the Non-Executive Director not chairing the Audit Committee. The Chief Executive and the two Non-Executive Directors are the members of the committee, supported by the Director of Finance and the Head of HR who also attend the Committee’s meetings. If for any reason the Chief Executive cannot be present at a meeting, he is replaced by the Director of Corporate Services, although the Chief Executive leaves any meeting without replacement, if and when issues relating to his own remuneration are being discussed.

Meetings are held at least annually (and when required) and the terms of reference cover all issues affecting pay and benefits for staff. All policy decisions relating to pay and bonuses for each reporting year are agreed at the committee meeting in June each year for implementation in August, in line with the UKSC Pay and Allowances Policy.

### Health and Safety Committee

- The Health and Safety Committee facilitates co-operation and co-ordination between management, employees and contractors so as to ensure everyone’s health and safety in the court.
- The Committee is chaired by the Director of Corporate Services.
- It meets three times a year and includes representatives of the Trade Unions, and of the Facilities Management, Security Guarding, Cleaning and Catering providers.

Members of the Health and Safety Committee are named in Section One of the Annual Report.

### UKSC Court User Group

The Court User Group is a standing body which provides a forum for practitioners and staff to review the operation of the Court and to make recommendations for changes to the Court’s procedure and practice. More details are in Section Four (Engaging with professional users) of the Annual Report.

## Performance against Business Plans

The UKSC publishes an annual Business Plan and the objectives of individual members of staff are derived from that Business Plan. The Business Plan is reviewed regularly and a formal review is conducted by the Management Board at the half-year point. The detailed account of performance against the preceding year's Business Plan is contained in the Annual Report for that year and quarterly reports are also provided to the jurisdictions, detailing performance over the reporting period.

Other elements of the Court administration's Corporate Governance arrangements include:

- provision of relevant Corporate Governance pages on the UKSC intranet linked to all available guidance and instructions. These are reviewed and updated regularly.
- business and financial planning processes which explicitly take into consideration business risk;
- formal letters of delegated financial authority supported by a system of central budgetary control;
- signed assurance statements from divisional Heads on how they manage budgets within their delegated authority, in order to meet their objectives and comply with their corporate governance responsibilities.

## Risk assessment

The UKSC is committed to high standards of corporate governance, including the need for an effective risk management system and internal control environment. The Management Board and the Audit and Risk Assurance Committee both play a full role in this, and members of the Management Board are responsible for owning, monitoring, and managing risks and controls within their areas of direct responsibility. The Management team, under my leadership, incorporates risk management as a standing Management Board meeting agenda item. Risk owners formally review risks on a bi-monthly basis and report back to the Management Board and Audit and Risk Assurance Committee.

## The risk and control framework

A Risk Register that identifies, assesses, and sets out mitigating actions to significant risks is in place across the administration of the Court. Management and review of the risks identified is carried out at Board level during the Management Board monthly meetings.

The key elements of the UKSC's risk management strategy for identifying, evaluating and controlling risk include:

- The establishment of appropriate committees to maintain strategic oversight of the court's business and activities.
- Identification of new or emerging risks throughout the year. The Management Board always consider risks when decisions are taken or as the risk environment changes. Risks that have a high impact and high likelihood are given the highest priority.
- A Business Continuity Plans (BCP) to manage the risk of disruption to business.
- The role of the Senior Information Risk Owner (SIRO). An Information Security policy, information asset register and risk assessment procedure are in place alongside guidance on protective marking and handling documents. Information Asset Owners' roles have been delegated with appropriate guidance rolled out.
- Regular engagement with key stakeholders, particularly through the User group.
- Information assurance training for all staff by means of the Civil Service Learning's on-line e learning 'protecting information' package. This package is refreshed annually and is mandatory for all staff to complete. There were no 'loss of data' incidents during the year.
- The Departmental "Whistle Blowing" policy for confidential reporting of staff concerns.

## Review of the effectiveness of risk management and internal control

The system of internal controls reflects good practice. It is designed to identify and prioritise the risks to achieving our policies, aims and objectives; to evaluate the likelihood of those risks being crystallised and the impact should they be crystallised; and to manage them efficiently, effectively and economically. These controls have been in place throughout the year ended 31 March 2017 and up to the date of approval of the Annual Report and Accounts, and accord with Treasury guidance.

The UKSC makes stringent efforts to maintain and review the effectiveness of the systems of internal control. Specific risk areas regularly reviewed and monitored include:

- Disruption from breach of physical security
- Financial Challenge
- Disruption to relations with Executive, Parliament or Devolved Bodies
- Reputational damage

Some of these processes are:

- periodic review by Internal Auditors;
- regular review of the Risk Register;
- signed assurance statements from Heads of Division on how they have discharged their corporate governance responsibilities;
- meetings three times a year of the Audit and Risk Assurance Committee; and
- bi-monthly Management Board meetings with a financial planning report review as a standing item.

Any additional measures required to strengthen controls will be incorporated if gaps are identified.

As Accounting Officer, I have responsibility for reviewing the effectiveness of the system of the Court's governance, risk management and internal control.

My review is informed by:

- the work of the internal auditors;
- annual statements on corporate governance by the managers within the Court who have responsibility for the development and maintenance of the internal control framework; and
- observations made by the external auditors in their management letter and other reports.

I have been advised on the implications of the effectiveness of the system of internal control by the Board and the Audit and Risk Assurance Committee and where any weaknesses have been identified, plans have been put in place to rectify them.

The Court's whistle-blowing policy has been in operation throughout the year; the policy sets out the steps staff should take to raise their concerns about behaviours and practices within the Court. This is supported by detailed guidance on the procedures to follow when raising these concerns and has been made available to all staff. No issues were raised under the whistle-blowing arrangements during 2016/17.

I am therefore content that a good system of internal control which was robust and fit for purpose, including the maintenance of an appropriate structure for managing risk was in place for the year ended 31st March 2017.

### Significant Issues

There were no significant internal control issues, and no significant findings from internal audits during the year.

The Head of Internal Audit in his annual report for Internal Audit Activity for 2016/17 has given the UKSC a Substantial rating which is the highest level of assurance on the adequacy and effectiveness of the system of governance, risk management and internal control.

## Remuneration and Staff Report (This section has been audited)

### Service Contracts

The Constitutional Reform and Governance Act 2010 requires Civil Service appointments to be made on merit on the basis of fair and open competition. The Recruitment Principles published by the Civil Service Commission specify the circumstances when appointments may be made otherwise.

Unless otherwise stated below, the officials covered by this report hold appointments which are open-ended. Early termination, other than for misconduct, would result in the individual receiving compensation as set out in the Civil Service Compensation Scheme.

Further information about the work of the Civil Service Commission can be found at [www.civilservicecommission.org.uk](http://www.civilservicecommission.org.uk)

### Remuneration Policy

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

The Review Body also advises the Prime Minister from time to time on the pay and pensions of members of Parliament and their allowances; on Peers' allowances; and on the pay, pensions and allowances of Ministers and others whose pay is determined by the Ministerial and Other Salaries Act 1975.

In reaching its recommendations, the Review Body has regard to the following considerations:

- The need to recruit, retain and motivate suitable able and qualified people to exercise their different responsibilities;
- Regional/local variations in labour markets and their effects on the recruitment and retention of staff;
- Government policies for improving the public services including the requirement on departments to meet the output targets for the delivery of departmental services;
- The funds available to departments as set out in the Government's departmental expenditure limits;
- The Governments inflation targets.

The Review body takes account of the evidence it receives about wider economic considerations and the affordability of its recommendations.

Further information about the work of the Review body can be found at [www.ome.uk.com](http://www.ome.uk.com)



## Staff / Justices numbers and related costs

	STAFF/JUSTICES COSTS COMPRISE				2016-17	2015-16
	Justices	Permanent		Others	Total	Total
		Front line staff	Administrative staff	Judicial assistants		
	£'000	£'000	£'000	£'000	£'000	£'000
Wages & Salaries	2,479	882	502	208	4,071	4,241
Social security costs	329	97	59	22	507	487
Supplementary Judges & Special Advisers	34	0	0	0	34	1
Other pension costs	953	180	107	23	1,263	1,295
<b>Sub Total</b>	<b>3,795</b>	<b>1,159</b>	<b>668</b>	<b>253</b>	<b>5,875</b>	<b>6,024</b>
Inward secondments	0	12	0	0	12	13
Agency Staff	0	1	0	0	1	1
Voluntary exit costs	0	31	0	0	31	0
<b>Total Net Costs</b>	<b>3,795</b>	<b>1,203</b>	<b>668</b>	<b>253</b>	<b>5,919</b>	<b>6,038</b>

No salary costs have been capitalised. Judicial Salaries and Social Security costs are paid directly from the Consolidated Fund while the Pension costs are paid for by the UKSC.

### Principal Civil Service Pension Scheme (PCSPS) and the Civil Service and Other Pension Scheme (CSOPS)

The Principal Civil Service Pension Schemes (PCSPS) and the Civil Servant and Other Pension Scheme – Known as "Alpha" – are unfunded multi-employer defined benefit schemes, therefore, the UK Supreme Court is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2012. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation ([www.civilservicepensionscheme.org.uk/about-us/resource-accounts](http://www.civilservicepensionscheme.org.uk/about-us/resource-accounts)).

For 2016-17, employer's contributions totalling £309,594 were payable to the PCSPS, (2015-16, £307,866) at one of four rates in the range of 20% to 24.5% (2015-16, 20% to 24.5%) of pensionable pay, based on salary bands. The scheme's Actuary reviews employer contributions every four years following a full scheme valuation. The contribution rates are set to meet the costs of the benefits accruing during 2016-17 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £6,138 (2015-16, £12,045) were paid to one or more of a panel of three appointed stakeholder pension providers. Employer contributions are age-related and range from 8% to 14.75% (2015-16, 3% to 12.5% up to the 30 September 2015 and from 1 October 2015 8% to 14.75% of pensionable pay) of pensionable pay. Employers also match employee's contributions up to 3% of pensionable pay. In addition, employer contributions of £NIL, (2015-16, £NIL) of pensionable pay, were payable to the PCSPS to cover the cost of the future provision of lump sum benefits on death in service and ill health retirement of these employees.

Contributions due to the partnership pension providers at the balance sheet date were £881 (2015-16, £1,232). Contributions prepaid at that date were NIL.

There were no early retirements on ill health grounds in 2016-17, (2015-16, None)

## Average number of persons employed and Justices that served

The average number of full-time equivalent persons employed and Justices that served during the year is shown in the table below. These figures include those working in the UKSC (including senior management) as included within the departmental resource account.

THE SUPREME COURT OF THE UNITED KINGDOM					2016-17	2015-16
	PERMANENT			OTHER	Total	Total
	Justices*	Frontline Staff	Administrative Staff	Judicial Assistants		
	12	27	10	6	55	58
<b>Total</b>	<b>12</b>	<b>27</b>	<b>10</b>	<b>6</b>	<b>55</b>	<b>58</b>

\*There were eleven Justices in post from 1 October 2016 to March 2017

## Off-Payroll Engagements and Consultancy Costs

The court did not enter into any off-payroll engagements neither did it use the service of any consultants.

## Salary and Pension entitlements for Directors

Full details of the remuneration and pension interests of the Management Board are detailed below and are subject to audit:

### a) Single Total figure of remuneration

Name and Title	Salary (£'000)		Bonus Payments (£'000)		Pension benefits (£'000)		Total (£'000)	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
Mark Ormerod Chief Executive (from 1 September 2015)	95-100	55-60 (FTE 90-95)	-	-	37	18	130-135	75-80
William Arnold Director for Corporate Services	80-85	80-85	-	-	18	28	100-105	110-115
Louise di Mambro Registrar	70-75	70-75	0-5	0-5	15	23	85-90	95-100
Olufemi Oguntunde Director of Finance	65-70	65-70	0-5	-	23	28	90-95	90-95
Martin Thompson* Building Manager (till 30 September 2016)	30-35 (FTE 60-65)	60-65	0-5	-	3	17	30-35	75-80
Ben Wilson Head of Communications	50-55	50-55	0-5	0-5	20	20	70-75	75-80
Paul Brigland Head of Office and Building Services, and Departmental Records Officer	50-55	35-40	0-5	0-5	95	30	145-150	70-75
Chris Maile Head of Human Resources	50-55	35-40	0-5	0-5	66	25	115-120	65-70
Ken Ludlam Non-Executive Director	0-5	5-10	-	-			0-5	5-10
Stephen Barrett Non-Executive Director (from 1 July 2015)	0-5	0-5	-	-			0-5	0-5

\*This does not include the exit payment which is disclosed separately in the Exit Package disclosure on page 86.

## Salary

'Salary' includes gross salary; overtime; reserved rights to London weighting or London allowances; recruitment and retention allowances; private office allowances and any other allowance to the extent that it is subject to UK taxation. This report is based on accrued payments made by the Department and thus recorded in these accounts.

Ken Ludlam, non-executive director, supplies his services under the terms of a contract, which commenced on 1 July 2014. He is remunerated by the way of a daily attendance fee. As non-executive director, there are no entitlements to pension or other contributions from the Supreme Court.

Stephen Barrett, non-executive director, supplies his services under the terms of a contract, which commenced on 1 July 2015. He is remunerated by the way of a daily attendance fee. As non-executive director, there are no entitlements to pension or other contributions from the Supreme Court.

## Benefits in kind

There were no benefits in kind.

## Bonuses

Bonuses are based on performance levels attained and are made as part of the appraisal process. Bonuses relate to the performance in the year in which they become payable to the individual. The bonuses reported in 2016-17 relate to performance in 2015-16 and the comparative bonuses reported for 2015-16 relate to the performance in 2014-15.

## Pay Multiples

Reporting bodies are required to disclose the relationship between the remuneration of the highest-paid director in their organisation and the median remuneration of the organisation's workforce.

The banded remuneration of the highest-paid director in UK Supreme Court in the financial year 2016-17 was £95,000 to £100,000 (2015-16, £90,000 to £95,000). This was 3.06 times (2015-16, 2.89 times) the median remuneration of the workforce, which was £31,827 (2015-16, £32,003).

In 2016-17, 0 (2015-16, 0) employees received remuneration in excess of the highest-paid director. Remuneration ranged from £20,200 to £84,850 (2015-16 £20,000-£84,257).

Total remuneration includes salary, non-consolidated performance-related pay, benefits-in-kind. It does not include severance payments, employer pension contributions and the cash equivalent transfer value of pensions.

## b) – Pension Benefits (Audited)

Name and Title	Accrued Pension at pension age as at 31 March 2017 and related lump sum	Real increase in pension and related lump sum at pension age	CETV at 31 March 2017	CETV at 31 March 2016	Real Increase/ (Decrease) in CETV	Employer contribution to partnership pension account
	£'000	£'000	£'000	£'000	£'000	Nearest £100
Mark Ormerod Chief Executive	0–5	0-2.5	51	18	26	-
William Arnold Director of Corporate Services	45–50 plus lump sum of 135-140	0-2.5 plus lump sum of 2.5-5	1008	994	17	-
Louise di Mambro Registrar	35–40 plus lump sum of 105-110	0–2.5 plus lump sum of 2.5-5	757	745	14	-
Olufemi Oguntunde Director of Finance	15-20	0-2.5	216	195	9	-
Ben Wilson Head of Communications	5-10	0-2.5	70	60	5	-
Martin Thompson Building Manager	30-35 plus lump sum of 90-95	0-2.5 plus lump sum of 0-2.5	705	707	3	-
Paul Brigland Head of Office and Building Services, and Departmental Records Officer	15-20 plus lump sum of 40–45	2.5–5 plus lump sum of 7.5-10	290	206	73	-
Chris Maile Head of Human Resources	10-15 plus lump sum of 25-30	2.5–5 plus lump sum of 5-7.5	170	118	43	-



## Civil Service Pensions

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or alpha, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those already in service joined alpha. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: 3 providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and one providing benefits on a whole career basis (nuvos) with a normal pension age of 65.

These statutory arrangements are unfunded with the cost of benefits met by monies voted by Parliament each year. Pensions payable under classic, premium, classic plus, nuvos and alpha are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal pension age on 1 April 2012 will switch into alpha sometime between 1 June 2015 and 1 February 2022. All members who switch to alpha have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (partnership pension account).

Employee contributions are salary-related and range between 3% and 8.05% of pensionable earnings for members of classic (and members of alpha who were members of classic immediately before joining alpha) and between 4.6% and 8.05% for members of premium, classic plus, nuvos and all other members of alpha. Benefits in classic accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable

on retirement. For premium, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike classic, there is no automatic lump sum. classic plus is essentially a hybrid with benefits for service before 1 October 2002 calculated broadly as per classic and benefits for service from October 2002 worked out as in premium. In nuvos a member builds up a pension based on his pensionable earnings during their period of scheme membership. At the end of the scheme year (31 March) the member's earned pension account is credited with 2.3% of their pensionable earnings in that scheme year and the accrued pension is updated in line with Pensions Increase legislation. Benefits in alpha build up in a similar way to nuvos, except that the accrual rate is 2.32%. In all cases members may opt to give up (commute) pension for a lump sum up to the limits set by the Finance Act 2004.

The partnership pension account is a stakeholder pension arrangement. The employer makes a basic contribution of between 8% and 14.75% (depending on the age of the member) into a stakeholder pension product chosen by the employee from a panel of providers. The employee does not have to contribute, but where they do make contributions, the employer will match these up to a limit of 3% of pensionable salary (in addition to the employer's basic contribution). Employers also contribute a further 0.8% of pensionable salary up to 30 September 2015 and 0.5% of pensionable salary from 1 October 2015 to cover the cost of centrally-provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 65 for members of nuvos, and the higher of 65 or State Pension Age for members of alpha. (The pension figures quoted for officials show pension earned in PCSPS or alpha – as appropriate. Where the official has benefits in both the PCSPS and alpha the figure quoted is the combined value of their benefits in the two schemes, but note that part of that pension may be payable from different ages.)

Further details about Civil Service pension arrangements can be found at the website [www.civilservicepensionscheme.org.uk](http://www.civilservicepensionscheme.org.uk)

## Cash Equivalent Transfer Values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. A CETV is a payment made by a pension scheme or arrangement to secure pension benefits in another pension scheme or arrangement when the member leaves a scheme and chooses to transfer the benefits accrued in their former scheme. The pension figures shown relate to the benefits that the individual has accrued as a consequence of their total membership of the pension scheme, not just their service in a senior capacity to which disclosure applies.

The figures include the value of any pension benefit in another scheme or arrangement which the member has transferred to the Civil Service pension arrangements. They also include any additional pension benefit accrued to the member as a result of their buying additional pension benefits at their own cost. CETVs are worked out in accordance with The Occupational Pension Schemes (Transfer Values) (Amendment) Regulations 2008 and do not take account of any actual or potential reduction to benefits resulting from Lifetime Allowance Tax which may be due when pension benefits are taken.

### Real increase in CETV

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

### Compensation for loss of office

Martin Thompson left under Voluntary Exit terms on 30 September 2016. He received a compensation payment of £30,828.44.

## Reporting of Civil Service and other compensation schemes – exit packages

Exit package cost band	Number of compulsory redundancies	Number of other departures agreed	Total number of exit packages by cost band
<£10,000			
£10,000-£25,000			
£25,000-£50,000		1	1
£50,000-£100,000			
£100,000-£150,000			
£150,000-£200,000			
Total number of exit packages			
<b>Total cost /£</b>		<b>£30,828.44</b>	<b>£30,828.44</b>

Redundancy and other departure costs have been paid in accordance with the provisions of the Civil Service Compensation Scheme, a statutory scheme made under the Superannuation Act 1972. Exit costs are accounted for in full in the year of departure. Where the department has agreed early retirements, the additional costs are met by the department and not by the Civil Service pension scheme. Ill-health retirement costs are met by the pension scheme and are not included in the table.

# Parliamentary Accountability and Audit Report

(This section has been audited)

## Statement of Parliamentary Supply

In addition to the primary statements prepared under IFRS, the Government Financial Reporting Manual (FRM) requires The UK Supreme Court to prepare a Statement of Parliamentary Supply (SoPS) and supporting notes to show reporting outturn against Supply Estimate presented to Parliament, in respect of each budgetary control limit. The SoPS and related notes are subject to audit.

### SUMMARY OF RESOURCE AND CAPITAL OUTTURN 2016-17

Request for Resources	SoPs Note	Estimate			Outturn			2016-17	2015-16
		Voted	Non-voted	Total	Voted	Non-voted	Total	Voted outturn compared with Estimate: saving/(excess)	Outturn Total
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Departmental Expenditure Limit</b>									
- Resources	1.1	2,265	2,810	5,075	2,015	2,808	4,823	250	4,540
- Capital	1.2	400	-	400	364	-	364	36	432
<b>Annually Managed Expenditure</b>									
- Resource	1.1	1,000		1,000	-	-	-	1,000	-
Total Budget		3,665	2,810	6,475	2,379	2,808	5,187	1,286	4,972
Non Budget		-	-	-	-	-	-	-	-
Total		3,665			2,379		5,187	1,286	4,972
<b>Total Resource</b>		3,265	2,810	6,075	2,015	2,808	4,823	1,250	4,540
<b>Total Capital</b>		400	-	400	364	-	364	36	432
<b>Total</b>		3,665	2,810	6,475	2,379	2,808	5,187	1,286	4,972

### NET CASH REQUIREMENT 2016-17

		Estimate	Outturn	2016-17	2015-16
	SoPS Note	£'000	£'000	Outturn compared with Estimate: saving/(excess)	Outturn
		£'000	£'000	£'000	£'000
Net cash requirement	2	2,045	2,036	9	1,227

### ADMINISTRATION COSTS 2016-17

		Estimate	Outturn	2016-17	2015-16
	Note	£'000	£'000	Outturn compared with Estimate: saving/(excess)	Outturn
		£'000	£'000	£'000	£'000
		920	706	214	738

Figures in the areas outlined in bold are voted totals subject to Parliamentary control. In addition, although not a separate voted limit, any breach of the administration budget will also result in an excess vote.

#### Explanations of variances between Estimate and Outturn

Explanations of variances between Estimates and Outturn are given in Note 1 and in the Management Commentary on page 68 to 71.

## SOPS 1. Net outturn

### SOPS 1.1 Analysis of net resource outturn by section

							2016-17	2015-16		
							Outturn	Estimate	Outturn	
	Administration			Programme						
	Gross	Income	Net	Gross	Income	Net	Total	Net Total	Net total compared to Estimate:	Total
£'000		£'000		£'000		£'000		£'000		£'000
Spending in Departmental Expenditure limit										
Voted	824	(118)	706	8,904	(7,595)	1,309	2,015	2,265	250	1,634
Non Voted	0	0	0	2,808	0	2,808	2,808	2,810	2	2,906
Annually Managed Expenditure										
Voted	0	0	0	0	0	0	0	1,000	1,000	0
<b>Total</b>	<b>824</b>	<b>(118)</b>	<b>706</b>	<b>11,712</b>	<b>(7,595)</b>	<b>4,117</b>	<b>4,823</b>	<b>6,075</b>	<b>1,252</b>	<b>4,540</b>

Further details are provided in the Management Commentary on pages 69 and 71..

### SOPS 1.2 Analysis of net capital outturn by section

							2016-17	2015-16		
							Outturn	Estimate	Outturn	
	Gross	Income	Net	Gross	Income	Net	Net Total	Net total compared to Estimate:	Net Total	Net Total
£'000		£'000		£'000		£'000		£'000		£'000
Spending in Departmental Expenditure Limit										
Voted	364	0	364	400	36	432				



## SOPS 2. Reconciliation of Net Resource Outturn to Net Cash Requirement

	SoPS Note	2016-17		2015-16	
		Estimate	Outturn	Net total outturn compared with Estimate: Saving/(excess)	Outturn
		£'000	£'000	£'000	£'000
Resource Outturn	1.1	6,075	4,823	1,252	4,540
Capital Outturn	1.2	400	364	36	432
Accruals to cash adjustments					
Adjustments to remove non-cash items:					
- Depreciation		(2,120)	(1,007)	(1,113)	(959)
- Other non-cash items		(40)	(35)	(5)	(35)
Adjustments to reflect movements in working balances:		-			
- Increase /(decrease) in inventories			(4)	4	(9)
- Increase /(decrease) in receivables		240	463	(223)	106
- Increase /(decrease) in payables		300	134	166	18
- Changes in payables falling due after more than one year		-	106	(106)	40
Removal of non-voted budget items:					
Non Voted Expenditure		(2,810)	(2,808)	(2)	(2,906)
Use of provision		-	-	-	-
<b>Net cash requirement</b>		<b>2,045</b>	<b>2,036</b>	<b>9</b>	<b>1,227</b>

## SOPS 3. Income payable to the Consolidated Fund

### SOPS 3.1 Analysis of income payable to the Consolidated Fund

During the financial period, there were no amounts payable to the consolidated fund.

### Losses and Special Payments

No exceptional kinds of expenditure such as losses and special payments, that require separate disclosure because of their nature or amount, have been incurred.

### Fees and Charges

	2016-17			2015-16		
	Income	Full Cost	Surplus/ (Deficit)	Income	Full Cost	Surplus/ (Deficit)
	£'000	£'000	£'000	£'000	£'000	£'000
Total Court Fees	(963)	12,418	(11,455)	(1,238)	12,402	(11,164)
Wider Market Initiatives	(118)	118	0	(104)	104	0
	<b>(1,081)</b>	<b>12,536</b>	<b>(11,455)</b>	<b>(1,342)</b>	<b>12,506</b>	<b>(11,164)</b>

These are provided for fees' & charges' purposes & not for IFRS 8.

The UK Supreme Court does not recover its full cost of operations from Court fees as this might impede access to Justice.

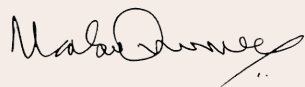
The UK Supreme Court has complied with the cost allocation and charging requirements set out in HM Treasury and Office of Public Sector Information guidance.

## Remote Contingent Liabilities

UKSC has entered into a loan agreement with the Middlesex Guildhall Collection Trust in respect of Works of Arts located in the building. The court agreed to indemnify the Trust against loss or damage occasioned to the items and has put an insurance policy in place to cover any incidental financial loss.

None of these is a contingent liability within the meaning of IAS 37, since the possibility of a transfer of economic benefit in settlement is too remote.

Signed on behalf of the UKSC by



Mark Ormerod  
Chief Executive and Accounting Officer  
14 June 2017

## Certificate and Report of the Comptroller and Auditor General to the House of Commons

### The Certificate and Report of the Comptroller and Auditor General to the House of Commons

I certify that I have audited the financial statements of the United Kingdom Supreme Court for the year ended 31 March 2017 under the Government Resources and Accounts Act 2000. The financial statements comprise: the Department's Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes. These financial statements have been prepared under the accounting policies set out within them. I have also audited the Statement of Parliamentary Supply and the related notes, and the information in the Remuneration and Staff Report and the Parliamentary Accountability Disclosures that is described in those reports and disclosures as having been audited.

### Respective responsibilities of the Accounting Officer and auditor

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000. I conducted my audit in accordance with International Standards on Auditing (UK and Ireland). Those standards require me and my staff to comply with the Auditing Practices Board's Ethical Standards for Auditors.

### Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Department's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Accounting Officer; and the overall presentation of the financial statements. In addition I read all the financial and non-financial information in the Annual Report to identify material inconsistencies

with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by me in the course of performing the audit. If I become aware of any apparent material misstatements or inconsistencies I consider the implications for my certificate.

I am required to obtain evidence sufficient to give reasonable assurance that the Statement of Parliamentary Supply properly presents the outturn against voted Parliamentary control totals and that those totals have not been exceeded. The voted Parliamentary control totals are Departmental Expenditure Limits (Resource and Capital), Annually Managed Expenditure (Resource and Capital), Non-Budget (Resource) and Net Cash Requirement. I am also required to obtain evidence sufficient to give reasonable assurance that the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

### Opinion on regularity

In my opinion, in all material respects:

- the Statement of Parliamentary Supply properly presents the outturn against voted Parliamentary control totals for the year ended 31 March 2017 and shows that those totals have not been exceeded; and
- the expenditure and income recorded in the financial statements have been applied to the purposes intended by Parliament and the financial transactions recorded in the financial statements conform to the authorities which govern them.

### Opinion on financial statements

In my opinion:

- the financial statements give a true and fair view of the state of the Department's affairs as at 31 March 2017 and of the Department's net operating cost for the year then ended; and
- the financial statements have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

## Opinion on other matters

In my opinion:

- the parts of the Remuneration and Staff Report and the Parliamentary Accountability disclosures to be audited have been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000; and
- the information given in the Performance Report and Accountability Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

## Matters on which I report by exception

I have nothing to report in respect of the following matters which I report to you if, in my opinion:

- adequate accounting records have not been kept or returns adequate for my audit have not been received from branches not visited by my staff; or
- the financial statements and the parts of the Remuneration and Staff Report and the Parliamentary Accountability disclosures to be audited are not in agreement with the accounting records and returns; or
- I have not received all of the information and explanations I require for my audit; or
- the Governance Statement does not reflect compliance with HM Treasury's guidance.

## Report

I have no observations to make on these financial statements.

Sir Amyas C E Morse  
15 June 2017

Comptroller and Auditor General

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

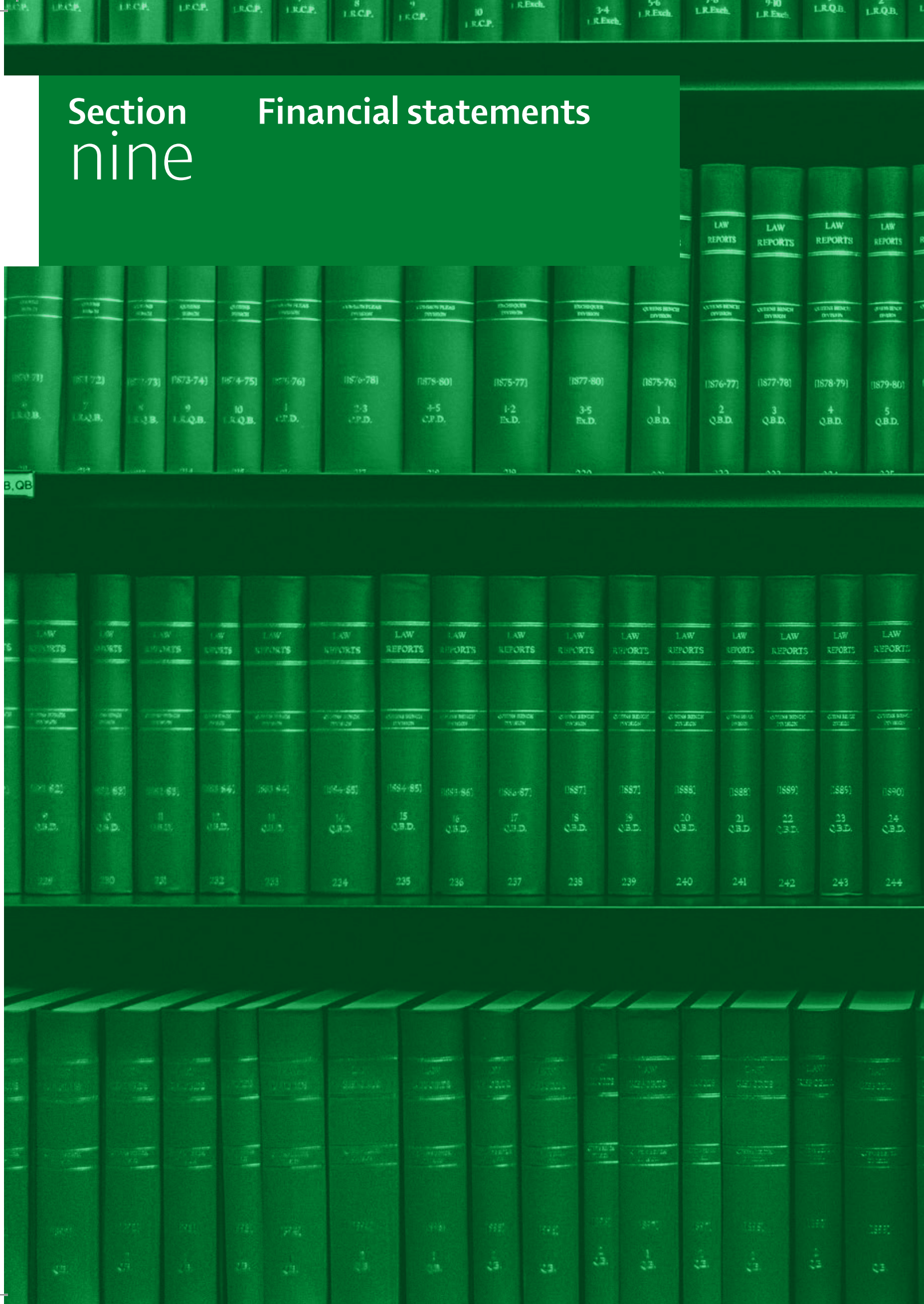






# Section nine

## Financial statements



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## Statement of Comprehensive Net Expenditure

FOR THE YEAR ENDED 31 MARCH 2017

		2016-17	2015-16
	Note	£'000	£'000
Income from sale of goods and services	4	(7,595)	(7,870)
Other operating income	4	(118)	(104)
<b>Total operating income</b>		<b>(7,713)</b>	<b>(7,974)</b>
Staff costs	2	5,919	6,038
Purchases of goods and services	3	5,610	5,517
Depreciation and impairment charges	5 & 6	1,007	959
<b>Total Expenditure</b>		<b>12,536</b>	<b>12,514</b>
<b>Net Operating Cost for the year ended 31 March</b>		<b>4,823</b>	<b>4,540</b>
<b>Other Comprehensive Net Expenditure</b>			
Net (gain)/loss on revaluation of property, plant and equipment		(894)	(6,493)
<b>Total Comprehensive Expenditure for the year ended 31 March</b>		<b>3,929</b>	<b>(1,953)</b>

The notes on pages 100 to 110 form part of these accounts.



## Statement of Financial Position

		as at 31 March 2017		as at 31 March 2016	
	Note	£'000	£'000	£'000	£'000
<b>Non-current assets</b>					
Property, Plant & Equipment	5	43,199		42,919	
Intangible assets	6	64		93	
<b>Total non-current assets</b>			43,263		43,012
<b>Current assets:</b>					
Assets classified as held for sale					
Inventories	9	6		10	
Trade and other receivables	10	1,419		956	
Cash and cash equivalents	11	9		2	
<b>Total current assets</b>			1,434		968
<b>Total assets</b>			44,697		43,980
<b>Current liabilities</b>					
Trade and other payables	12	(406)		(594)	
Finance Lease	12	(2,472)		(2,411)	
<b>Total current liabilities</b>			(2,878)		(3,005)
<b>Non current assets plus/less net current assets/liabilities</b>			41,819		40,975
<b>Non current liabilities:</b>					
Other Payables	12	(34,133)		(34,239)	
<b>Total non current liabilities</b>			(34,133)		(34,239)
<b>Total Assets less liabilities</b>			7,686		6,736
<b>Taxpayers' equity and other reserves</b>					
General fund			(15,245)		(15,301)
Revaluation reserve			22,931		22,037
<b>Total Equity</b>			7,686		6,736



Mark Ormerod  
Chief Executive and Accounting Officer  
14 June 2017

The notes on pages 100 to 110 form part of these accounts.

## Statement of Cash Flows

FOR THE YEAR ENDED 31 MARCH 2017

		2016-17	2015-16
	Note	£'000	£'000
<b>Cash flows from operating activities</b>			
Net operating cost		(4,823)	(4,540)
Adjustment for non-cash transactions	3	1,042	994
(Increase)/Decrease in trade and other receivables		(463)	(106)
(Increase)/Decrease in Inventories		4	9
Increase/(Decrease) in current trade payables		(188)	(102)
Increase/(Decrease) in Finance Lease		61	59
less movements in payables relating to items not passing through the SCNE		(7)	25
<b>Net Cash outflow from operating activities</b>		<b>(4,374)</b>	<b>(3,661)</b>
<b>Cash flows from investing activities</b>			
Purchase of property, plant and equipment	5	(364)	(426)
Purchase of intangible assets	6	(0)	(6)
<b>Net Cash outflow from investing activities</b>		<b>(364)</b>	<b>(432)</b>
<b>Cash flows from financing activities</b>			
From the Consolidated Fund (Supply) – current year		2,043	1,202
From the Consolidated Fund (non-Supply)		2,808	2,906
Capital increase in respect of finance leases		(106)	(40)
<b>Net Financing</b>		<b>4,745</b>	<b>4,068</b>
<b>Net increase/(decrease) in cash and cash equivalents in the period before adjustment for receipts and payments to the Consolidated Fund</b>		<b>7</b>	<b>(25)</b>
<b>Net increase/(decrease) in cash and cash equivalents in the period after adjustment for receipts and payments to the Consolidated Fund</b>		<b>7</b>	<b>(25)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	11	<b>2</b>	<b>27</b>
<b>Cash and cash equivalents at the end of the period</b>	11	<b>9</b>	<b>2</b>

The notes on pages 100 to 110 form part of these accounts.

## Statement of Changes in Taxpayers' Equity

FOR THE YEAR ENDED 31 MARCH 2017

		General Fund	Revaluation Reserve	Total Reserves
	Note	£'000	£'000	£'000
<b>Balance at 31 March 2015</b>		<b>(14,929)</b>	<b>15,544</b>	<b>615</b>
		-	-	-
<b>Balance at 1 April 2015</b>		<b>(14,929)</b>	<b>15,544</b>	<b>615</b>
Net Parliamentary Funding – drawn down		1,202		1,202
Net Parliamentary Funding – deemed		27		27
Consolidated Fund Standing Services		2,906		2,906
Supply (payable)/receivable adjustment		(2)		(2)
Excess Vote – Prior Year		-		-
CFERs payable to the Consolidated Fund		-		-
<b>Comprehensive Expenditure for the Year</b>		<b>(4,540)</b>	<b>-</b>	<b>(4,540)</b>
<b>Non-Cash Adjustments</b>				
Non-cash charges – auditors remuneration	3	35		35
<b>Movement in Reserve</b>				
Movement in Revaluation Reserve	5	-	6,493	6,493
Recognised in Statement of Comprehensive Expenditure		-	-	-
Transfer between reserves		-	-	-
<b>Balance at 31 March 2016</b>		<b>(15,301)</b>	<b>22,037</b>	<b>6,736</b>
Net Parliamentary Funding – drawn down		2,043		2,043
Net Parliamentary Funding – deemed		2		2
Consolidated Fund Standing Services		2,808		2,808
Supply (payable)/receivable adjustment		(9)		(9)
Excess Vote – Prior Year		-		-
CFERs payable to the Consolidated Fund		-		-
<b>Comprehensive Expenditure for the Year</b>		<b>(4,823)</b>	<b>-</b>	<b>(4,823)</b>
<b>Non-Cash Adjustments</b>				
Non-cash charges – auditors remuneration	3	35		35
<b>Movement in Reserve</b>				
Movement in Revaluation Reserve	5	-	894	894
Transfer between reserves		-	-	-
<b>Balance at 31 March 2017</b>		<b>(15,245)</b>	<b>22,931</b>	<b>7,686</b>

The notes on pages 100 to 110 form part of these accounts.

## Notes to the Departmental Resource Accounts

### Statement of Accounting Policies

#### 1.1 Basis of Preparation

The financial statements have been prepared in accordance with the 2016-17 Government Financial Reporting Manual (FReM) issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as adapted or interpreted for the public sector context. Where the FReM permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Supreme Court of the United Kingdom (UKSC) for the purpose of giving a true and fair view has been selected. The particular policies adopted by the Supreme Court of the United Kingdom (UKSC) are described below. They have been applied consistently in dealing with items which are considered material to the accounts.

In addition to the primary statements prepared under IFRS, the FReM also requires the Department to prepare two additional primary statements. The Statement of Parliamentary Supply and supporting notes showing outturn against Estimate in terms of the net resource requirement and the net cash requirement.

#### 1.2 Accounting Convention

These accounts have been prepared on the going concern basis under the historical cost convention modified to account for the revaluation of property, plant and equipment, intangible assets and inventories.

#### 1.3 Property Plant and Equipment

The Minimum level for the capitalisation of Property, Plant & Equipment is £5,000.

##### i. Land & Building

The UKSC Land & Building were deemed to be specialised operational properties and fair value was arrived at using DRC methodology. This was based on the assumption that the property could be sold as part of the continuing enterprise in occupation. On the basis of the above assumption, Fair Value under IAS is identical to Existing Use Value under UK GAAP. The year end valuation was carried out by the Westminster Valuation Office (VOA), using professionally qualified valuers, who are also members of the Royal Institution of Chartered Surveyors; using 31 March 2017 and 31 March 2016 as valuation dates. The VOA, and its staff, is independent of the UK Supreme Court. The Revaluation Surplus balance at

yearend was £22.9M; with an increase of £1.5M in the Land value and a decrease of £0.6M in the building value during the financial year.

##### ii. Other Plant & Equipment

These were valued at cost. The Department has decided not to apply Modified Historic Costs Accounting for Other Plant & Equipment as the adjustments would be immaterial.

#### 1.4 Intangible Fixed Assets

Computer software licences with a purchased cost in excess of £5,000 (including irrecoverable VAT and delivery) are capitalised at cost.

#### 1.5 Depreciated or Amortised

Freehold land and assets in the course of construction are not depreciated. All other assets are depreciated from the month following the date of acquisition. Depreciation and amortisation is at the rates calculated to write-off the valuation of the assets by applying the straight-line method over the following estimated useful lives

Property, Plant & Equipment:

Building	40 years
Office Equipment	7 years
Furniture and fittings	4-7 years
Robes	50 years

Intangible assets:

Computer Software and software licences	7 Years
---	---------

#### 1.6 Inventory

Closing stocks of gift items for re-sale are held at the lower of cost and net realisable value. Cost of consumables stores held by the Department are not considered material and are written off in the operating cost statement as they are purchased.

#### 1.7 Operating Income

Operating income is income which relates directly to the operating activities of the UKSC. Operating Income includes judicial fees, sale of gift items, hire of court facilities for corporate events and contributions from the Jurisdictions (Her Majesty's Courts and Tribunal Service, Northern Ireland Court Service and Scottish Parliament). Judicial fees are payable at different stages that fairly reflect status of cases. UKSC recognises all fees received in each reporting period as income.



## 1.8 Administration and Programme Expenditure

The Statement of Comprehensive Net Expenditure is shown as a single cost in line with the FRM, but to satisfy Parliament's requirements, costs were analysed between administration and programme for audit. The classification of expenditure and income as administration or as programme follows the definition of administration costs set out in Managing Public Money by HM Treasury.

## 1.9 Pensions

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

The contributions to PCSPS are set out in the Remuneration Report.

## 1.10 Leases

Where substantially all risks & rewards of ownership are borne by the UKSC, the asset is recorded as a tangible asset and the debt is recorded to the lessor over the minimum lease payment discounted by the interest rate implicit in the lease. The finance cost of the finance lease is charged to the operating cost statement over the lease period at a constant rate in relation to the balance outstanding and a liability is recognised equal to the minimum lease payments discounted by an annual rate of 6.74%.

## 1.11 Audit Costs

A charge reflecting the cost of the audit is included in the operating costs. The UKSC is audited by the Comptroller and Audit General. No charge by the C&AG is made for this service but a non cash charge representing the cost of the audit is included in the accounts.

## 1.12 Value Added Tax

The net amount of Value Added Tax (VAT) due to or from Her Majesty's Revenue and Customs is shown as a receivable or payable on the Statement of Financial Position. Irrecoverable VAT is charged to the Operating Cost Statement, or if it is incurred on the purchase of a fixed asset it is capitalised in the cost of the asset.

## 1.13 Provisions

The Department provides for legal or constructive obligations which are of uncertain timing or amount on the balance sheet date on the basis of the best estimate of the expenditure required to settle the obligation.

Provisions are recognised in the accounts where;

- a) there is a present obligation as a result of a past event;
- b) it is probable that a transfer of economic benefits will be required to settle the obligation, and;
- c) a reliable estimate can be made of the amount.

There are no provisions recognized in the accounts.

Contingencies are disclosed in the notes to the accounts unless the possibility of transfer in settlement is remote.

## 1.14 Contingent Liabilities

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

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

## 1.15 Significant Accounting Estimates and Assumption

Other than the valuation of the Land and Building, there are no significant estimates or accounting judgements used in the preparation of these accounts.

## 1.16 Changes in Accounting Policies

There are no changes to accounting policies arising from new IFRSs and any new or amended standards announced but not yet adopted. There are also no voluntary changes to accounting policies that have had an impact in these accounts.

## 2. Staff/Justices related costs

A – STAFF/JUSTICES COSTS COMPRISE;	2016-17	2015-16
	Total	Total
	£'000	£'000
Wages & Salaries	4,071	4,241
Social security costs	507	487
Supplementary Judges & Special Advisers	34	1
Other pension costs	1,263	1,295
<b>Sub Total</b>	<b>5,875</b>	<b>6,024</b>
Inward secondments	12	13
Agency Staff	1	1
Voluntary exit costs	31	0
<b>Total Net Costs</b>	<b>5,919</b>	<b>6,038</b>

No salary costs have been capitalised. Judicial Salaries and Social Security costs are paid directly from the Consolidated Fund while The Pension costs are paid for by the UKSC. Further details are provided in the Remuneration and Staff Report on pages 80 – 86.

## 3. Purchases of Goods and Services

		2016-17		2015-16	
Notes	£'000	£'000	£'000	£'000	£'000
Accommodation Costs	1,927		1,976		
Finance Costs	2,528		2,531		
Library Costs	222		230		
IT Costs	130		67		
Publicity & Communications	96		90		
Broadcasting Costs	163		163		
Repairs & Maintenance	230		153		
Recruitment & Judicial Appointment Costs	31		16		
Transportation Costs	60		60		
Other Staff Costs	38		34		
Hospitality & Events	39		17		
Printing, Postage, Stationery & Publications	48		112		
Internal Audit & Governance Expenses	17		18		
Other Costs	17		12		
International Judicial Travel	29		3		
			5,575		5,482
<b>Non-cash items:</b>					
Depreciation	5	978		930	
Amortisation	6	29		29	
Realised gain from building		-		-	
Impairment		-		-	
Auditors' Remuneration		35		35	
<b>Total Non Cash</b>			1,042		994
<b>Total Programme Costs</b>			6,617		6,476

## 4. Income

OPERATING INCOME, ANALYSED BY CLASSIFICATION AND ACTIVITY, IS AS FOLLOWS:

	2016-17		2015-16	
	£'000	£'000	£'000	£'000
Contribution from HMCTS	(5,915)		(5,915)	
Contribution from Scottish Government	(478)		(478)	
Contribution from Northern Ireland Court and Tribunal Service	(239)		(239)	
<b>Total Contributions</b>		<b>(6,632)</b>		<b>(6,632)</b>
Court Fees – UKSC		(761)		(940)
Court Fees – JPC		(202)		(298)
Wider Market Initiatives		(118)		(104)
<b>Total Income</b>		<b>(7,713)</b>		<b>(7,974)</b>

## 5. Property, Plant and Equipment

	Land	Building	Office Equipment	Furniture and Fittings	Robes	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>						
At 1 April 2016	23,500	20,779	1,560	2,355	155	48,349
Additions	-	-	227	137	(0)	364
Revaluations	1,500	(606)	-	-	-	894
<b>At 31 March 2017</b>	<b>25,000</b>	<b>20,173</b>	<b>1,787</b>	<b>2,492</b>	<b>155</b>	<b>49,607</b>
<b>Depreciation</b>						
At 1 April 2016	-	(2,603)	(1,015)	(1,792)	(20)	(5,430)
Charged in year	-	(568)	(179)	(228)	(3)	(978)
<b>At 31 March 2017</b>	<b>-</b>	<b>(3,171)</b>	<b>(1,194)</b>	<b>(2,020)</b>	<b>(23)</b>	<b>(6,408)</b>
<b>Carrying amount at 31 March 2017</b>	<b>25,000</b>	<b>17,002</b>	<b>593</b>	<b>472</b>	<b>132</b>	<b>43,199</b>

### Asset Financing

Owned	1,197
Finance Leased	42,002
<b>On-balance sheet</b>	<b>43,199</b>

	Land	Building	Office Equipment	Furniture and Fittings	Robes	Total
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Cost or valuation</b>						
At 1 April 2015	20,600	17,186	1,399	2,091	154	41,430
Additions	-	-	161	264	1	426
Revaluations	2,900	3,593	-	-	-	6,493
<b>At 31 March 2016</b>	<b>23,500</b>	<b>20,779</b>	<b>1,560</b>	<b>2,355</b>	<b>155</b>	<b>48,349</b>
<b>Depreciation</b>						
At 1 April 2015	-	(2,168)	(808)	(1,507)	(17)	(4,500)
Charged in year	-	(435)	(207)	(285)	(3)	(930)
<b>At 31 March 2016</b>	<b>-</b>	<b>(2,603)</b>	<b>(1,015)</b>	<b>(1,792)</b>	<b>(20)</b>	<b>(5,430)</b>
<b>Carrying value at 31 March 2016</b>	<b>23,500</b>	<b>18,176</b>	<b>545</b>	<b>563</b>	<b>135</b>	<b>42,919</b>

### Asset Financing

Owned	1,243
Finance Leased	41,676
<b>On-balance sheet</b>	<b>42,919</b>



## 6. Intangible non-current assets

Intangible fixed assets comprise software licences	Purchased software licences
	£'000
<b>Cost or valuation</b>	
At 1 April 2016	210
Additions	0
Impairment	-
Donations	-
<b>At 31 March 2017</b>	<b>210</b>
<b>Amortisation</b>	
At 1 April 2016	(117)
Charged in year	(29)
Impairment	-
<b>At 31 March 2017</b>	<b>(146)</b>
<b>Carrying amount at 31 March 2017</b>	<b>64</b>

	Purchased software licences
	£'000
<b>Cost or valuation</b>	
At 1 April 2015	204
Additions	6
Revaluations	-
Impairment	-
Donations	-
<b>At 31 March 2016</b>	<b>210</b>
<b>Amortisation</b>	
At 1 April 2015	(88)
Charged in year	(29)
Revaluations	-
Impairment	-
<b>At 31 March 2016</b>	<b>(117)</b>
<b>Carrying amount at 31 March 2016</b>	<b>93</b>

## 7. Financial Instruments

As the Cash requirements of the department are met through the Estimates process, financial instruments play a more limited role in creating and managing risk than would apply to a non-public sector body of a similar size. The majority of financial instruments relate to contracts for non-financial items in line with the Department's expected purchase and usage requirements and the Department is therefore exposed to little credit, liquidity or market risk.

## 8. Impairments

The total impairment charge for the year is analysed below:

		2016-17	2015-16
	Notes	£'000	£'000
Amount charged direct to Operating Cost Statement	4	-	-
Amount taken through the revaluation reserve	5	606	-
<b>Total</b>		<b>606</b>	<b>-</b>

## 9. Inventories

	2016-17	2015-16
	£'000	£'000
Opening balances	10	19
In year movement	(4)	(9)
<b>Total</b>	<b>6</b>	<b>10</b>

## 10. Trade Receivables and other current assets

A – ANALYSIS BY TYPE	2016-17	2015-16
	£'000	£'000
<b>Amounts falling due within one year:</b>		
Trade Receivables	17	41
VAT Recoverable	96	118
Staff Receivables	14	18
Prepayment & Accrued Income	1,292	779
<b>Total</b>	<b>1,419</b>	<b>956</b>

B – INTRA-GOVERNMENT BALANCES	2016-17	2015-16
	£'000	£'000
Balances with other central government bodies	96	118
Balances with local authorities	-	-
<b>Subtotal: intra-government balances</b>	<b>96</b>	<b>118</b>
Balances with bodies external to government	1,323	838
<b>Total Receivables at 31 March</b>	<b>1,419</b>	<b>956</b>

## 11. Cash and Cash Equivalents

	2016-17	2015-16
	£'000	£'000
Balance at 1 April	2	27
Net changes in cash and cash equivalent balances	7	(25)
<b>Balance at 31 March</b>	<b>9</b>	<b>2</b>
<b>The following balances at 31 March were held at:</b>		
Government Banking Service (RBS)	9	2
<b>Balance at 31 March</b>	<b>9</b>	<b>2</b>

## 12. Trade Payables and other current liabilities

A – ANALYSIS BY TYPE	2016-17	2015-16
	£'000	£'000
<b>Amounts falling due within one year</b>		
Other taxation and social security	(81)	(77)
Trade payables	(167)	(261)
Amounts issued from the Consolidated Fund for supply but not spent at year end.	(9)	(2)
Accruals and Deferred Income	(149)	(254)
Finance leases	(2,472)	(2,411)
<b>Total</b>	<b>(2,878)</b>	<b>(3,005)</b>
<b>Amounts falling due after more than one year</b>		
Finance leases	(34,133)	(34,239)
	<b>(37,011)</b>	<b>(37,244)</b>
<b>B – INTRA-GOVERNMENT BALANCES</b>	<b>2016-17</b>	<b>2015-16</b>
	£'000	£'000
Balances with other central government bodies	(90)	(79)
Subtotal: intra-government balances	(90)	(79)
Balances with bodies external to government	(36,921)	(37,165)
<b>Total payables at 31 March</b>	<b>(37,011)</b>	<b>(37,244)</b>

## 13. Provisions for Liabilities and Charges

There were no provisions or claims during 2016-17 and in 2015-16.

## 14. Capital Commitments

There were no capital commitments.

## 15. Commitments under leases

### 15.1 – FINANCE LEASES

Total future minimum lease payments under finance leases are given in the table below for each of the following periods.

	2016-17	2015-16
	£'000	£'000
Obligations under finance leases comprise:		
<b>Land</b>		
Not later than 1 year	1,571	1,451
Later than 1 year and not later than 5 years	6,683	6,177
Later than 5 years	36,792	36,496
Sub-total	45,046	44,124
<b>Less: Interest Element</b>	(23,258)	(23,459)
<b>Net Total</b>	<b>21,788</b>	<b>20,665</b>
<b>Building</b>		
Not later than 1 year	1,068	1,122
Later than 1 year and not later than 5 years	4,545	4,778
Later than 5 years	25,021	28,229
Sub-total	30,634	34,129
<b>Less: Interest Element</b>	(15,817)	(18,144)
<b>Net Total</b>	<b>14,817</b>	<b>15,985</b>
<b>Grand Total</b>	<b>36,605</b>	<b>36,650</b>

	2016-17	2015-16
	£'000	£'000
Present Value of Obligations under finance lease for the following periods comprise:		
<b>Land</b>		
Not later than 1 year	1,471	1,359
Later than 1 year and not later than 5 years	5,324	4,917
Later than 5 years	14,993	14,389
Sub-total	21,788	20,665
<b>Building</b>		
Not later than 1 year	1,001	1,052
Later than 1 year and not later than 5 years	3,620	3,804
Later than 5 years	10,196	11,129
Sub-total	14,817	15,985
<b>Grand Total</b>	<b>36,605</b>	<b>36,650</b>

## 16. Commitments under PFI contracts

There were no commitments under PFI contracts.



## 17. Other financial commitments

UKSC has not entered into any non-cancellable contracts (which are not operating leases or PFI contracts).

## 18. Contingent liabilities disclosed under IAS 37

There were no contingent liabilities within the meaning of IAS 37.

## 19. Related-Party Transactions

None of the Non Executive Board Members, President, Key managerial staff or related parties have undertaken any material transactions with UKSC during the year.

UKSC had a number of significant transactions with other government departments and other central government bodies, such as the Ministry of Justice, HMRC and Department for Business, Energy and Industrial Strategy.

## 20. Third Party Assets

In all civil cases where an Appeal lay to the House of Lords under the provisions of the Appellate Jurisdiction Act 1876, Appellants must provide security for the costs of such Appeals. This payment was made to the House of Lords Security Fund Account which recorded the receipt, payment and disposition of the lodgements for each financial year. The balance on this Security Fund Account was transferred to The Supreme Court on 1st October 2009 and is now operated as The Supreme Court Security Fund Account. No interest is paid on the lodgements, nor are any fees deducted. Security Fund monies are payable to the relevant party, usually on the issue of the Final Judgement or Taxation of the Bill of Costs.

Securities held on behalf of third parties are not included in UKSC's Statement of Financial Position.

	2016-17	2015-16
	£'000	£'000
Balance as at 1 April	365	518
Add; receipts – Lodgements by Appellants	59	90
Less: Repayments to Appellants/ Respondents	(90)	(243)
<b>Balance as at 31 March</b>	<b>334</b>	<b>365</b>

## 21. Events after the reporting period date

In accordance with the requirements of IAS 10 Events after the Reporting Period, post Statement of Financial Position events are considered up to the date on which the Accounts are authorised for issue. This is interpreted as the same date as the date of the Certificate and Report of the Comptroller and Auditor General.

## Annex

# Jurisdictions where the JCPC is the final Court of Appeal

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Anguilla  
 Antigua and Barbuda  
 Ascension  
 Bahamas  
 Bermuda  
 British Antarctic Territory  
 British Indian Ocean Territory  
 British Virgin Islands  
 Cayman Islands  
 Cook Islands and Niue  
 Falkland Islands  
 Gibraltar  
 Grenada  
 Guernsey  
 Isle of Man  
 Jamaica  
 Jersey  
 Kiribati  
 Mauritius  
 Montserrat  
 Pitcairn Islands  
 Saint Christopher and Nevis  
 St Helena  
 \*St Lucia  
 St Vincent and the Grenadines  
 Sovereign Base of Akrotiri and Dhekelia  
 Trinidad and Tobago  
 Tristan da Cunha  
 Turks and Caicos Islands  
 Tuvalu

### UK

Royal College of Veterinary Surgeons  
 Church Commissioners  
 Arches Court of Canterbury  
 Chancery Court of York  
 Prize Courts  
 Court of the Admiralty of the Cinque Ports

### Brunei

Civil Appeals from the Court of Appeal to the Sultan and Yang Di-Pertuan for advice to the Sultan

Power to refer any matter to the Judicial Committee under section 4 of the Judicial Committee Act 1833

\* The Government of St Lucia has previously communicated its intention to accede to the Caribbean Court of Justice's appellate jurisdiction. This has yet to take effect.









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