

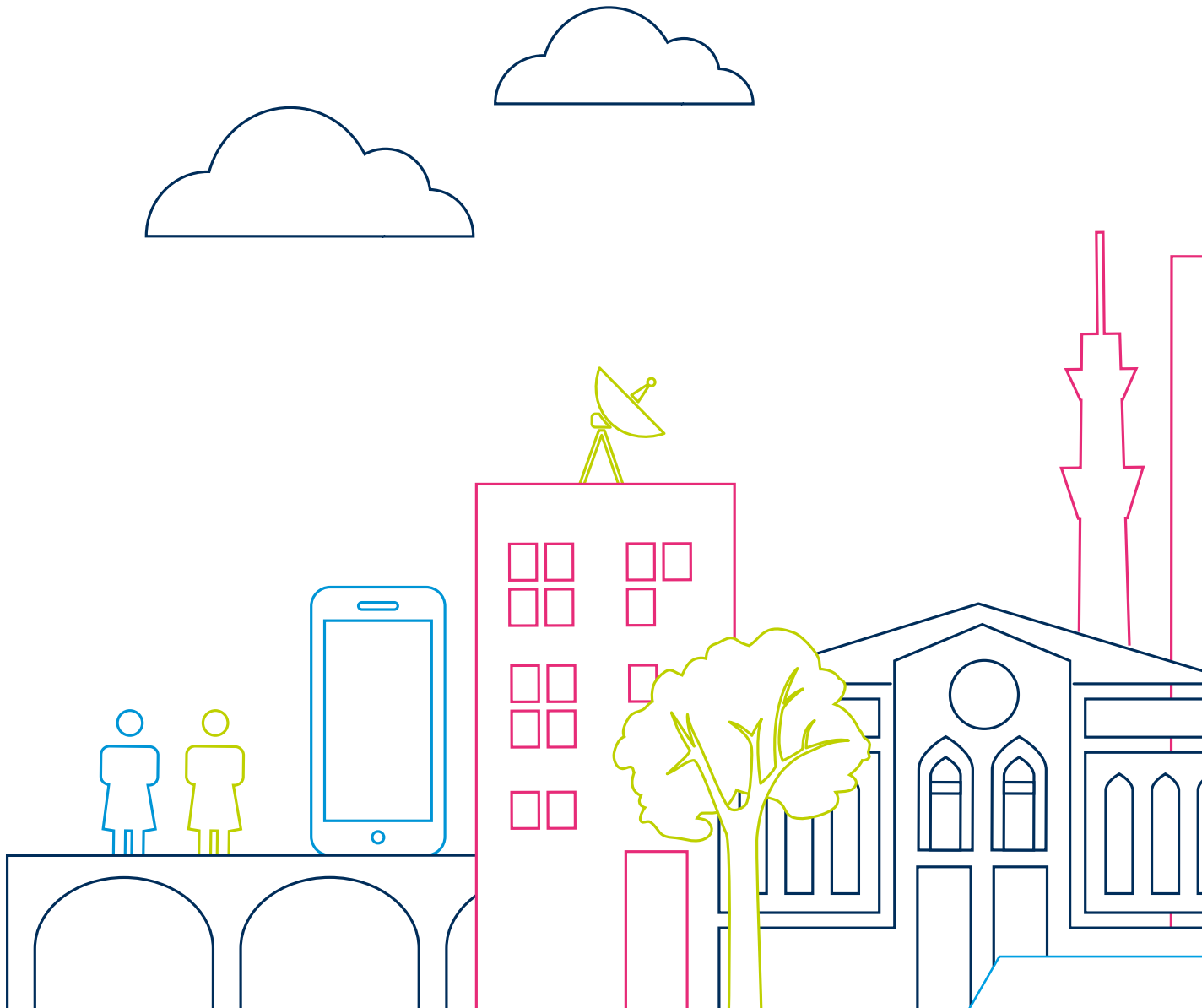


HM Courts &
Tribunals Service

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Annual Report and Accounts

2019-20





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Tribunals Service

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Annual Report and Accounts 2019-20

Annual report presented to Parliament under section 1(4) of the Courts Act 2003 and section 39(3) of the Tribunals, Courts and Enforcement Act 2007.

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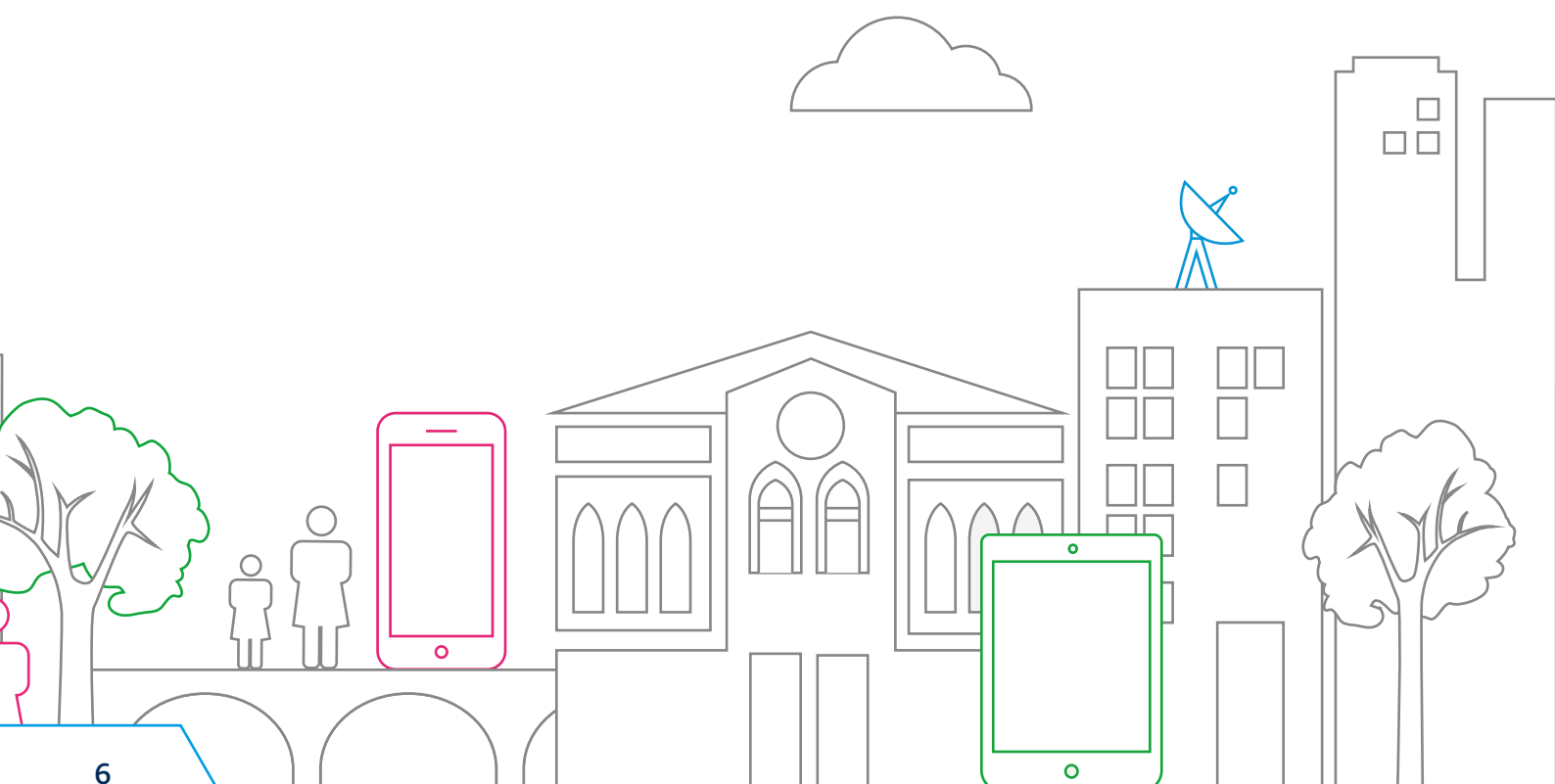
Section 1: Performance report

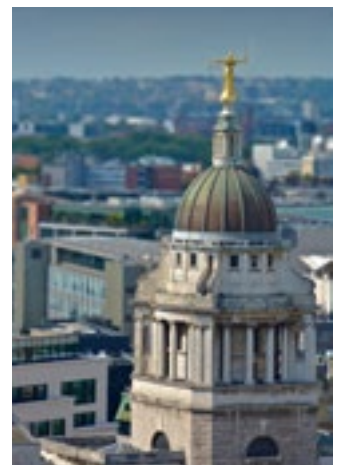
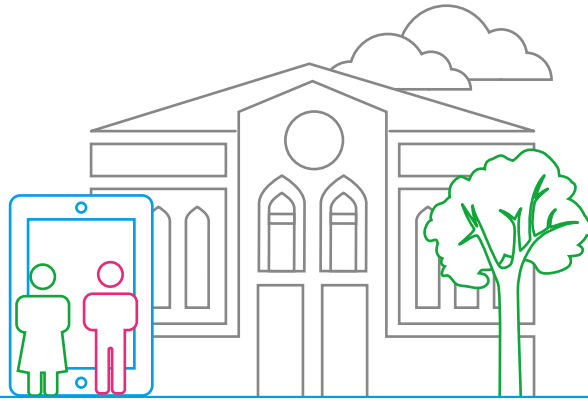
1.1 Overview

HM Courts & Tribunals Service (HMCTS) is an agency of the Ministry of Justice (MoJ), responsible for administering courts and tribunals. We manage courts across the criminal, civil and family jurisdictions in England and Wales. Our tribunals sit throughout the UK, including the non-devolved jurisdictions in Wales, Scotland and Northern Ireland. We work with an independent judiciary to provide a fair, efficient and effective justice system.

Our governance structure is unique, operating through a partnership between the Lord Chancellor, the Lord Chief Justice and the Senior President of Tribunals. Each have specific leadership responsibilities enshrined in statute and work together to shape our strategy and objectives. Collectively, they delegate authority to the HMCTS Board, which has an independent chair.

At the time of publication, we are amid a public health emergency. While this report covers 2019-20 it also reflects our current focus during COVID-19. This report is therefore deliberately briefer than previous years to enable allocation of resources where they are most needed. Our focus is to keep our justice system functioning. Our response is ongoing – changing working practices and introducing new procedures to minimise risk to the public’s health. This includes protecting the judiciary, staff and all those who use our courts and tribunals.





1.1.1 Joint foreword by Susan Acland-Hood, Chief Executive and Accounting Officer, and Tim Parker, Independent Chairman



The onset of the COVID-19 pandemic has had a profound effect on almost all walks of life this year. The scale of the challenge that we have faced in the justice system, and the speed at which it unfolded, meant that we had to fundamentally change the way in which we work in the space of just a few short weeks. Unprecedented times have called for unprecedented measures.

We have delivered a transition from physical hearings in person – until now very much the 'default' of our justice system – to remote hearings, supported by audio and video technology, at a scale never before seen. At its peak, around 90% of our workload was being carried out remotely through the use of technology.

Where the use of technology was not an option, we supported the judiciary in prioritising those cases that would continue to be heard in person, to ensure the delivery of urgent work during this period. As a result, we have been able to keep more of our system functioning through lockdown than most comparable jurisdictions around the world.

We have also had to fundamentally re-think the use of our buildings. As part of our initial emergency response to COVID-19, around a quarter of our sites were temporarily closed. A third remained open only to staff and judges to support remote hearings, and the remainder – around 40%

of our buildings – remained open to the public. We are now bringing all our buildings back into full use, while continuing to ensure that public health requirements are met.

What has been achieved has been remarkable. Large parts of our system are not set up to be able to revert to entirely new ways of working so quickly. The challenges that this has posed for staff, judiciary and wider justice partners alike have been fundamental and extreme, and the way in which they have been met is something to be immensely proud of.

As an organisation, our response to COVID-19 has undoubtedly been helped by the progress that we have made in modernising the courts and tribunals service through our reform programme. We were already investing greatly in the use of video technology as part of the reform programme, but this work took on an unexpected degree of urgency as the COVID-19 lockdown was implemented across the country. Staff across HMCTS, working together with the judiciary, have worked tirelessly

first to make use of what was immediately available, and then to extend the availability and quality of video and audio technology with truly impressive results. We have also learnt a great deal already, which is helping us to distinguish between those parts of our emergency response that are just that – and which would not be suitable in normal times – and those which can help us think differently about how we will work in the future.

Progress on reform this year has helped us respond to the pandemic, but has brought wider benefits too. We have launched new, open, easy-to-use, online services in both family public law and the immigration and asylum tribunal, while continuing to improve our existing digital services. We have also made it easier for legal professionals to engage with our systems, through the launch of the online MyHMCTS portal.

Our first two Courts and Tribunals Service Centres (CTSC) are efficiently handling work across our divorce, probate, social security and child support (SSCS) and family public law services, meaning that anyone using those services can expect a consistently high standard of service. A third CTSC opened as planned in Loughborough this year, and a fourth will be opening in Salford by the end of 2020.

The new Common Platform system will be used by HMCTS, the police and the Crown Prosecution Service to access and progress criminal cases. This has gathered pace and will be rolled out later in the year.

But in other areas of our reform programme, progress has been slower than we would have hoped. It is not surprising that unexpected challenges should present themselves in a programme as far-reaching as this one, but we need to learn from the lessons of what has not gone as well as hoped this year, while also quickly evaluating the wider impact that the COVID-19 pandemic has had on our planning.

Of course, the pandemic will inevitably have a significant impact on workload across all jurisdictions in the courts and tribunals system. We have seen some astonishing levels of performance achieved in some of our tribunal jurisdictions. In some instances, outstanding work has actually reduced due to new ways of working implemented in response to COVID-19. But this has been the exception, and we can expect outstanding work to increase across almost all jurisdictions in the short-term. Before the onset of COVID-19, performance was already proving challenging in a number of areas – in civil and family, the volume of new cases has outstripped our ability to sit work, and the outstanding caseload in the criminal jurisdiction had also risen over 2019-20, having reached a long-term low in early 2019. Performance in tribunals has largely improved, but not in the Employment Tribunal, where we have been unable to match incoming workload. The backdrop of recovering from the impacts of COVID-19 will therefore be challenging, and will require us to take radical steps, because we cannot assume we will be able to work at our normal rate while social distancing remains in place.

We can therefore expect the year ahead to be one of the most challenging that the courts and tribunals service has ever seen. But we know that we will face those challenges in the same way that we have faced those unexpectedly brought upon us by the pandemic.

We remain absolutely committed to providing a justice system that is just, proportionate and accessible for all, with the needs and expectations of those who use it at its heart.

Susan Acland-Hood
Chief Executive and
Accounting Officer
HM Courts & Tribunals
Service

Tim Parker
Independent Chairman
HMCTS Board

1.1.2 Who we are and what we do

Courts and tribunals are a bedrock of our society. They maintain the rule of law and provide access to justice. They provide stability, security and safety for individuals and businesses, and support the cohesion necessary for the proper functioning of our national economy and wider society.

Those who directly rely on our services include:

- victims and witnesses of crime as well as those charged with criminal wrongdoing
- children and other vulnerable people who need protection
- families affected by relationship breakdown
- citizens challenging decisions of the state, and
- people and businesses needing to assert their rights in civil or commercial disputes.

We handle approximately four million cases a year from individuals and organisations who need (and have the right to) access to justice. We operate from 340 operational court and tribunal buildings (including reserved tribunals in Scotland) and have a further 21 sites for administrative support functions. We employ over 16,000 people, mostly in frontline, operational roles.

Our country's justice system is globally renowned. We are central to that system. Our core purpose is to run an efficient and effective courts and tribunals system which enables the rule of law to be upheld and provides access to justice for all. As such, our key objectives are to:

- provide the supporting administration for a fair, efficient and accessible courts and tribunals system
- support an independent judiciary in the administration of justice
- drive continuous improvement of performance and efficiency across all aspects of the administration of courts and tribunals
- collaborate effectively with other justice organisations and agencies, including the legal professions, to improve access to justice
- work with government departments and agencies to improve the quality and timeliness of their decision-making to reduce the number of cases coming before courts and tribunals.

Launched in 2016, our reform programme is a £1.2 billion investment to modernise and improve courts and tribunals. Centred on the principle that our systems should be designed around those who use them, the programme is making our courts and tribunals easier to run, cheaper to operate and much simpler for users to navigate. We want every user to feel they have been treated swiftly, fairly and with respect.

Reform is driving sustainable change, providing a proportionate, accessible and just bedrock that will last for many years to come. Our work here is about more than simplifying processes. By focusing our energy on providing a better experience for those who use our services, and using technology to work better and smarter, we are building a modern system for administering justice which will benefit everyone who uses it and future generations, and generate efficiencies for the taxpayer.

Further details on our reform programme can be found at www.gov.uk/guidance/the-hmcts-reform-programme.

1.2 Performance analysis

Our HMCTS business plan for 2019-20 detailed key priorities for the year ahead and was published online at www.gov.uk/government/publications/hm-courts-tribunals-business-plan-for-2019-to-2020.

Our business plan reflected the broad range of activity needed to sustain and deliver our operational services, and to progress our ambitious reform programme. Our planned work was structured around the three key themes on which our longer-term strategic plan was built, with key priorities identified as necessary under each.



The right number of better-trained people in whom we invest properly, and whose outstanding commitment we value and build on

Key priority

Strive to retain and deploy our talent so that we can run a critical service for our users and drive transformational change.



Modern systems and processes, underpinned with great technology

Key priority

Manage performance across all jurisdictions and respond quickly to address any performance dips.

Roll-out and deliver reformed services and new ways of working in civil, family, tribunals and in crime.

Rapidly increase the capacity and capability of the courts and tribunals service centres, delivering an improved service for users.



Fewer, better buildings and settings that suit our new ways of working

Key priority

Having visible and tangible improvements in court buildings by improving the way we deliver day-to-day maintenance through our facilities management contracts.

By centring our energies on delivering a better customer experience and harnessing the power of technology, we are building a modern system for administering justice which will benefit those who need it most, for generations to come.

Throughout 2019-20, we have made significant progress on the development of our core services and supporting functions against our business plan. But it has not been an easy year, and there have been some challenges. Operational performance has improved in some places, but still faces difficulties. Data on our operational performance can be found in Annex B.

In February 2020 we began to feel the impact of the COVID-19 pandemic. To support operational colleagues, we accelerated selected activity within the reform programme, most notably in delivery of widespread use of video and audio hearings. Over the last few months, our existing online services have increased in scale and in functionality. We had already begun developing new services, as well as carrying out further testing and piloting of new methods of resolving disputes, including continuous online resolution and video hearings. The pandemic has seen us introduce the digital capabilities we had been testing into live services much earlier than planned, which has allowed us to continue to provide services to citizens who need them, improving access and efficiency.

The spread and impact of COVID-19 has seen unprecedented measures adopted across the whole country. Staff, judiciary, stakeholders and partners have shown incredible effort, commitment and collaboration; working together to ensure that the justice system continues to operate, and the rule of law is maintained.

The following section summarises what we set out to achieve in 2019-20 and our progress across the span of our principal priorities around which the business plan was built.



Strategic priority: Our people and culture

Key priority: *Strive to retain and deploy our talent so that we can run a critical service for our users and drive transformational change.*

Our talent is central to our success. Pay forms a key part of the strategy to retain and motivate our workforce. The 2019-20 pay award was implemented in August, amid tight fiscal controls, but we need to do more. Looking forward we are already planning how to address recruitment, retention and engagement issues, especially amongst junior grades. We successfully implemented a career transition provision for all our staff who are affected by changing roles or location to improve talent retention. Work is ongoing to develop a meaningful exit survey to better inform our retention strategy.

Beyond pay and benefits, engagement, learning and development are also central to our focus. One Conversation (OC) is an organisation-wide engagement programme about the impacts of courts and tribunals reform. Following feedback from previous cycles, a new format was developed for this year. OC5 was themed by jurisdiction providing focused information for discussion. Feedback suggests this themed approach was recognised as a significant improvement by colleagues across the organisation. We are undertaking a full evaluation of the new approach and will continue to improve how we involve and engage colleagues in discussions about change.

In 2019-20, work also continued to embed Our People Promise, which defines what HMCTS stands for and outlines the positive behaviours we expect from each other and the benefits of belonging to HMCTS.

We have delivered role-specific learning on reasonable adjustments for ushers, court clerks and all operational staff. New learning products have been developed to support the Crime Programme and the strategic reform learning programmes iTransform, Customer Service Skills, and Digital You were being rolled out to all staff in stages up until February 2020. Since then, some of our training has had to be paused while we develop new delivery models for remote learning during COVID-19.

This year we booked nearly 600 different Civil Service Learning and other courses for approximately 4,000 of our staff. HMCTS learning is accessed through the new myLearning platform – our modern learning management system.

Our apprentice numbers have continued to grow this year and as of March 2020 we had 286 apprentices on schemes. This includes 191 new apprenticeship places taken up during 2019-20.

Business plan priority

Our progress

Develop proposals for an improved pay approach, along with delivery of the 2019-20 pay award.

Achieved: The 2019-20 pay award was implemented in August.

Provide career transition support for all our staff moving roles throughout this period of transformational change.

Achieved: We successfully implemented a career transition provision for all our staff who are changing roles.

As part of our learning and development programme we will deliver new, role-specific learning for staff working in all areas of our services. We will continue to develop learning packages to support our staff, and design specifically to build digital skills.

Ongoing delivery: We have delivered role-specific learning and developed new learning products. We continue to deliver high-quality learning products to upskill colleagues moving into reformed roles.

The strategic reform learning programmes, customer learning products and the roll-out of manager essentials modules to junior managers have been paused due to COVID-19.

Increase the number of places available on the paralegal and chartered legal executive apprenticeship programmes by doubling the places available. Explore bespoke apprenticeships that add value to new roles being created in CTSCs.

Achieved: We have increased the number of apprentices and apprenticeship places.



Strategic priority: Our systems, processes and technology

Key priority: *Deliver reformed services with modern ways of working across all jurisdictions, delivering an improved service to users.*

2019-20 has seen our reform programme make significant progress. Many new and modernised ways of working have already been introduced, and we are planning to expand that progress into further areas of our business. For example, the family public law and immigration and asylum digital services were launched into public beta (for testing and improvement) as fully end-to-end services for certain case types. This means users can progress eligible cases digitally from start to finish. By the end of March 2020 over 250,000 users had used our services, with satisfaction ratings over 90%.

In October 2019 we launched MyHMCTS, our digital portal for legal professionals. This gives professionals a single place to access online services, allowing them to issue and progress cases digitally, manage their fee payment and receive notifications of status changes of cases (in turn reducing unnecessary contact). We started roll-out in divorce, before extending the service to probate. Over 1,000 firms have now registered.

Our two new CTSCs, opened in January 2019 and operated successfully throughout 2019-20, allowing us to run consistent, national administrative services with improved resilience. The centres – in Stoke and Birmingham – now have over 350 staff between them. They handle work from the divorce, probate, SSCS, family public law and the single justice digital services. The CTSCs have already improved our ability to progress cases and better support our users. We now offer digital support and have started to introduce new channels to contact us, like webchat.

The CTSCs have fundamentally improved our customer service. Over the course of 2019, waiting time to speak to a CTSC agent about a single justice service case, dropped from five minutes to two minutes, which helped to reduce the proportion of callers abandoning their call from 20% to 10%. We continue to scale

up digital services with user satisfaction scores above 80%, exceeding our commitment to the Public Accounts Committee of 75% user satisfaction.

In the new digital single justice service, a single magistrate sitting with a legal adviser can decide and result TV licensing and Transport for London cases digitally, and defendants can plead online. Significant progress has been made on the development of Common Platform, a single system for HMCTS, the police and the Crown Prosecution Service to access and progress cases. The system includes new functionality of HMCTS case handling, hearing and resulting. The introduction of this functionality to early adopter courts was scheduled for Summer 2020 but has been delayed due to COVID-19.

As we have progressed our reform programme, we have adapted our plans and listened to feedback. The reform programme is rightly the subject of much scrutiny and examination. Following the Public Accounts Committee report, and our own review of our future plans, learning from what has gone well and what has taken longer than we expected, we decided in 2019 to extend the programme's timetable to 2023. This is the sensible and pragmatic thing to do to ensure that the changes we are making are delivered effectively.

Business plan priority

Our progress

Deliver action plans to increase capacity in jurisdictions facing increased workload during 2019-20 as a result of EU Exit planning.

Achieved: We secured additional funding in 2019-20 to mitigate EU Exit impacts and have implemented detailed action plans.

Introduce new reporting tools and implement new strategic data architecture to handle the increased quantity, frequency and complexity of data to enable greater utilisation of our data.

Achieved: New reporting tools have been introduced increasing the quantity and frequency of information, improving data analysis to inform our decision making.

Present a monthly report to the HMCTS Board on performance (monthly reports, plus required deep dives), demand forecasting (quarterly) and allocations prioritisation (at least quarterly).

Achieved: The reporting mechanism is in place to provide a monthly performance report. An automatic summary dashboard is reported to senior management providing the weekly position for reform management.

Move our video hearing platform to a scalable solution, increasing it for use across civil, family and tribunals (CFT).

Achieved: We began testing of fully video hearings (FVH) in November 2019. The FVH project has accelerated expansion as part of the COVID-19 response.

Complete common capabilities sufficiently to support the launch of further public services for testing and improvement.

Partially achieved: Family public law and immigration and asylum launched to the public in January 2020 for further testing, but more work on the common capabilities is needed to support the next set of services efficiently.

Deliver the successful completion of the tranche 1 services in the CFT programme – divorce, probate, civil money claims and SSCS.

Partially achieved: The probate project closed and transitioned into operational service delivery in April 2020. The civil money claims transition to CTSC is scheduled for July 2020. The completion of divorce and SSCS has been delayed allowing the projects to deliver final key items. In SSCS, Employment Support Allowance roll-out is on hold, while the Department for Work and Pensions manage the increase in the volume of welfare applications due to COVID-19.

Establish a strategic solution for scheduling and listing to make best use of our resources.

Ongoing delivery: The software procurement process for scheduling and listing is complete and the contract has been awarded. The project team are confident that national roll-out will start in February 2021 as planned.

Complete the initial design and strategy for courts and tribunals and regional tier programme.

Achieved: The design and structure work has been completed. This has been incorporated into a new future operations programme.

Continue to work to prepare a version of the Common Platform ready for initial roll-out in early adopter areas.

Ongoing delivery: Confidence remains high in technical delivery ready for early adopter roll-out, despite COVID-19 disruption.

Continue to develop our services to improve quality (covering answer rate, user satisfaction and resolution at first contact).

Achieved and continuing to maintain: CTSCs have improved our customer service.

Announce fourth CTSC location.

Achieved: We announced our fourth CTSC will be in Salford Quays, Greater Manchester.

Three fully operational CTCs, delivering a set of reformed CFT and crime services, with staff:

- working across multiple capabilities
- supporting case progression
- delivering mediation services
- supporting the scheduling and listing of hearings
- administering and facilitating fully video hearings

Partially achieved: Stoke and Birmingham are fully operational. Loughborough is now live for immigration and asylum tribunal work, with SSCS work being transitioned from Birmingham. Work is ongoing to prepare the rest of the Loughborough building for occupation, which is expected to complete in Summer 2020.



Strategic priority: Our buildings and settings

Key priority: *Fewer, better buildings and settings that suit our new ways of working.*

Buildings are and will remain critical to our service provision. Making the right decisions about changes to court and tribunal buildings means we will be able to offer better services in an environment that is fit for purpose for users.

In May 2019, the government published its response to the consultation on 'Fit for the future: transforming our court and tribunal estate'¹. It sets out the application of our new estate principles, including a more robust measure of how court closures impact access to justice.

The 'Court and tribunal design guide' was published at the same time². The guide provides the standards for refurbishment and re-development of existing and future court and tribunal buildings within the HMCTS estate to enable optimum use of facilities and to improve user experience. It is being applied to both new and ongoing projects including City of London, London Tribunals and the Newcastle Civic Centre which was completed this year.

This project saw a new centralised CFT centre bringing together hearings into one accessible and central location. The next phase of the project will integrate Newcastle upon Tyne Magistrates' Court into the existing Newcastle upon Tyne Combined Court Centre, which will subsequently become a Criminal Justice Centre.

We have continued to make sure that we are using buildings as effectively as possible, by working to optimise hearing capacity and integrating into fewer buildings, in a local area where this is possible. We have continued the delivery of our estates reform programme which has achieved £70.8 million in sales in 2019-20 and has been reinvested in the reform programme.

Throughout the year the Planned Preventative Maintenance regime provided assurance that the estate met its statutory obligations and basic maintenance requirements. Beyond this, spend was prioritised by applying the 4S criteria: Safety, Security, Service Impact and Statutory Compliance.

We completed the re-procurement of the facilities management and security services contracts. The security contract was awarded to OCS and the facilities management contract was awarded to ENGIE. The contracts successfully went live on 1 April 2020, despite the challenges of COVID-19.

The award of new contracts at HMCTS forms part of a wider plan of improvements across our estate. These improvements aim to deliver a justice system that is modern, effective and more accessible to all.

Business plan priority

Our progress

Put in place better contract management and adequate funding for our capital investment programme. The re-procurement deliverables are:

- to complete the evaluation process for facilities management and security guarding service contracts
- Cabinet Office and HM Treasury approval of the business case.

Achieved: Treasury approved the full financial business case. ENGIE were awarded the facilities management contract, OCS were awarded the security contract.

Improve the way we deliver maintenance through our facilities management and security guarding service contracts.

Achieved: The new contracts have key performance indicators (KPIs) with escalating penalties for sustained failure.

Visible and tangible improvements in court buildings by improving the way we deliver day-to-day maintenance through our facilities management contracts. Transition to new supplier following a re-procurement exercise.

Achieved: Assurance provided through our Planned Preventative Maintenance regime.

1 assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/800874/hmcts-fit-for-the-future-consultation-response.pdf

2 www.gov.uk/government/publications/court-and-tribunal-design-guide

1.3 Our performance

We measure our performance across all jurisdictions using a range of Key Performance Indicators (KPIs) and data captured throughout the year, enabling us to understand the trends, with the aim of driving improvement. Operational performance data is illustrated as graphs with historic trends at Annex B.

In line with the wider government commitment to transparency, we publish national statistics on a quarterly basis about activity in the magistrates' courts, the Crown Court, the County Court, the Family Court, the High Court, Court of Appeal and tribunals in England and Wales and non-devolved tribunals in Scotland and Northern Ireland. We also publish HMCTS summary management information on a monthly basis. Our performance data is available online at www.gov.uk/government/organisations/ministry-of-justice/about/statistics.

Performance metric	Measure	2015-16	2016-17	2017-18	2018-19	2019-20
Family Court timeliness - public law	Average time taken for disposal of a care or supervision application in the Family Court (weeks)	28 weeks	28 weeks	30 weeks	33 weeks	35 weeks

Trend: Large increases in the number of cases coming into the system in previous years have meant that the time taken to conclude cases has increased each year since 2016-17. However, during 2019-20, 233 new judges have been recruited and have started work and this year's sitting day allocation has been set at the highest level we can sit – which, before COVID-19, was projected to allow us to stop the rise in outstanding cases, and reduce waiting times over this year.

Family Court timeliness - private law	Average time taken for disposal of a section 8 private law application in the Family Court (weeks)	24 weeks	23 weeks	25 weeks	28 weeks	31 weeks
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Trend: Significant increases in receipts each year since 2016-17 have meant that the amount of outstanding work has increased. We plan to improve this by sitting more days in 2020-21, using the full capacity of the judiciary available. We expect this to slow the increase in outstanding cases, but since priority will have to be given to public family law, we expect that the total number of cases waiting to be resolved will continue to rise slowly and so will average waiting times.

First-tier Tribunal (Immigration and Asylum Chamber) timeliness	Mean average age of case at clearance	34 weeks	46 weeks	50 weeks	40 weeks	32 weeks
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Trend: Waiting times have fallen sharply and the outstanding number of cases as of March 2020 is under 20,000, which represents a large fall since the start of 2016-17. We continued to provide additional judicial capacity to reduce waiting times still further during 2019-20, as well as introducing reformed services to help us deal with cases more quickly.

Social Security and Child Support timeliness	Mean average age of case at clearance	18 weeks	16 weeks	23 weeks	29 weeks	31 weeks
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Trend: The outstanding workload at the end of March 2020 had decreased by 26% from last year. There were 86,000 outstanding cases at the end of 2019-20, down from 120,000 at the end of 2018-19. However, the average time taken to complete cases is still increasing, partly because older cases are still being worked through as we reduce the backlog. In addition, we are recruiting more judicial office holders and have recently introduced a reformed digital service, both of which should improve progress further.

Performance metric	Measure	2015-16	2016-17	2017-18	2018-19	2019-20
Employment Tribunal (single cases) timeliness	Mean average age of case at clearance	29 weeks	27 weeks	25 weeks	29 weeks	35 weeks

Trend: The outstanding caseload for single and multiple lead claims was 37,000 at the end of 2019-20, an increase of 16% from the previous year. This is because the number of claims received increased sharply following the removal of the Employment Tribunal fee, meaning that demand for the tribunal is greater than existing judicial capacity. We continue to work with MoJ and Department for Business, Energy and Industrial Strategy to improve capacity, efficiency and the productivity of the Employment Tribunal.

Magistrates' courts cases outstanding	Outstanding criminal cases in the magistrates' courts in England and Wales (number of cases outstanding at end of period)	304,262	288,346	293,377	293,289	325,903
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Trend: Outstanding criminal workload in the magistrates' courts rose over 2019-20, with an 11% rise in the number of outstanding cases between the end of March 2019 and the end of March 2020. This rise was primarily in the final quarter of 2019-20, including impacts of COVID-19 which reduced the number of cases heard in March 2020.

Crown Court cases outstanding	Outstanding criminal cases in the Crown Court in England and Wales (number of cases outstanding at end of period)	47,972	41,528	37,104	33,114	40,173
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Trend: The number of outstanding cases was at a long-term low at the end of 2018-19, after sustained falls in criminal receipts. These rose in 2019-20 and the allocated sitting days did not anticipate the rise sufficiently, which meant that outstanding cases increased from just over 33,000 at the end of 2018-19 to just over 40,000 at the end of 2019-20. Additional sitting days were allocated in-year to reduce this rise and agreement was reached to offer a significant increase in sitting days for 2020-21 in order to address this; but the impacts of COVID-19, which are particularly acute on jury trials in the Crown Court, will give rise to an additional challenge and make it harder to sit at the level that would clear the outstanding cases.

Civil courts cases outstanding	Average time to deal with a small claim (in weeks at the end of the period)	32 weeks	31 weeks	33 weeks	37 weeks	40 weeks
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Trend: The average time taken to deal with a small claim from the date of issue to completion has increased over the past five years from 32 weeks in 2015-16 to 40 weeks at the end of March 2020. The total volume of claims allocated for a hearing has continued to increase, from 177,033 in 2018-19 to 184,877 in 2019-20. These increases, alongside a shortfall in the number of successful District Judge appointments following recruitment campaigns this financial year, has contributed to the increase in waiting times.

All data used is Official Statistics and where this is not available, management information has been used to provide context.

1.4 Our priorities for the year ahead

At the time of publication, our focus is on responding to the impact of COVID-19. As we enter a new reporting year, we are operating in a challenging environment. During this unprecedented public health emergency, it's essential that we continue to support the administration of a fair, efficient and accessible courts and tribunals system, and to protect the safety of our staff, the judiciary and all court and tribunal users.

We are working hard to maximise our capacity and performance, but we will not be able to deliver our full capacity while social distancing restrictions are in place without fundamentally changing the way we work. The duration of these restrictions is unknown and will be determined by public health advice and government decisions on managing the outbreak, but we are preparing for impacts to extend through much of the financial year.

Our entire organisational strategy for 2020-21 is driven by our response to COVID-19 and the related restrictions – with two broad themes.

Deliver justice in new ways:

- support judicial decisions to use our estate only for hearings which need to be in person
- stem or stagger demand (e.g. through alternative dispute resolution)
- amend processes and procedures (e.g. smaller tribunal panels; promoting digital applications)

Increase capacity so we can do more:

- dramatically expand audio and video technology so remote hearings can be used wherever appropriate
- re-open all courts currently closed to the public and safely increase listing
- extend court and tribunal operating hours (including evenings and weekends) to make more use of our space
- source and set up temporary additional estate capacity
- support staff to work effectively in alternative ways

Our strategy and underpinning activities for the coming year will be shaped by the following anticipated phases as we operate during, and emerge from, the impact of COVID-19.

Phases

Emergency response Focus on the immediate safety of staff, judiciary and users, rapidly changing how we operate while ensuring the most urgent and important cases are heard. We have completed our move out of 'emergency response' although we may need to return to this in the event of further restrictions being imposed as a result of COVID-19.

Rapidly recovering our operations Create the conditions to operate at a sustainable level through maximising our capacity and increasing volume of cases while adapting ways of working and processes to ensure access to justice.

Completing our recovery and looking to the future Building resilience into our operating model and maintaining caseloads at a sustainable level to deliver timely justice as we identify opportunities to transform.

We have comprehensively assessed risk to staff and users and are ensuring the safety of anyone who comes into our buildings by applying COVID-19 safety controls to minimise risk. The evaluations included an organisational risk assessment, as well as an assessment tool and additional guidance for regular court users. These have been endorsed by Public Health England and Public Health Wales. Advice and guidance for all court and tribunal users during the COVID-19 outbreak is published at www.gov.uk/government/organisations/hm-courts-and-tribunals-service.

Our priority continues to be delivering justice to those who need it and doing so in a way that is safe for everyone. We are in the fourth year of the reform programme and will need to consider how best to progress in the context of heightened pressures on the whole system. The current crisis has demonstrated the relevance and urgency of the reform programme. Given the need to increase our capacity, we are reviewing our plans and looking at how and where we might accelerate elements to support our response to COVID-19.

Information on our reform programme, including how to engage, get involved in projects and stay updated on progress and developments is available at www.gov.uk/government/organisations/hm-courts-and-tribunals-service.

Key challenges for 2020-21

Our reform remains a challenging and complex task, requiring a focus on delivery against tight timescales supported by the rapid development of underlying systems and effective risk management strategies.

Other challenges are:

COVID-19 – Our response to COVID-19 highlights the value of reform in creating operational resilience for HMCTS. The situation has presented us with significant logistical challenges but also an opportunity. The acceleration of video and audio hearings, and new ways of working for judiciary, staff and users actively demonstrates what can be done effectively through remote and online working. We will need to work with judiciary and partners across the justice system to review the measures that we put in place as part of our response and identify which should be adopted or adapted in the long run.

Impact on staff – The majority of our staff are normally office/court based and the move to home working has created technical, logistical and wellbeing challenges. We continue to keep in contact with staff during COVID-19 to assess impacts on them. Where working from home is not possible, we have taken extra precautions to ensure the safety of our staff, judiciary and users by implementing additional safety controls.

Service delivery dates and release controls – Our focus on keeping courts and tribunals running during the COVID-19 crisis means operational requirements take precedence over reform programme timelines. This will mean changes to service delivery dates and additional controls over technical releases. We are carefully tracking the progress of the service programmes and their expected scope to mitigate this.

CFT programme resequencing – Following recommendations from a full review of CFT delivery, the programme will implement common capabilities together with an exemplar service, and tighter controls over scope, design, and supplier performance. This will require a full CFT programme resequencing.

Strengthening our commercial function – We are working to minimise the number of contracts which need to be retendered and to consolidate our supply chain, reducing our exposure to risk of contract or supplier failures.

1.5 Other reporting

1.5.1 Finance

During 2019-20, we invested £191.2 million of capital (supported by £39.8 million of net revenue spend) on our reform programme, continuing our work to deliver a modernised and improved justice system. The bulk of the spend was to invest in our physical estate and new digital assets. The sale of court properties has continued to generate income that is being reinvested back into the justice system. Our accounts show that we disposed of buildings with a net book value of £46.3 million, with a net gain on disposals of property equipment of £23.0 million (note 6 to the accounts).

Throughout the year HMCTS has continued to develop and process fee refund schemes resulting from court decisions, reviews and policy changes. Details of the schemes are included in note 17.3.

1.5.2 Sustainability

As part of MoJ, we are committed to achieving the Greening Government Commitments (GGC), which form the primary sustainability driver across government. We contribute to the overall MoJ GGC improvement targets against areas such as energy, waste, water and biodiversity, and we are committed to reducing our environmental impact and reducing costs.

MoJ's performance against the GGC framework is published as part of the Greening Government Commitments annual report, published by Defra at www.gov.uk/government/collections/greening-government-commitments

HMCTS also contributes to MoJ's delivery of UN sustainable development goals. Further details on this, and reporting against the GGC framework, are published in the MoJ annual report and accounts at GOV.UK.

1.5.3 Anti-corruption and anti-bribery

MoJ has zero tolerance of fraud, bribery and corruption, whether involving its own employees or other external individuals or bodies. The department has clear policies which set out responsibilities for the prevention, detection and reporting of fraud, bribery and corruption, which apply to all staff across the department and its agencies, including HMCTS. We have a dedicated counter fraud and investigations function in HMCTS, which works both proactively and reactively with the business to manage the risk of fraud, bribery and corruption. A fraud risk assessment was completed across HMCTS in 2018-19 which informed work to strengthen existing controls. A follow-up assessment was completed in May 2019, resulting in having successfully met all of the Fraud Functional Standards as set by the Cabinet Office.

Our HMCTS Counter Fraud Strategy seeks to build individual and organisational counter fraud capability for the future by raising fraud awareness and prevention across the organisation. Since May 2019 we have delivered 160 training packages to staff across HMCTS and currently contribute to 12 project boards providing advice on fraud prevention. We will continue to maintain a presence on the change project delivery boards in a consultative capacity, identifying risks and recommending controls. Priorities include developing the promote/prevent approach, including a data analytic capability within the counter fraud team.

1.5.4 Our approach to whistleblowing

Our whistleblowing policy encourages employees to raise concerns of wrongdoing, advises on the protection afforded to whistleblowers and provides reassurance that concerns will be investigated responsibly and professionally. There are currently seven nominated whistleblowing officers across HMCTS that staff can approach and all are of senior management grade. There were four whistleblowing cases reported by HMCTS during 2019-20. Complaints of harassment, bullying and discrimination are reported separately under the HMCTS grievance policy.

We are confident that we have an effective whistleblowing policy in place supported by a robust communications plan which ensures there are regular opportunities for new and existing staff to be made aware of the whistleblowing policy and all relevant related guidance. The HMCTS Audit and Risk Assurance Committee is responsible for overseeing the effectiveness of our whistleblowing policy.

1.5.5 Complaints to the Parliamentary and Health Service Ombudsman in 2019-20

Complaints are received and dealt with at three levels:

- first contact – at the point where the problem arose
- review – by a senior manager within the relevant business unit
- appeal – by the HMCTS customer investigations team

Most complaints are resolved at levels one and two.

Complainants who remain dissatisfied after the appeal stage can take their complaint to the Parliamentary and Health Service Ombudsman (PHSO).

PHSO investigates complaints from individuals (referred by their MP) who believe they have received poor service from government departments, other public organisations and the NHS in England. It has the power, in law, to investigate and make the final decision on complaints about public services for individuals. It can also recommend how mistakes can be put right – this can include explanations, apologies and recommendations for the service to learn and improve – and ask organisations to produce action plans to show how they will be implemented.

PHSO investigated four complaints against HMCTS in 2019-20 which represents less than 0.018% of all complaints received by HMCTS. PHSO made seven recommendations, which HMCTS complied with.

The data opposite shows that the volume of HMCTS complaints investigated by PHSO was the same as in 2018-19.

We are committed to continually improving how we handle complaints. In the last financial year we introduced a new online complaint form. This allows courts and tribunals users to submit their complaint directly to HMCTS. A record is then automatically created in the system used to record complaints. This initiative ensures that complaints can now be tracked more efficiently from the point they are received.

	2018-19	2019-20
Investigations completed by PHSO	4 100%	4 100%
Upheld complaints against HMCTS	0 0%	1 25%
Partly upheld complaints against HMCTS	3 75%	3 75%
Complaints not upheld against HMCTS	1 25%	0 0%

Susan Acland-Hood

Chief Executive and Accounting Officer

15 July 2020

Section 2: Accountability report

2.1 Corporate governance report

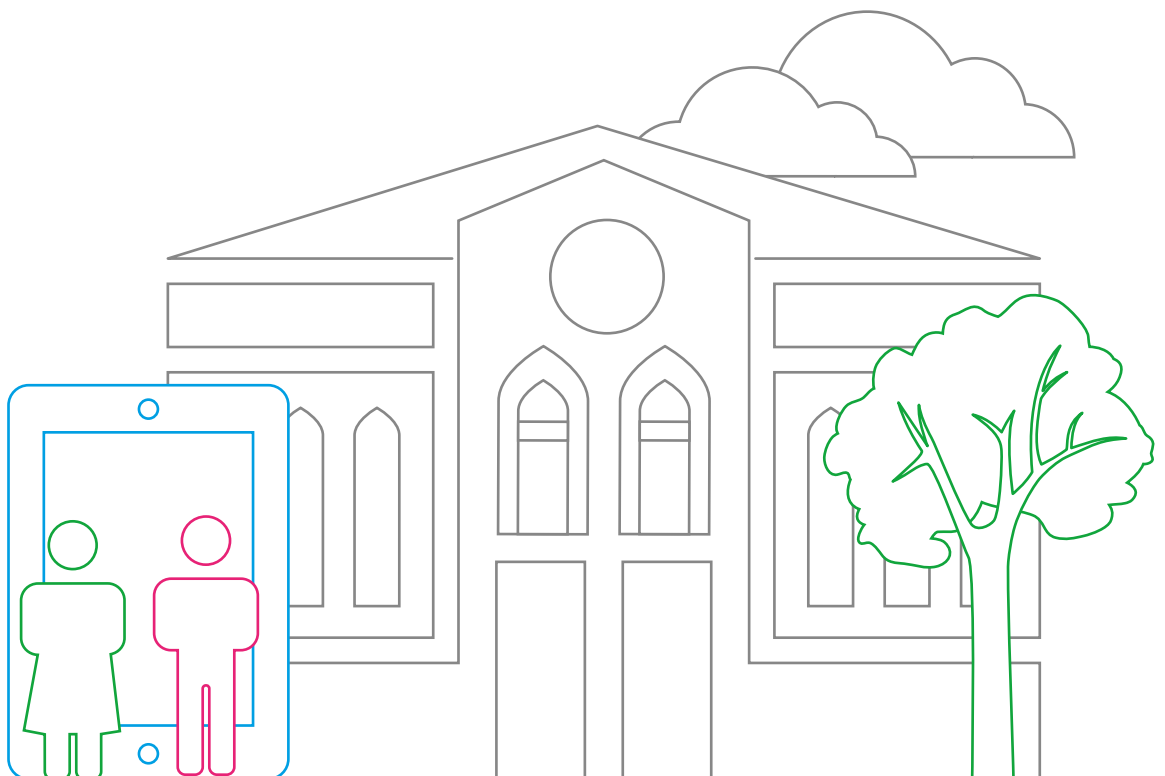
2.1.1 Director's report

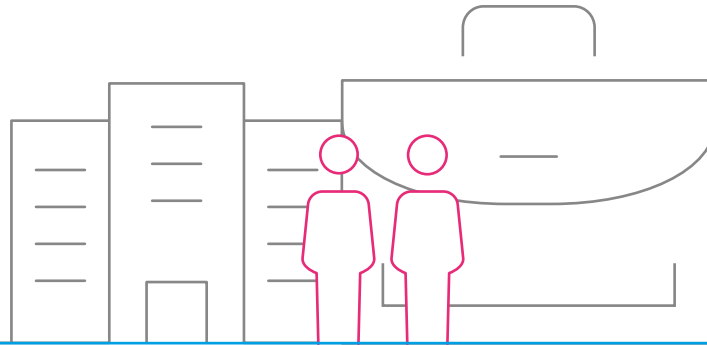
Introduction

HMCTS is an executive agency of MoJ. Our aim is to run an efficient and effective courts and tribunals system which enables the rule of law to be upheld and provides access to justice for all. The organisation operates in accordance with our published [Framework Document](#) which sets out the basis of an operating partnership between the Lord Chancellor (Secretary of State for Justice), the Lord Chief Justice and the Senior President of Tribunals.

As Chief Executive, I am responsible for the day-to-day operations and administration of HMCTS and leadership of its employees. I work under the general direction of the HMCTS Board. As Chief Executive and Accounting Officer I am accountable to the MoJ Permanent Secretary and Principal Accounting Officer and, ultimately, to Parliament.

As Accounting Officer, and working together with my directors, I have responsibility for maintaining effective governance and a sound system of internal control that supports the achievement of HMCTS policies, aims and objectives, while safeguarding the public funds and assets for which I am personally accountable. Overall, I am satisfied that HMCTS has had effective governance, risk management and internal controls in place during 2019-20. I take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.





HMCTS Board composition

Our board and its members can be found at www.gov.uk/government/organisations/hm-courts-and-tribunals-service/about/our-governance#hmcts-board

Register of interests

Details of company directorships and other significant interests can be found in note 23 of the accounts.

Our approach to information security

HMCTS handles a vast range of sensitive personal information through various avenues from people using our services and we take our responsibility very seriously to ensure this information is appropriately protected. Our policy is to self-refer all significant data incidents to the Information Commissioner's Office (ICO) and we continue to work closely with the ICO and other agencies to further improve our systems and learn lessons. The HMCTS General Data Protection Regulation (GDPR) team continue to work with operational, change and digital colleagues to achieve full regulatory compliance.

The annual mandatory information assurance (IA) training was due to be distributed to all staff across HMCTS at the end of 2019-20. However, due to COVID-19 this has been postponed until October 2020. We delivered 129 hours of information security training during 2019-20 to approximately 1,127 employees to proactively prevent data incidents and manage the impact on citizens, other court users and HMCTS. We have a strong reporting culture and understand how key information assurance and security is to the delivery of business objectives. During 2019-20 there was further improvement in the level of IA maturity, proportionate to the level of data that HMCTS handles, moves and processes. There has been an increase in reported data incidents, which is primarily due to the implementation of GDPR and the mandatory GDPR and IA training across the business.

We have also successfully introduced a new data incident management system, OPTIC. OPTIC is the feedback and incident reporting system being used across HMCTS. It is a case management system which captures feedback from users

requesting a reasonable adjustment, making a complaint or providing praise and details of those who have been unlawfully arrested or detained following issue of a court warrant. OPTIC also collects information on data incidents and serious incidents for health, fire, safety and security. This provides HMCTS with a single platform to record a range of important management information using one system. The feedback captured will help HMCTS further understand where improvements can be made by enabling us to analyse data incidents in a more systematic way. Reporting of data incidents has increased following the live running of the CTSCs.

There were 4,577 reported data incidents during 2019-20, of which seven were reported to the ICO. The ICO took no action against HMCTS and the remaining incidents were all considered to be low impact. As many as 32% (1,450) of closed incidents were identified, through root cause analysis, as 'not at fault' incidents, but external events such as incorrect information supplied to HMCTS. 67% (3,052) of closed incidents are confirmed as 'at fault' incidents. 91% (2,775) of 'at fault' incidents were in respect of unauthorised disclosures caused by staff errors, for example, enclosing two pieces of data in the same envelope or issuing data to the wrong address.

The HMCTS technical architecture team, within our digital change directorate, manages the technical risks and issues associated with our systems and applications. This year it has established improved processes and procedures in support of the transition to becoming a fully digital business.

Personal data related incidents

We are required to report personal data related incidents where these have been formally reported to the ICO. The following incidents were reported by us between 1 April 2019 and 31 March 2020.

Date of incident	Nature of incident	Nature of data involved	Number of people potentially affected	Notification
6 June 2019	Police made a C2 application for disclosure from family proceedings. Within the supporting documents, the confidential address of the data subject and her children was included.	Confidential address of data subject	3	Moj data protection officer (DPO) referred to ICO 1/11/2019
8 August 2019	The applicant of a C100 family application requested a confidential address on the relevant C8 form. The C8 form advises the applicant to remove the address details that they do not want to be disclosed from any documents that they send to the court. In this instance the applicant failed to remove the confidential address and court staff failed to identify its inclusion.	Confidential address of data subject	1	ICO form completed and Moj DPO referred to ICO 09/08/2019
20 September 2019	A monetary order which contained the victim's address was saved, in error, to the final order section on the digital case system (DCS). The document should have been saved to the private section of DCS. The order was subsequently sent to the defendant, disclosing the victim's address, leading to safeguarding concerns.	Victim's address	1	ICO form completed and Moj DPO referred to ICO 20/09/2019
25 October 2019	A restraining order was incorrectly drawn due to templates not being cleared. This resulted in the disclosure of the confidential address of the victim of domestic violence.	Victim's address	1	ICO form completed and Moj DPO referred to ICO 03/11/2019
6 December 2019	Disclosure of a confidential address via C8 form issued to all parties in the case including the respondent.	Confidential address	2	ICO form completed and MOJ DPO referred to ICO 10/12/2019
3 January 2020	Court disclosed the address of the applicant of a restraining order to the respondent.	Victim's address	1	ICO form completed and Moj DPO referred to ICO 03/02/2020
7 January 2020	The court drew a Children's Act order on the wrong case on the Familyman system, which resulted in the order being disclosed to the incorrect parties.	Names and address of data subjects	3	ICO form completed and Moj DPO referred to ICO 10/01/2020

2.1.2 Statement of Accounting Officer's responsibilities

Under section 7(2) of the Government Resources and Accounts Act 2000, HM Treasury has directed HMCTS to prepare, for each financial year, a statement of accounts in the form and on the basis set out in the Accounts Direction issued by HM Treasury on 19 December 2019. The accounts are prepared on an accruals basis and must give a true and fair view of the state of affairs of the agency and of its net resource outturn, application of resources, changes in taxpayers' equity and cash flows for the financial year.

In preparing the accounts, the Accounting Officer is required to comply with the requirements of the Government Financial Reporting Manual and to:

- observe the Accounts Direction issued by HM Treasury, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis
- make judgments and estimates on a reasonable basis
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed and disclose and explain any material departures in the accounts
- have taken all steps that ought to have been taken to make themselves aware of any relevant audit information and to establish that the entity's auditors are aware of that information, and that they are not aware of any relevant audit information of which the entity's auditors are unaware of
- prepare the accounts on a going-concern basis
- confirm that the annual report and accounts as a whole is fair, balanced and understandable and take personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

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

2.1.3 Governance statement

Our assurance

HMCTS takes a three-lines-of-defence approach to assurance:

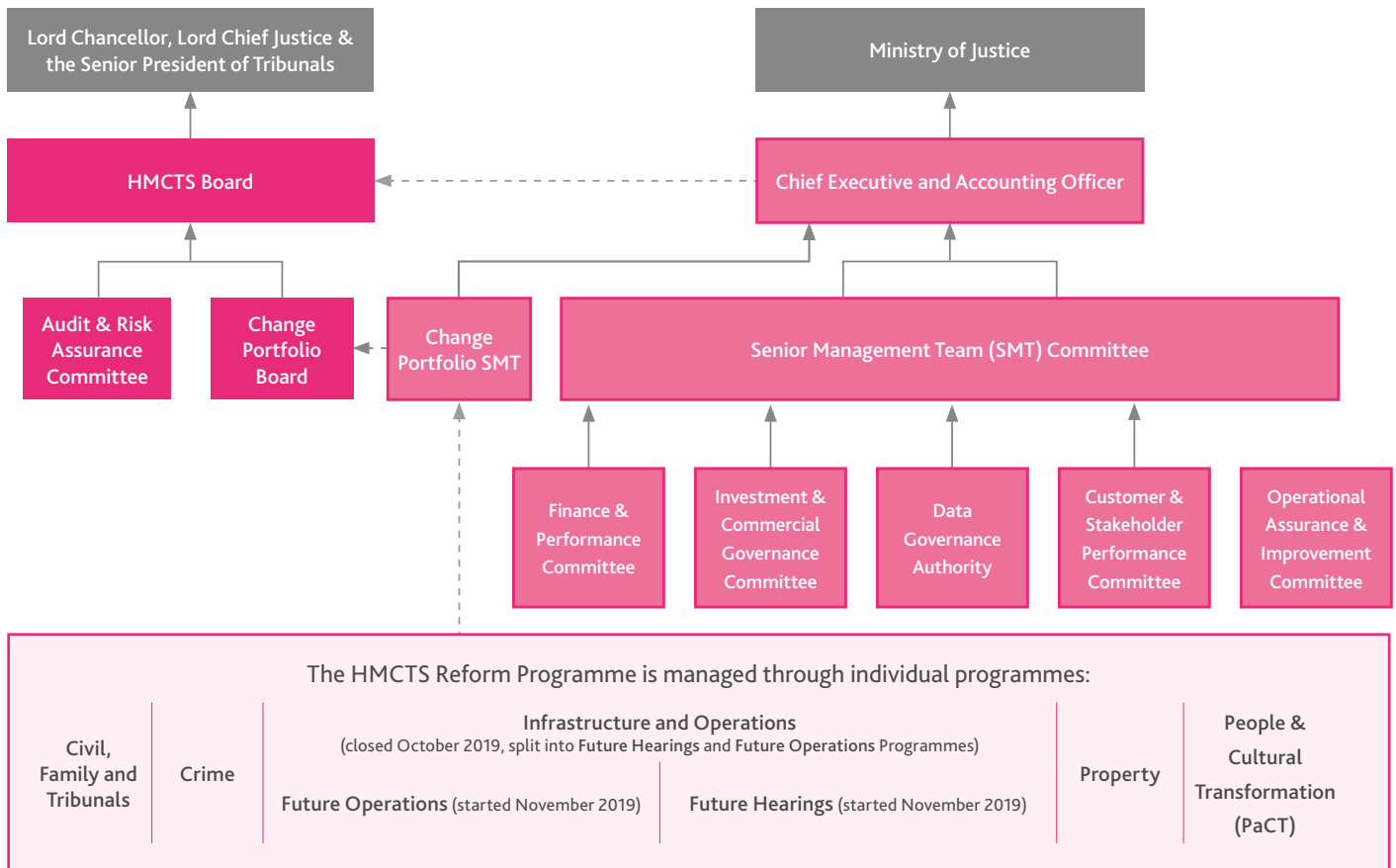
- the first line is the front-line business
- the second line is management oversight and expert review
- the third line is an independent review.

We continue to develop and improve control checks as we transform our services with a dedicated team who provide our second line of defence. Our second line of defence provides crucial compliance support whilst testing and challenging operational processes and corporate functions to meet their governance and assurance responsibilities. Reviews and thematic deep dives are carried out to identify, manage and test risks which help inform the health of the business. Compliance reports provide appropriate levels of assurance to senior management and the Accounting Officer to make key strategic decisions for the successful delivery of key objectives.

During 2019-20, we conducted 50 assurance visits across venues in England and Wales to review processes, check adherence to policies and make recommendations to improve governance. In addition, we held two national thematic reviews on the interpreter booking process and use of the Government procurement cards to test our current procedures in these important areas of the business. We have introduced a pared-back reporting process as of April 2020 that focuses on key risks to reflect workings during COVID-19 pandemic. This process will be under constant review as the situation evolves.

Governance framework and management structure

Governance within HMCTS is delivered through a board and executive committee as set out in the Delegation of Authority Policy. The governance structure for 2019-20 is shown below.



As a result of the COVID-19 outbreak the business continuity plan was put in place. This plan, signed off by the Chief Executive and SMT, meant that the designated Gold Commander assumed authority for some issues that would normally have gone to SMT. Gold Command meetings were stood up in March and stood down in June.

HM Treasury corporate governance in central government departments – code of good practice

This code applies to MoJ directly and HMCTS has adopted key principles as best practice. Governance arrangements for the organisation are overseen by the Audit and Risk Assurance Committee and the HMCTS Board as well as by the executive team on a day-to-day basis. We remain compliant with material requirements with the exception of the Nominations Committee. Instead the HMCTS Board will annually be constituted as the HMCTS People Committee to consider the performance, talent, development and succession planning of the organisation’s senior leadership.

HMCTS Board and its sub-committees

	HMCTS Board	Audit and Risk Assurance Committee	Change Portfolio Board ¹
Terms of reference	Last reviewed and agreed in July 2019	Last reviewed and agreed in November 2019	Last reviewed and agreed in January 2020
Roles and responsibilities	Responsible for overseeing the leadership and direction of HMCTS in delivering the aim and objectives set by the Lord Chancellor, Lord Chief Justice and the Senior President of Tribunals	This is an advisory body supporting the Chief Executive as Accounting Officer and the HMCTS Board in its responsibilities for risk management, control and governance and production of the annual report and accounts	Has delegated authority from the HMCTS Board to govern and hold to account all reform programmes and projects, providing strategic direction and taking decisions on the prioritisation of those programmes and projects to ensure reform activities coalesce effectively
Chair	Tim Parker, Independent Chairman	Victoria Cochrane, Senior Non-Executive Director	Susan Acland-Hood, HMCTS Chief Executive
Issues covered	<ul style="list-style-type: none"> reviewed and discussed performance at each meeting, including the performance dashboard, and had regular deep-dives on operational performance discussed the financial position monthly and the quarterly review of demand across all jurisdictions as well as approving the annual budget regularly discussed the reform programme, showcasing new services being developed and introduced discussed the position in respect of the delivery of benefits and undertook substantive discussions in respect of current and future estate priorities discussed updates on HMCTS EU Exit preparations held a strategy awayday on 4 July 2019 	<ul style="list-style-type: none"> regular discussion on all corporate risks to challenge management controls and effectiveness of mitigation substantive discussions on the findings and implementation of recommendations from internal audit reports discussed adequacy of management response to issues identified by audit activity, including National Audit Office management letter and value for money audits acted on the delegated authority of the HMCTS Board to approve the annual report and accounts and trust statement (2018-19) substantive discussions in relation to HMCTS assurance mapping and business continuity 	<ul style="list-style-type: none"> discussed progress against the portfolio performance plans and reviewed the portfolio's financial position, providing input on overarching portfolio direction discussed the position in respect of the delivery of benefits reviewed the approach being taken in respect of the reform programme business case reviewed proposals regarding commercial approach and future strategy substantive discussions in relation to specific programmes and projects within the portfolio reviewed and discussed the findings and implementation of recommendations from internal and external assurance reviews reviewed the portfolio risks, issues and mitigation
Effectiveness reviews	Discussed findings of annual self-assessment of performance at the meeting on 2 May 2019. Key improvement activity included enhancing board papers to better focus on key matters that might impact future decisions, and the scheduling of additional substantive items covering areas such as lessons-learned and benefits in relation to the reform programme and risk appetite.	Discussed findings of annual self-assessment of performance at the meeting on 10 July 2019. Key improvement activity included establishing an annual substantive item on cyber risk and reviewing regular attendees/membership of committee.	Discussed findings of annual self-assessment of performance at the meeting on 23 May 2019. Key improvement activity included reviewing the board membership, redesigning the portfolio performance reporting and strengthening the links with the HMCTS Board.

¹ Formal stakeholder management takes place via projects and programmes which report into the Change Portfolio Board. That includes, but is not restricted to, the Crime Programme Board which is attended by the Crown Prosecution Service, the Police and the Legal Aid Agency.

Our Senior Management Team

The members of the SMT are listed below. Four are also executive members of the HMCTS Board (as indicated below). Details of our management can be found at www.gov.uk/government/organisations/hm-courts-and-tribunals-service.

Name	Dates in post, if not entire year
Susan Acland-Hood Chief Executive and Executive Board Member	
Kevin Sadler Deputy Chief Executive and Director of Courts and Tribunals Development and Executive Board Member Deputy Chief Executive and Operations Director and Executive Board Member	<i>Until 15 March 2020</i> <i>From 16 March 2020</i>
Andrew Baigent Chief Financial Officer and Executive Board Member	
Guy Tompkins Operations Director and Executive Board Member	<i>Until 15 March 2020</i>
Richard Goodman² Change Director Strategy and Change Director Executive Board Member	<i>Until 15 March 2020</i> <i>From 16 March 2020</i> <i>From 25 March 2020</i>
Louise Alexander Human Resources Director	
Kevin Gallagher Digital Change Director	<i>Until 3 May 2019</i>
Damon Norville Interim Digital Change Director	<i>From 4 May 2019 – 2 June 2019</i>
Dave Perry Chief Digital and Information Officer	<i>From 3 June 2019 – 31 December 2019</i>
John Laverick Interim Chief Digital and Information Officer	<i>From 23 March 2020</i>
Sidonie Kingsmill Customer Director	
Ed Owen Communications Director	
Paul Harris Courts and Tribunals Operations Director	
Gemma Hewison Crime Programme Director	
Jonathan Wood National Services Director	<i>Until 11 March 2020</i>
Marie-Claire Uhart Transition Director	
Tim James Property Director (typically only attends Change SMT meetings)	

John Michalski Commercial Director also attends the SMT meetings.

² From 21 March 2020, Richard Goodman was seconded to the role of COVID-19 (London) Director, Ministry of Housing, Communities and Local Government

Attendance schedule for the HMCTS Board and its sub-committees

Member	HMCTS Board	Audit and Risk Assurance Committee	Change Portfolio Board
<i>Attendance at meetings – expressed as number of meetings attended out of number eligible to attend</i>			
Tim Parker Independent Chairman	11/11		
Victoria Cochrane Non-Executive Member	10/11	6/6	
Ian Playford Non-Executive Member	9/11		
Lakh Jemmett Independent Non-Executive Member	10/11		
Liz Doherty Non-Executive Member MoJ <i>Until 18 August 2019</i>	5/6		
Annabel Burns MoJ Representative <i>From 19 August 2019</i>	4/5		
Sir Ernest Ryder Senior President of Tribunals	9/11		9/10
Dame Julia Macur Senior Presiding Judge - <i>Until 31 December 2019</i>	7/9		
Lady Justice Thirlwall Senior Presiding Judge - <i>From 1 January 2020</i>	2/2		9/10
District Judge Tim Jenkins Judicial Member	9/11	6/6	5/5
Susan Acland-Hood Chief Executive	11/11	5/5	8/10
Kevin Sadler Deputy Chief Executive and Director of Courts and Tribunals Development - <i>Until 15 March 2020</i> Deputy Chief Executive and Operations Director <i>From 16 March 2020</i>	10/11		10/10
Andrew Baigent Chief Financial Officer	11/11	6/6	9/10
Guy Tompkins Director of Operations - <i>Until 15 March 2020</i>	7/11		5/6
Judge Brian Doyle Judicial Member - <i>Until 31 December 2019</i>		5/5	
Jonathan Clear Independent Non-Executive - <i>From 1 July 2019</i>		3/5	
Judge Siobhan McGrath Judicial Member - <i>From 15 January 2020</i>		0/1	

Member	HMCTS Board	Audit and Risk Assurance Committee	Change Portfolio Board
<i>Attendance at meetings – expressed as number of meetings attended out of number eligible to attend</i>			
Richard Goodman ³ Change Director - <i>Until 15 March 2020</i> Strategy and Change Director - <i>From 16 March 2020</i> Executive Board Member - <i>From 25 March 2020</i>			9/10
Jan Gower Non-Executive Board Member/Critical Friend			10/10
Sidonie Kingsmill Customer Director			6/10
Kevin Gallagher Digital Change Director - <i>Until 3 May 2019</i>			0/1
Damon Norville Interim Digital Change Director - <i>From 4 May 2019 – 2 June 2019</i>			3/3
Dave Perry Chief Digital and Information Officer - <i>From 3 June 2019 – 31 December 2019</i>			6/6
Marie-Claire Uhart Transition Director			8/10
Louise Alexander Human Resources Director			10/10
Jonathan Wood National Services Director - <i>Until 11 March 2020</i>			3/3
Paul Harris Courts and Tribunals Director			3/3
Gemma Hewison Crime Programme Director			1/2
John Michalski HMCTS Commercial Director			8/10
Tim Britten Portfolio Delivery Deputy Director			10/10
Representative from Infrastructure and Projects Authority			8/10
Representative from MoJ Finance			3/10
Representative from MoJ Policy			6/10

3 From 21 March 2020, Richard Goodman was seconded to the role of COVID-19 (London) Director, Ministry of Housing, Communities and Local Government

HMCTS SMT and its sub-committees

You can find board meeting summaries at www.gov.uk/government/organisations/hm-courts-and-tribunals-service/about/our-governance#board-meetings

Committee: Senior Management Team

Chair: Chief Executive

Purpose: Responsible for supporting the Chief Executive in delivering the day-to-day operations and administration of HMCTS, the leadership of its staff and delivery of Accounting Officer requirements.

Committee: Change Portfolio Senior Management Team

Chair: Change Director

Purpose: Responsible for acting on behalf of the Change Portfolio Board to provide frequent oversight of portfolio, programme and project activity, and a filter for the Change Portfolio Board for escalations from programmes, workstreams and Design Authorities for issues that cannot be resolved at the sub-portfolio level.

Committee: Finance and Performance Committee

Chair: Chief Financial Officer

Purpose: Monitor and investigate the overall financial and non-financial performance of HMCTS, identify opportunity and risk and, where it identifies under-performance, determine what remedial action is needed and ensure it is addressed.

Committee: Investment and Commercial Governance Committee

Chair: Chief Financial Officer

Purpose: Ensure effective and robust oversight of all investment decisions, and assurance on commercial governance and contract management across HMCTS. Assure the processes put in place to ensure all contracts and services are sufficiently funded, sustainable and deliver value for money.

Committee: Operational Assurance and Improvement Committee

Chair: Operations Director

Purpose: Ensure improved management and monitoring of the quality of the service provided across HMCTS operations to citizens who use our services, including oversight of development and implementation of the operational service assurance framework and associated activity, and remediation of risks to operational performance and service failure root cause.

Committee: Customer and Stakeholder Performance Committee

Chair: Customer Director

Purpose: Ensure HMCTS is becoming a user-focused and evidence-driven organisation.

Committee: Data Governance Authority

Chair: Chief Financial Officer

Purpose: Provide overall strategic governance of data across HMCTS and maintain a cross-cutting view over current and future data management, data capabilities and data strategy.

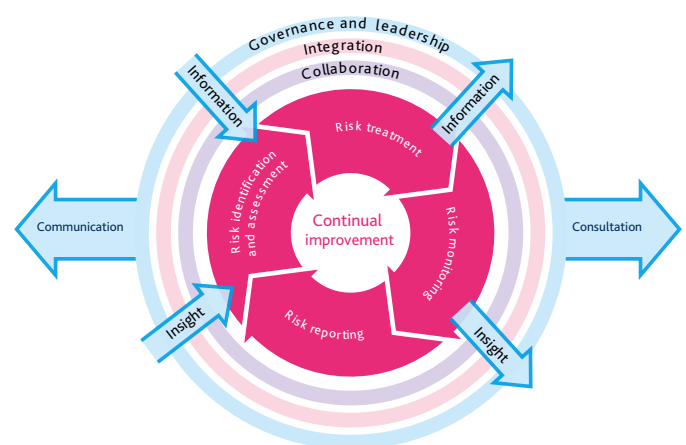
Quality of information

During the year professional teams from across HMCTS provide specialist information to the HMCTS Board and its sub-committees to facilitate informed decision making. Members sponsor agenda items and ensure the papers meet the agreed standards. This ensures reports are of a similar quality and supports focused discussion on key issues. The structured information highlights risks and resource implications to ensure sufficient engagement and challenge during discussions.

Board papers were of sufficient quality that strategic direction was set. The HMCTS Board and its committees reviewed and obtained reports and assurances from several sources to enable it to perform its duties. The reports included updates in relation to key matters of focus.

Risk management

The HMCTS risk strategy was introduced in 2017 and is now well embedded across the organisation. It is at the core of our Risk Management Framework and conforms to the Orange Book government standard. The strategy sets out how HMCTS should manage the risks associated with the delivery of our strategic priorities as well as providing robust guidance to support the management of risk in both reform and daily business workstreams.



Risk assessment 2019-20

We use a 5x5 scoring methodology for impact and likelihood to determine the level of risk as set out in our risk strategy document. This provides a Very High, High, Medium and Low risk rating which ensures we assess our risks in a consistent way and focuses resources on the most significant risks to the organisation. This methodology is in operation across all regions and directorates as well as at a corporate level.

Ten risks were managed through the year on the Corporate Risk Register, four of which were identified as Very High. The identification and assessment of these risks followed a risk workshop in April 2019. These risks were compiled into a new Risk Register for 2019-20, which was subsequently approved by the HMCTS Board.

These four risks, assessed as 'Very High' at the end of the year, are outlined below with a summary of the key activity to treat the risk:

- **HMCTS is not financially sustainable during and when the change portfolio is delivered**
 - HMCTS actively tracks the delivery of benefits during reform, and has a system which identifies where delays in delivery of reformed services means benefits are not realised as planned and increase financial risk.
 - The Finance and Performance Committee considers in year financial pressures and longer-term sustainability.
- **HMCTS does not deliver satisfactory performance across all jurisdictions**
 - The HMCTS Board monitors performance, using performance information from our management systems. Significant issues are discussed at the board and action taken where necessary.
 - Following an increase in outstanding Crown Court caseload, further resources were allocated to this jurisdiction during the year.
- **HMCTS experiences retention and recruitment issues due to the uncertainty of reform**
 - We have developed an active management development programme (iTransform) to better equip our managers to support staff through the uncertainty of reform.
 - We carried out an active staff series of staff engagements, called One Conversation, to ensure staff are aware of how reform will affect them.
- **High profile IT failure – there is a risk that an IT failure will hinder HMCTS' operational delivery and reputation**
 - Major Incident Management roles have been clarified between HMCTS and MoJ teams to provide clear understanding of roles and responsibilities.
 - HMCTS Digital and Technology Services has introduced Application Performance Monitoring to provide immediate visibility of component or service failure.

SMT regularly reviewed these risks throughout the year, monitoring any movement and reassessing risks where appropriate. In addition, the HMCTS Audit and Risk Assurance Committee undertook a quarterly challenge and assurance review of the risk register. Each month the HMCTS Board was provided with the risk dashboard which outlined movements and updates through that month.

COVID-19 emergency risk profile (contingent risk register)

A new COVID-19 emergency period risk register was developed – temporarily replacing the current corporate risk register – in March 2020. The register identifies the most proximate risks facing HMCTS. The risks were reviewed and endorsed by SMT, the Audit and Risk Assurance Committee and the HMCTS Board. These risks will stay in place through 2020-21, or until they no longer present a risk to the organisation.

Current control challenges

Throughout 2019-20 HMCTS had appropriate governance in place to mitigate control challenges and issues, with the exception of:

No database to record actions undertaken from fire risk assessments

Fire risk assessments are undertaken across the estate and, upon completion, a report is shared with regional facilities managers. During the year we identified that there is no centralised system in place to track and monitor performance against these recommendations.

Work is underway, with oversight by the HMCTS National Committee on Safety and Security, to identify a digital mechanism to centrally log fire risk assessments for tracking and monitoring. In the meantime, a manual system is being maintained. The Senior Management Team have also approved the establishment of a Fire Safety Management Assurance Forum to strengthen the governance and the second line of defence in this area.

Unlawful access to the Digital Case System

During 2018-19 we identified a weakness in the access controls of our case management system, which enabled users to unlawfully access information held within this system. Additional controls were identified and implemented to mitigate this risk for example by requiring users to specifically acknowledge their responsibilities and formally agree terms and conditions of use upon logging in and an enhanced activity logging system.

Health and safety

We are committed to protecting the health, safety, security and general wellbeing of our employees, members of the judiciary, contractors and all visitors to our premises. This inevitably involves challenge, given the nature and profile of our large and diverse estate, but our structures, systems and processes are designed to meet those challenges. Occupational health and safety play an important role in the delivery of our corporate objectives. Our National Committee for Health, Safety and Security, which includes a focus on fire safety, meet quarterly, and trade union leads attend in parallel with relevant operational and corporate managers. The annually reviewed corporate policy on fire, health, safety and security continues to provide a framework for continuous improvement and a targeted approach for monitoring our performance. HMCTS is fully committed to meeting its statutory health and safety obligations. Our health, safety and security policy is underpinned by a governance structure, enabling oversight and appropriate assurance, and that structure is under ongoing review to ensure it delivers as effectively as it should.

In response to the COVID-19 pandemic we are following government guidelines and have implemented safety controls. More information is published at www.gov.uk/guidance/coronavirus-covid-19-courts-and-tribunals-planning-and-preparation#assessing-and-managing-coronavirus-risk.

Internal audit and annual audit opinion

One of the key sources of independent assurance comes from the activities of the internal audit service provided by the Government Internal Audit Agency. The internal audit programme is closely linked to the key risks for HMCTS and arrangements are in place to ensure that I am made aware of any significant issues which indicate that key risks are not being effectively managed.

The Group Head of Internal Audit provided an annual overall opinion of 'moderate' for this year which means some improvements are required to enhance the adequacy and effectiveness of our framework of governance, risk management and control.

National Audit Office (NAO) reports

The NAO published a report on our progress in transforming courts and tribunals in May 2018. NAO returned to review progress publishing a new report in September 2019 that can be read at www.nao.org.uk/report/transforming-courts-and-tribunals-a-progress-update/.

This was followed by a Public Accounts Committee inquiry in October 2019 and a report in November 2019. We have accepted all the committee's recommendations. Our full response was published in January 2020 as part of the Treasury Minutes and can be read at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/862353/CCS001_CCS0120887484-001_Committee_of_Public_Accounts-First_and_Second_reports_2019_Web_Accessible.pdf.

Conclusion

I am satisfied that we have effective governance, risk management and assurance arrangements in place as set out in this statement. Arrangements are kept under continuous review to adapt to our changing risk environment.

I am satisfied that the significant control issues identified within this statement, relating to unlawful access to DCS and no database to record actions undertaken from fire risk assessments, have been subject to rigorous review and continue to be managed through appropriate, effective and proportionate mitigating activity.

Susan Acland-Hood

Chief Executive and Accounting Officer

15 July 2020

2.2 Remuneration and staff report

2.2.1 Remuneration report

The tables in this remuneration report have been subject to audit and are referred to in the Certificate and Report of the Comptroller and Auditor General to the Houses of Parliament.

Board members' remuneration report

The remuneration report has been prepared in accordance with the requirements of the Government Financial Reporting Manual as issued by HM Treasury.

The Prime Minister sets the remuneration policy of senior civil servants following independent advice from the Senior Salaries Review Body. The salaries of HMCTS Board members were set following discussions between the Permanent Secretary of MoJ and his directors general in accordance with the rules of the Civil Service Management Code.

HMCTS does not have a remuneration committee. The key functions are dealt with through the MoJ Workforce Committee.

The following sections provide details of the remuneration and pension interests of HMCTS Board members who served during 2019–20.

Table 1 – Remuneration payments to HMCTS Board members during the period 1 April 2019 to 31 March 2020¹

	2019-20					2018-19				
	Total amount of salary and fees	All taxable benefits (to nearest £100)	Bonuses paid	Pension related benefits (to nearest £1000)	Total	Total amount of salary and fees	All taxable benefits (to nearest £100)	Bonuses paid	Pension related benefits (to nearest £1000)	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Tim Parker Independent Chairman From 27 April 2018	15-20	Nil	Nil	Nil	15-20	15-20 (15-20 FYE ³)	Nil	Nil	Nil	15-20
Susan Acland-Hood Chief Executive	130-135	Nil	10-15	50	195-200	130-135	Nil	10-15	55	200-205
Kevin Sadler Deputy Chief Executive	110-115	Nil	10-15	(4)	115-120	105-110	Nil	10-15	23	140-145
Guy Tompkins Operations Director Until 15 March 20 20 ⁴	90-95 (95-100 FYE ³)	15.3 ²	Nil	22	130-135	95-100	17.9 ¹	Nil	3	115-120
Andrew Baigent Chief Financial Officer	125-130	Nil	10-15	57	190-195	125-130	Nil	Nil	55	180-185
Robert Ayling Independent Chairman Until 27 April 2018) ⁵	Nil	Nil	Nil	Nil	Nil	0-5 (15-20 FYE ³)	Nil	Nil	Nil	0-5
Lakh Jemmett Non-Executive Director From 27 July 2018	10-15	1.1 ²	Nil	Nil	10-15	5-10 (10-15 FYE ³)	0.7 ²	Nil	Nil	5-10
Ian Playford Non-Executive Director	10-15	Nil	Nil	Nil	10-15	10-15	0.1 ²	Nil	Nil	10-15
Victoria Cochrane Non-Executive Director	10-15	Nil	Nil	Nil	10-15	10-15	0 ²	Nil	Nil	10-15
Liz Doherty Non- Executive Director Until 18 August 2019 ⁶	0-5 (5-10 FYE ³)	Nil	Nil	Nil	0-5	5-10	Nil	Nil	Nil	5-10
Annabel Burns Non- Executive Director From 19 August 2019 ⁷	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

1 Richard Goodman was appointed to the HMCTS Board from 25th March 2020. From 21st March 2020 he was seconded to the role of COVID-19 (London) Director, Ministry of Housing, Communities and Local Government.

2 Comprises of reimbursements for travel expenses to required business meetings.

3 Full year equivalent.

4 Guy Tompkins stepped down as Operations Director on 15 March 2020.

5 Robert Ayling stepped down as Independent Chairman of the HMCTS Board on 27 April 2018. His contract ended on 30 April 2018.

6 Liz Doherty stepped down as a non-executive director on 18th August 2019. Liz Doherty is also a non-executive director on the MoJ board. Her remuneration for that role is disclosed in the MoJ annual report and accounts.

7 Annabel Burns is the MoJ representative on the HMCTS Board. Annabel is an MoJ employee and receives no remuneration for her role as a non-executive director on the HMCTS Board. Her remuneration as an MoJ employee is included in the MoJ annual report and accounts.

The following judicial members of the HMCTS Board are remunerated as judges and received no additional payments as directors:

- Sir Ernest Ryder, Senior President of Tribunals
- Lady Justice Macur, Senior Presiding Judge (until 31 December 2019)
- District Judge Tim Jenkins, Judicial Representative
- Lady Justice Thirlwall, Senior Presiding Judge (from 1 January 2020)

Salary

Salary covers both pensionable and non-pensionable amounts and includes, but may not necessarily be confined to: gross salaries; 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. The figures shown do not include amounts that are a reimbursement of expenses directly incurred in the performance of an individual's duties. This report is based on accrued payments made by HMCTS and thus recorded in these accounts.

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.

Benefits in kind

The monetary value of benefits in kind covers any benefits provided by the employer and treated by HMRC as a taxable emolument.

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.

Table 2 – Pay multiples

	2019-20	2018-19
Band of highest-paid director's total remuneration (£000)	145-150	145-150
Median total remuneration (£)	21,237	20,888
Ratio	6.9:1	7.1:1

The pay multiple ratio has decreased in 2019-20 due to an increase in median total remuneration, while the highest-paid director's total remuneration was the same as 2018-19.

Remuneration ranged from £15,000-20,000 to £140,000-£145,000 (2018-19: £15,000-20,000 to £160,000-£165,000). The highest remunerated individual in 2018-19 left HMCTS in 2019-20.

In 2019-20, two employees received remuneration in excess of the highest paid director (2018-19: two).

Total remuneration includes salary, non-consolidated performance-related pay, benefit-in-kind allowances as well as severance payments. It does not include employer pension contributions and the cash equivalent transfer value (CETV) of pensions.

Service contracts

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

The officials covered by this report hold appointments which are open-ended, except for non-executive directors who are appointed for a term of three years. 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 civilservicecommission.independent.gov.uk/

Table 3 HMCTS Board members' contracts¹

Name	Contract start date	Unexpired term	Notice period
Tim Parker	27 April 2018	2 years 6 months	1 month
Susan Acland-Hood	21 November 2016	To retirement	3 months
Andrew Baigent	14 August 2017	To retirement	3 months
Kevin Sadler	10 September 1984	To retirement	3 months
Guy Tompkins ²	7 November 2005	To retirement	3 months
Liz Doherty ³	18 January 2016 (renewed on 18 August 2018)	0 months	1 month
Lakh Jemmett	27 July 2018	1 year 4 months	1 month
Victoria Cochrane	1 November 2014 (renewed on 17 July 2017)	7 months	1 month
Ian Playford	1 August 2014 (renewed on 17 July 2017)	4 months	1 month
Annabel Burns	19 August 2019	To retirement	3 months

¹ Judicial members do not operate under contracts.

² Guy Tompkins stepped down as Operations Director on 15 March 2020.

³ Liz Doherty stepped down as a non-executive director on 18 August 2019.

Pension benefits

Table 4 – HMCTS Board members' pension benefits and the CETV of those benefits during and at the end of the financial year

Name	Accrued pension at pension age as at 31 March 2020 and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31 March 2020 £'000	CETV at 31 March 2019 £'000	Real increase in CETV £'000
Tim Parker Independent Chairman from 27 April 2018	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Susan Acland-Hood , Chief Executive	45-50	2.5-5	624	571	20
Kevin Sadler , Deputy Chief Executive	45-50 plus a lump sum of 145-150	0-2.5 plus a lump sum of 0-2.5	1,156	1,105	(4)
Guy Tompkins Operations Director until 15 March 2020	45-50 plus a lump sum of 135-140	0-2.5 plus a lump sum of 2.5-5	1,054	986	22
Andrew Baigent Chief Financial Officer	60-65	2.5-5	967	891	30
Lakh Jemmett Non-Executive Director	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Ian Playford , Non-Executive Director	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Victoria Cochrane Non-Executive Director	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Liz Doherty Non-Executive Director until 18 August 2019	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹
Annabel Burns Non-Executive Director from 19 August 2019	N/A ¹	N/A ¹	N/A ¹	N/A ¹	N/A ¹

Notes:

¹ No pension contributions are made on behalf of HMCTS non-executive board members.

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: three 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 4.6% and 8.05% for members of classic, premium, classic plus, nuvos and 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 uprated 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 0.5% of pensionable salary to cover the cost of centrally provided risk benefit cover (death in service and ill health retirement).

The accrued pension quoted is the pension the member is entitled to receive when they reach pension age, or immediately on ceasing to be an active member of the scheme if they are already at or over pension age. Pension age is 60 for members of classic, premium and classic plus, 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 the Civil Service pension arrangements can be found at www.civilservicepensionscheme.org.uk/.

CETVs

A 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.

2.2.2 Our people

Talent and performance management

Our Personal Impact Development scheme which we use to monitor and assess the aspirations, strengths and talent of our people is embedded and is working well within HMCTS. We identify and support our talented staff through a number of leadership schemes and initiatives. In 2019 work continued to instil our HMCTS people proposition known as Our People Promise which, was formally launched in December 2018. It defines in real terms what working at HMCTS stands for and the positive behaviours we expect from each other and outlines all the benefits of belonging to our organisation. In 2019-20 we delivered the three strategic programmes identified in our capability strategy: iTransform (leadership development), Digital You and Customer Service Skills (described in last year's report). Alongside this, we maintained a relentless programme of learning and development to directly support our reformed services – training staff to use new systems and processes. Our new e-learning technology is cutting edge. The gateway to accessing HMCTS learning is through myLearning which was launched across the organisation in October 2019. We also provide HMCTS staff access to core learning provided by Civil Service Learning. In 2019-20 we booked nearly 600 Civil Service Learning and other courses for approximately 4,000 staff. Many of these include places on safety-related courses such as first aid.

Apprenticeships

As part of our commitment to learning and development we are working with MoJ and across the Civil Service to actively promote the benefits of apprenticeships and encourage uptake. During 2019-20 we had 191 new apprentices start placements in HMCTS, placing us in a strong position to achieve the government apprenticeship target (requiring 2.3% of our eligible workforce to commence an apprenticeship by end of the reporting period 2017-2021). HMCTS has 57 apprenticeships schemes available, designed to provide learning and qualifications for all employees irrespective of age, from GCSE-level equivalent to Masters level (NVQ Level 2-7).

Securing performance and inclusivity, equality, diversity and inclusion for tomorrow

We must ensure HMCTS develops into an adaptable organisation with the right people, skills and knowledge to deliver and support modern and accessible justice for all. We continue to create a wide range of products, resources and programmes to develop our people capability.

HMCTS promotes equal opportunities for candidates when applying for jobs. Full information for people covered by the Equality Act can be found at www.hmctsjobs.co.uk/how-to-apply

Our robust policies support disabled staff and staff who become disabled during their employment. This includes (but is not limited to) health and safety and risk assessment guidance, under which all employees are required to complete workstation assessments periodically to ensure they are working in a safe environment and changes are made as and when their personal

circumstances change. The Civil Service Workplace Adjustment Team provides additional support and advice about disability and how to get help, including workplace passports. Support and guidance can be accessed by all employees through the health and wellbeing pages of the HMCTS intranet. This covers physical and mental health issues. Our talent and performance strategy, achieved through the year as part of a focus on our people and culture, makes a direct link to disability inclusion. Our Personal Impact Development scheme enables us to put tailored interventions in place so that everyone has an opportunity to discuss their unique development, needs and career aspirations.

Employee engagement

In October 2019, the annual People Survey provided an opportunity for our employees to have their say on a variety of topics which affect them. 10,998 HMCTS colleagues completed the survey – a marginal increase to 61.4% participation (2018: 61.0%). The Engagement Index is the average positive responses to five key questions reflecting people's personal attachment to HMCTS, striving in the work they do, and speaking positively about working here. Our Engagement Index has risen to 54%. This is a five-percentage point (pp) increase on last year's figure and the highest it has ever been since HMCTS was formed in 2011, but 5pp behind MoJ. Compared with last year; there is an improvement in the scores for all nine themes within the survey.

Highlights from the 2019 People Survey

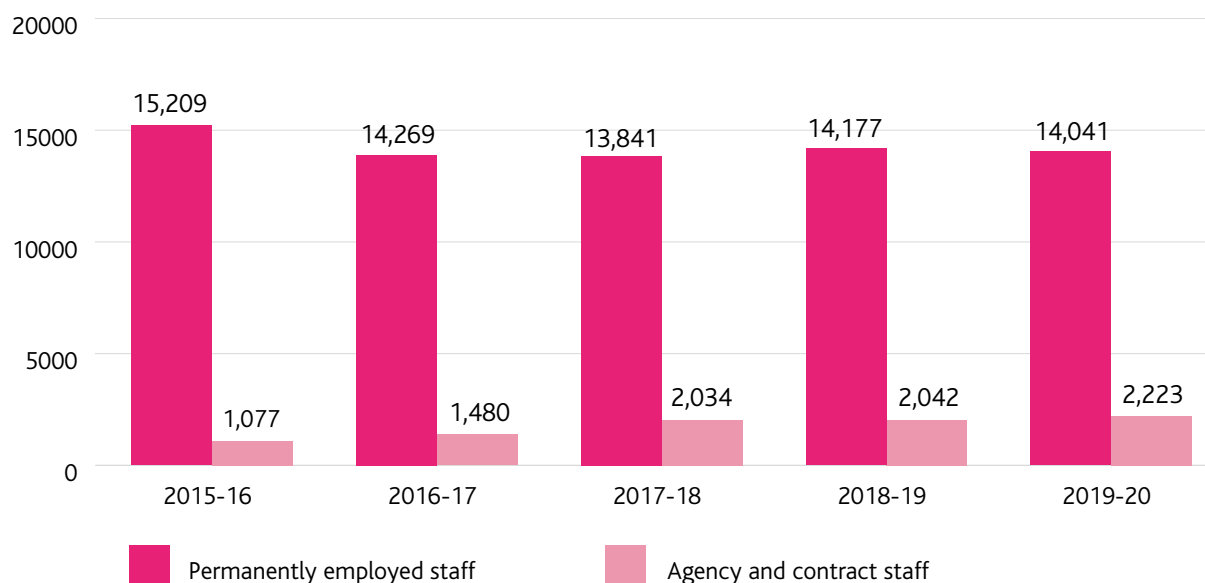
Our highest scoring theme continues to be My Team, slightly exceeding the MoJ score in this area. This is closely followed by Organisational Objectives and Purpose. Inclusion and Fair Treatment remains a relatively high score and has increased by 3pp alongside Resources and Workload. Our biggest improvements are in the themes of Leadership and Managing Change and Learning and Development. This is pleasing to see as these were two key priority areas for improvement identified last year. However, there is still more work to be done in these areas – they remain a priority for 2020 alongside Pay and Benefits, which continues to be a strong and consistent message for us. It is important that we continue to progress and look at areas where we have started to make a difference. We are working with our lead employee engagement champion network to understand how improvements have been made so that we can take this even further in 2020.

Other employee disclosures

The following sections are included to satisfy Parliamentary reporting and accountability requirements and are subject to audit.

Our employees in numbers

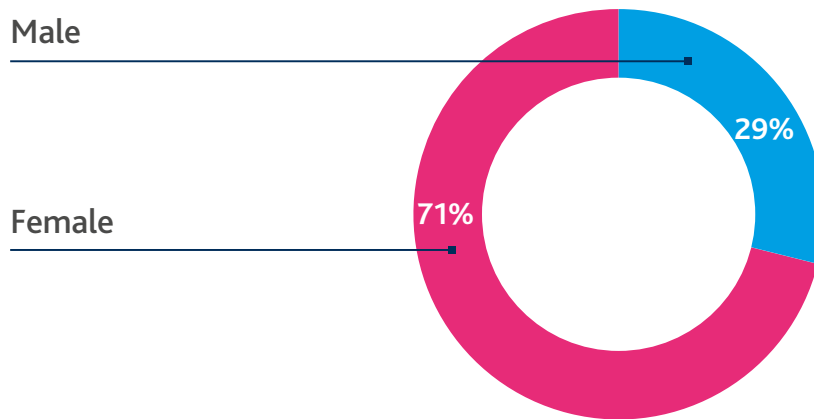
The average number of fixed term equivalent employees paid during the year was 16,264 compared with 16,219 in 2018-19, comprising the following:



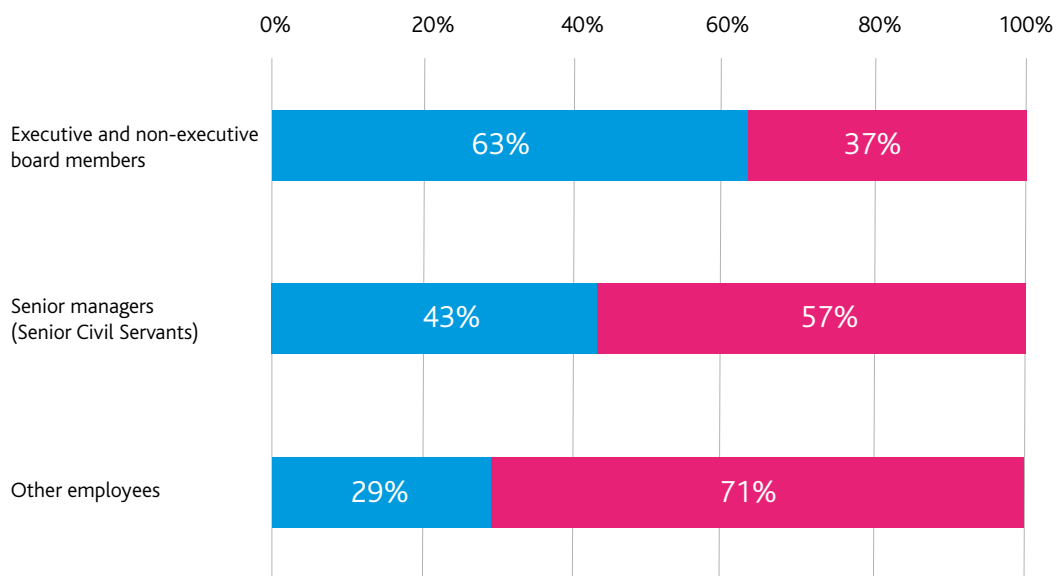
Our employee costs

	2019-20	2018-19
	£000	£000
Wages and salaries	369,050	362,200
Social security costs	33,894	33,412
Employer pension contributions	93,884	70,387
Agency staff costs	78,421	70,142
Voluntary early departures	386	41
	575,635	536,182
Add: inward secondments	703	978
	576,338	537,160
Less: recoveries in respect of outward secondments	(96)	(222)
Total staff costs	576,242	536,938

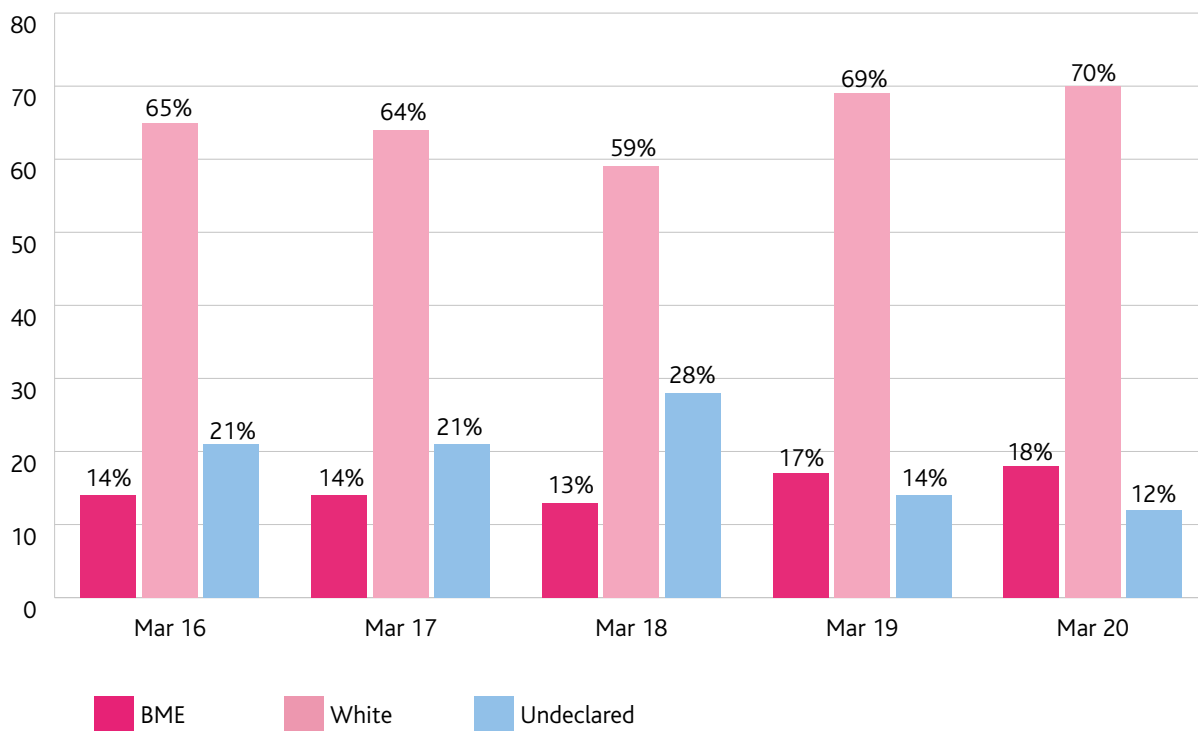
Overall male and female employees



Breakdown of employees by gender



Ethnicity comparison based on headcount



Number of senior Civil Service employees

Our executive directors are all senior civil servants (SCS). As at 31 March 2020, there were 81 SCS in HMCTS (2019: 77). The table below is not subject to audit.

£	2019-20	2018-19
60,000 to 70,000	-	17
70,000 to 80,000	41	20
80,000 to 90,000	13	12
90,000 to 100,000	14	15
100,000 to 110,000	5	6
110,000 to 120,000	3	1
120,000 to 130,000	2	3
130,000 to 140,000	2	1
140,000 to 150,000	1	1
150,000 to 160,000	-	-
160,000 to 170,000	-	1
170,000 to 180,000	-	-
180,000 to 190,000	-	-
Total	81	77

Review of tax arrangements of public sector appointees

During the financial year 2019-20, HMCTS has reviewed all off-payroll engagements using HMRC's guidance and online status indicator. Where engagements have been assessed as being within scope of the intermediaries (IR35) legislation, the paying agency has been advised of this determination so that appropriate tax deductions are made at source from payments made in respect of the engagement. Further details of off-payroll engagements in HMCTS can be found in the MoJ annual report and accounts.

Pension scheme

PCSPS and alpha are unfunded multi-employer defined benefit schemes. HMCTS is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the PCSPS as at 31 March 2016. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation at www.civilservicepensionscheme.org.uk/about-us/resource-accounts/

For 2019-20, employer contributions of £93.9 million were payable to the PCSPS (2018-19: £70.4 million) at one of four rates in the range of 26.6% to 30.3% (2018-19: 20.0% to 24.5%) of pensionable earnings, based on salary bands. The scheme actuary reviews employer contributions usually every four years following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2019-20 to be paid when the member retires and not the benefits paid during this period to existing pensioners.

19 persons (2018-19: 35 persons) retired early on ill health grounds. The total additional accrued pension liabilities in the year amounted to £52,000 (2018-19: £83,000).

Consultancy costs

Expenditure on consultancy in 2019-20 was £7.8 million (2018-19: £23.9 million).

Sick absence

The number of average working days lost (AWDL) due to sickness has increased this year when compared with the previous year. For the rolling 12 months to the end of March 2020 the AWDL lost (including those that have left HMCTS) was 8.1, an increase from 7.7 days at the end of 2018-19. The AWDL per person excluding leavers at March 2020 was 7.4 days, also an increase from 7 days at the end of 2018-19. We maintain a focus on supporting all aspects of the health and wellbeing agenda, covering all health issues both physical and mental.

Reporting of Civil Service and other compensation schemes – exit packages

Subject to audit

	2019-20			2018-19		
Exit package cost	Number of compulsory redundancies	Number of other departures	Total number exit packages	Number of compulsory redundancies	Number of other departures	Total number exit packages
< £10,000	-	-	-	-	5	5
£10,000 - £25,000	-	13	13	-	4	4
£25,001 - £50,000	-	6	6	-	5	5
£50,001 - £100,000	-	-	-	-	-	-
£100,001 - £150,000	-	-	-	-	-	-
£150,001 - £200,000	-	-	-	-	-	-
£200,001 - £250,000	-	-	-	-	-	-
£250,001 - £300,000	-	-	-	-	-	-
Total number of exit packages by type	-	19	19	-	14	14
Total cost of exit packages by type (£000)	-	422	422	-	269	269

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 the exit package is confirmed. Where HMCTS has agreed early retirements, the additional costs are met by HMCTS and not by the PCSPS. Ill health retirement costs are met by the pension scheme and are not included in the table above.

2.3 Parliamentary accountability and audit report

The following sections are included to satisfy Parliamentary reporting and accountability requirements and are subject to audit.

Losses:	2019-20		2018-19	
	Number of cases	£000	Number of cases	£000
Cash losses	1,092	337	1,533	519
Administrative write-offs	151	56	128	117
Fruitless payments	55	363	660	55
Constructive losses	-	-	1	12,081
Total losses	1,298	756	2,322	12,772

The increase in the value of fruitless payments is due to two payments totalling £354,000 made in 2019-20.

In addition to the losses above, in 2019-20 there is one (2018-19: one) loss over £300,000.

From April 2014 to April 2018, an incorrect fee was charged for low value personal injury claims. This impacted those who issued claims between £5,000 and £25,000. A single flat fee was charged, where these claims should have been treated as a money claim which has a sliding fee scale. This resulted in an overcharging of fees of £16.1million for which HMCTS will create a refund scheme and a hypothetical loss from the under charging of these fees of £28.2 million for the period. Under Government accounting rules HMCTS had to report the impact of the incorrect charging to HM Treasury.

There is one potential loss relating to a payment made to a supplier; HMCTS are negotiating the recovery of the overpayment and assessing the root cause, as a result at the current time the exact value of the potential loss is not known.

Special payments:	2019-20		2018-19	
	Number of cases	£000	Number of cases	£000
Compensation payment	71	565	127	956
Ex gratia	5,673	1,680	30,374	2,249
Extra-statutory and extra-regulatory payments	277	30	368	24
Special severance payments	-	-	-	-
Loans	-	-	-	-
Gifts	-	-	-	-
Total special payments	6,021	2,275	30,869	3,229

The decrease in the number of ex-gratia cases is due to a reduction in the number of interest payments made relating to the ET fee refund scheme.

Charitable donations

HMCTS made charitable donations totalling £10,000 in 2019-20 (2018-19: 10,000). These donations were made to organisations to support activities related to HMCTS's operations.

Fee income

HMCTS is required to disclose performance results for the areas of its activities where fees and charges are made. The analysis is not intended to meet the requirements of IFRS 8 Operating Segments which is not applicable to HMCTS under the requirements of the Government Financial Reporting Manual.

HMCTS covers the following business areas: civil and family courts, tribunal and criminal courts. HMCTS collects and reports upon fee charges that have been set by MoJ policy and which appear in statutory instrument fees orders. Section 180 of the Anti-social Behaviour, Crime and Policing Act 2014 gives the Lord Chancellor, with consent of the Treasury, the statutory power to set certain court and tribunal fees above cost recovery levels. The income generated must be reinvested back into the courts and tribunals service. Government introduced enhanced fee charging for money claims on 9 March 2015, and further enhanced fees including divorce, civil and some tribunals in March, April and July 2016. The system of 'Help with fees' (fee remissions) exists to ensure that

individuals are not denied access to the courts if they genuinely cannot afford the fee. Only the civil and tribunal businesses have systems for charging fees. A fees strategy review is underway to seek to balance the interests of all court and tribunal users and the taxpayer in the wider context of funding for the system overall.

HMCTS reports on both the civil and tribunal fee-charging business segments. Civil business contains two business streams: family (including probate and court of protection) and civil (including civil business in county courts, higher courts and magistrates' courts). Tribunal business contains two business streams: immigration and asylum, and other fee charging special tribunals (including lands, residential property, gambling and gender recognition). The table below shows the operating expenditure of those jurisdictions which are funded by fee income (after remissions) and the extent to which fee income funds them.

The most current fees orders can be found in Annex A on page 86.

On 26 July 2017 the UK Supreme Court handed down a judgment that quashed the Employment Tribunals and the Employment Appeal Tribunal Fees Order 2013/1893. The Lord Chancellor has committed to refunding the fees taken to those who paid them. To date HMCTS has refunded a total of £18 million in respect of fees and interest. During 2019-20 £0.6 million of fees were refunded including interest and accruals.

In November 2017 MoJ undertook a review of other fees for courts and tribunal proceedings charged by HMCTS. MoJ identified that in some cases fees have been incorrectly charged, and that some fees had inadvertently been set above cost without the legal authority to do so. In July 2018 a Written Ministerial Statement announced that a refund scheme will be established to reimburse people the amounts they have been over-charged. Our current estimate of the total value of the refunds likely to be claimed is £59 million.

The movements in the provisions and refunds are shown separately in the table below. More details about income, provisions and contingent liabilities can be found in notes 8, 17.3 and 22 to the accounts.

Fees and charges	Value of fee charges	Fees remitted	Income collected	Expenditure	Income charge surplus/ (deficit)
	£000	£000	£000	£000	£000
Civil business					
Family	185,632	(19,524)	166,108	(251,175)	(85,067)
Civil	621,436	(71,335)	550,101	(545,153)	4,948
Total civil business	807,068	(90,859)	716,209	(796,328)	(80,119)
Tribunal business					
Immigration and asylum	8,155	(1,809)	6,346	(110,427)	(104,081)
Other tribunals	1,659	(46)	1,613	(14,660)	(13,047)
Total tribunal business	9,814	(1,855)	7,959	(125,087)	(117,128)
Employment tribunals refunds	-	-	(654)	-	(654)
Movement in employment tribunals fee refunds provision	-	-	272	-	272
Other fee refunds provision	-	-	989	-	989
2019-20 total HMCTS business	816,882	(92,714)	724,775	(921,415)	(196,640)
2018-19 total HMCTS business	829,568	(91,511)	693,326	(836,929)	(98,872)

Remote Contingent Liability

There were no remote contingent liabilities for 2019-20 (2018-19 Nil).

Susan Acland-Hood

Chief Executive and Accounting Officer

15 July 2020

Section 3: External scrutiny

3.1 The Certificate and Report of the Comptroller and Auditor General to The Houses of Parliament

Opinion on financial statements

I certify that I have audited the financial statements of HM Courts and Tribunals Service (HMCTS) for the year ended 31 March 2020 under the Government Resources and Accounts Act 2000. The financial statements comprise: the Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows, Changes in Taxpayers' Equity; and the related notes, including the significant accounting policies. These financial statements have been prepared under the accounting policies set out within them. I have also audited the information in the Accountability Report that is described in that report as having been audited.

In my opinion:

- the financial statements give a true and fair view of the state of HMCTS's affairs as at 31 March 2020 and of the net expenditure 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.

Emphasis of matter – material uncertainty regarding property valuations

I draw attention to the disclosures made in Note 1.19 Critical accounting estimates and judgements to the financial statements, which describes the effects of a material valuation uncertainty on the professional revaluations of land and building assets arising from the impacts of COVID-19 on market prices for land and building costs. My opinion is not modified in respect of this matter.

Opinion on regularity

In my opinion, in all material respects the income and expenditure 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.

Basis of opinions

I conducted my audit in accordance with International Standards on Auditing (ISAs) (UK) and Practice Note 10 'Audit of Financial Statements of Public Sector Entities in the United Kingdom'. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of my certificate. Those standards require me and my staff to comply with the Financial Reporting Council's Revised Ethical Standard 2016. I am independent of HMCTS in accordance with the ethical requirements that are relevant to my audit and the financial statements in the UK. My staff and I have fulfilled our other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.



Conclusions relating to going concern

I have nothing to report in respect of the following matters in relation to which the ISAs (UK) require me to report to you where:

- HMCTS's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- HMCTS has not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about HMCTS's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Responsibilities of the Accounting Officer for the financial statements

As explained more fully in the Statement of Accounting Officer's Responsibilities, the Chief Executive as Accounting Officer is responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Auditor's responsibilities for the audit of the financial statements

My responsibility is to audit, certify and report on the financial statements in accordance with the Government Resources and Accounts Act 2000.

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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISAs (UK), I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of HMCTS's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Conclude on the appropriateness of HMCTS's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on HMCTS's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my report. However, future events or conditions may cause HMCTS to cease to continue as a going concern.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

I am 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.

Other Information

The Chief Executive as Accounting Officer is responsible for the other information. The other information comprises information included in the annual report, but does not include the parts of the Accountability Report described in that report as having been audited, the financial statements and my auditor's report thereon. My opinion on the financial statements does not cover the other information and I do not express any form of assurance conclusion thereon. In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I have nothing to report in this regard.

Opinion on other matters

In my opinion:

- the parts of the Accountability Report to be audited have been properly prepared in accordance with HM Treasury directions made under the Government Resources and Accounts Act 2000;
- in the light of the knowledge and understanding of the entity and its environment obtained in the course of the audit, I have not identified any material misstatements in the Performance Report and Accountability Report; 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 and have been prepared in accordance with the applicable legal requirements.

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 Accountability Report 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.

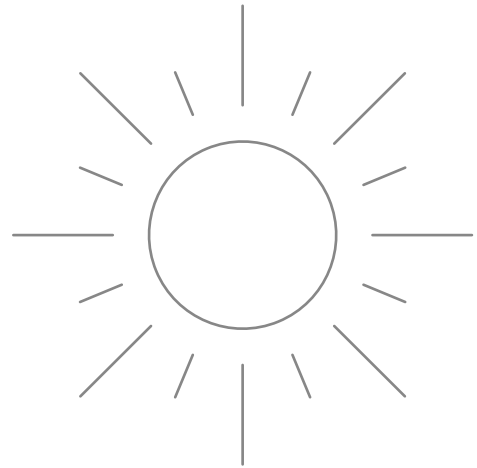
Report

I have no observations to make on these financial statements.

Gareth Davies
Comptroller and Auditor General

16 July 2020

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



Section 4: Our expenditure

4.1 Accounts

Statement of comprehensive net expenditure for the period ended 31 March 2020

	Notes	2019-20 £000	Restated 2018-19 £000
Operating income	8	(818,776)	(781,344)
Total operating income		(818,776)	(781,344)
Staff costs	3	576,242	536,938
Judiciary costs	3	586,697	516,641
Purchase of goods and services	4	670,724	670,680
Depreciation and impairment charges	5	137,910	170,895
Other non-cash expenditure	6	74,225	81,308
Total operating expenditure		2,045,798	1,976,462
Net operating expenditure		1,227,022	1,195,118
Finance costs	7	10,399	12,130
Net expenditure for the year		1,237,421	1,207,248

Other comprehensive expenditure

	Notes	2019-20 £000	Restated 2018-19 £000
Net costs		1,237,421	1,207,248
Net (gain) on revaluation of property and equipment		(139,118)	(13,235)
Net (gain) on revaluation of intangible assets		(325)	(766)
Actuarial loss/(gain) on pension scheme liabilities	17.2	93	(508)
Total comprehensive expenditure		1,098,071	1,192,739

The gains or losses on revaluation of property and equipment arises mainly from valuation activity carried out annually by the Valuation Office Agency across our estate, as well the as application of indices and desktop valuations.

The notes on pages 54-85 form part of these accounts. Details of the restatement are in note 26.

Statement of financial position as at 31 March 2020

	Notes	2019-20 £000	Restated 2018-19 £000
Non-current assets			
Property and equipment	9	3,549,000	3,498,598
Intangible assets	11	398,368	312,839
Trade and other receivables	13	548	548
Total non-current assets		3,947,916	3,811,985
Current assets			
Assets held for sale	10	7,346	3,002
Trade and other receivables	13	136,591	99,813
Cash and cash equivalents	14	17,235	24,837
Total current assets		161,172	127,652
Total assets		4,109,088	3,939,637
Current liabilities			
Trade and other payables	15	(364,505)	(301,344)
Financial liabilities	15.1	(11,883)	(13,792)
Provisions for liabilities and charges	17	(62,811)	(67,626)
Total current liabilities		(439,199)	(382,762)
Total assets less current liabilities		3,669,889	3,556,875
Non-current liabilities			
Trade and other payables	15	(36,059)	(68,582)
Financial liabilities	15.1	(183,749)	(188,993)
Provisions for liabilities and charges	17	(138,670)	(131,300)
Total non-current liabilities		(358,478)	(388,875)
Total assets less total liabilities		3,311,411	3,168,000
Taxpayers' equity			
General fund		2,106,397	2,041,055
Revaluation reserve		1,205,014	1,126,945
Total taxpayers' equity		3,311,411	3,168,000

Susan Acland-Hood

Chief Executive and Accounting Officer

15 July 2020

The notes on pages 54-85 form part of these accounts. Details of the restatement are in note 26.

Statement of cash flows for the period ended 31 March 2020

	Notes	2019-20 £000	Restated 2018-19 £000
Cash flows from operating activities			
Net expenditure for the year		(1,237,421)	(1,207,248)
Adjustments for notional and non-cash costs	16	363,722	443,914
Adjustments for finance costs	7	10,399	12,130
(Increase) / decrease in trade and other receivables		(121,289)	(112,468)
Increase / (decrease) in trade and other payables		82,370	89,298
Utilisation of provisions	17	(5,853)	(16,143)
Net cash outflow from operating activities		(908,072)	(790,517)
Cash flows from investing activities			
Purchases of property and equipment	16.1	(79,549)	(61,390)
Proceeds from disposal of property and equipment and assets held for sale		70,803	10,469
Purchases of intangible assets	11	(104,803)	(109,378)
Net cash outflow from investing activities		(113,549)	(160,299)
Cash flow from financing activities			
Funding from MoJ		1,031,000	965,000
Capital element of Private Finance Initiative (PFI) contracts		(8,925)	(8,926)
Capital element of finance leases		(113)	(71)
Repayments of local authority loans		(1,547)	(1,813)
Interest paid	7	(6,396)	(6,998)
Net cash inflow from financing activities		1,014,019	947,192
Net increase/(decrease) in cash and cash equivalents in the period	14	(7,602)	(3,624)
Cash and cash equivalents as at the beginning of the period	14	24,837	28,461
Cash and cash equivalents as of the end of the period	14	17,235	24,837

The notes on pages 54-85 form part of these accounts. Details of the restatement are in note 26.

Statement of changes in taxpayers' equity for the period ended 31 March 2020

	Notes	Restated General fund £000	Restated Revaluation reserve £000	Restated Total £000
Balance as at 31 March 2018		1,972,343	1,158,035	3,130,378
Funding from MoJ		965,000	-	965,000
Intercompany settlement with MoJ		27,534	-	27,534
Net operating expenditure		(1,207,248)	-	(1,207,248)
Notional expenditure:				
Consolidated fund judicial salaries	16	147,749	-	147,749
External auditors' remuneration	16	280	-	280
Intra-departmental recharges	16	89,798	-	89,798
Revaluation of property and equipment		-	13,235	13,235
Revaluation of intangible assets		-	766	766
Reclassification from revaluation reserve		45,091	(45,091)	-
Actuarial gain on pension scheme liabilities	17.2	508	-	508
Restated balance as at 31 March 2019		2,041,055	1,126,945	3,168,000
Funding from MoJ		1,031,000	-	1,031,000
Intercompany settlement with MoJ		(30,711)	-	(30,711)
Net operating expenditure		(1,237,421)	-	(1,237,421)
Notional expenditure:				
Consolidated fund judicial salaries	16	152,786	-	152,786
External auditors' remuneration	16	310	-	310
Intra-departmental recharges	16	88,416	-	88,416
Revaluation of property and equipment		-	139,118	139,118
Revaluation of intangible assets		-	325	325
Reclassification from revaluation reserve		61,374	(61,374)	-
Actuarial gain on pension scheme liabilities	17.2	(93)	-	(93)
Other transfers to reserves		(319)	-	(319)
Balance as at 31 March 2020		2,106,397	1,205,014	3,311,411

The notes on pages 54-85 form part of these accounts. Details of the restatement are in note 26.

4.2 Notes to the accounts for period to the end of 31 March 2020

1. Statement of accounting policies

These accounts have been prepared in accordance with the Government Financial Reporting Manual (FReM) 2019-20 issued by HM Treasury. The accounting policies contained in the FReM apply International Financial Reporting Standards (IFRS) as interpreted for the public sector.

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

1.1 Basis of preparation

Our accounts have been prepared under the historical cost convention modified to account for the revaluation of property and equipment and intangible assets and certain financial assets and liabilities.

The preparation of the accounts in conformity with IFRS requires the use of certain critical accounting estimates (see note 1.19). It also requires management to exercise its judgement in the process of applying the accounting policies.

1.2 Changes in accounting policy and disclosures

a) Changes in accounting policies

There have been no changes in accounting policies for the period ended 31 March 2020.

b) New and amended standards adopted

There have been no new or amended standards adopted in the financial year beginning 1 April 2019.

c) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 April 2019 and not early adopted.

IFRS 16 Lease accounting

IFRS 16 provides a single lessee accounting model, requiring lessees to recognise assets and liabilities for all leases unless the lease term is 12 months or less, or the underlying asset is of low value. The assets, to be described as 'right of use' assets, will be presented under Property, Plant and Equipment.

The standard is expected to have a material effect on our financial statements. In March 2020 HM Treasury announced that the adoption of IFRS 16 will be deferred and will now be adopted from 1 April 2021.

IFRS 17 Insurance contracts

IFRS 17 Insurance Contracts requires a discounted cash flow approach to accounting for insurance contracts. Subject to EU adoption, it may come into effect for accounting periods commencing on, or after, 1 January 2021 and should be included in the 2021-22 FReM at the earliest. To assess the impact of the standard, HMCTS is reviewing contracts which meet the definition of insurance contracts.

We do not consider that any other new, or revised standard, or interpretation will have a material impact.

1.3 Operating income

HMCTS's model of income recognition aligns revenue recognition to IFRS 15 and the FReM which requires that, when applying income recognition policies, legislation and regulations which enable an entity to receive cash or another financial asset from another entity should be assessed for performance obligations, to match revenue to the performance obligation.

The majority of fees paid to us are for an application to commence the administration of a process or, to a lesser extent a court process, or for a stage of the administration of the court process. The payment of a fee does not convey the right to a decision, or a decision from the court, nor does it set out the timescale or process which will be followed by the court or tribunal, which is at the discretion of the judge. It is a fundamental principle of an independent judiciary that judges do not have performance obligation to individuals or organisations within court and tribunal activities.

The power to charge fees is conferred by Section 92 of The Courts Acts 2003, and the power to charge enhanced fees is conferred by Section 180 of The Anti-Social Behaviour Crime and Policing Act 2014. This is the fee law against which HMCTS assesses its performance obligations. The fee law also provides for Statutory Instruments to set out a price list for the fees to be charged, listed in Annex A. These Statutory Instruments, determined in the FReM adaption as contracts under IFRS 15, are interpreted as the performance obligations on HMCTS in respect of the individual fees charged. This does not place a performance obligation on the judiciary.

Therefore, the income policy we adopt recognises that in the administration of the courts system, HMCTS, whose role is to support the judiciary in their administration of justice, bears a responsibility to applicants to ensure their application is progressed upon receipt of the correct fee. In recognition of this obligation, we defer the majority of revenue until the issue of an application is completed, or any other obligations completed that are required as part of the Statutory Instrument.

Civil fees (see page 44) make up the majority of our income and can be disaggregated into broad jurisdictional categories. Within each category, there are three significant common performance recognition points: issue, hearing and enforcement.

The following table describes the principal performance obligations from which we generate fees income, and the jurisdiction to which that income relates. These performance obligations are set out in the Statutory Instruments as described in Annex A.

The following is a description of principal performance obligations from which we generate fees income, and the jurisdiction to which that income relates:

Jurisdiction	Fee law	Nature, timing and satisfaction of performance obligation
Performance obligation: application and issue		
Probate	The Non-Contentious Probate Fees Order 2018	We recognise revenue at the point of completion of the examination and sending of the of the grant of probate (these are taken to be a single performance obligation). Payment is banked upon receipt of the application, and a calculation of deferred income is made at the end of each period using available performance data. Refunds are not given once the grant application is processed.
Divorce	The Civil Proceedings, Family Proceedings and Upper Tribunal Fees (Amendment) Order 2016	We recognise revenue at the point that divorce papers have been issued. Payment is banked upon receipt of the application, and a calculation of deferred income is made at the end of each period using available performance data. Refunds are not given once the grant application is processed.
Private family	The Civil Proceedings, Family Proceedings and Upper Tribunal Fees (Amendment) Order 2016	Revenue is recognised at the point that proceedings have been issued. Payment is banked upon receipt of the application, and a calculation of deferred income is made at the end of each period using available performance data. Refunds are not given once the grant application is processed.
Care and supervision	The Family Proceedings Fees (Amendment) Order 2014	The fee is recognised when proceedings have been issued. Our obligation to the applicant is deemed to have been completed at this point. Payments are banked upon receipt of the application and a calculation of deferred income is made to match the income to the performance obligation. No refunds are given once papers are issued.
Civil	The Civil Proceedings, Family Proceedings and Upper Tribunal Fees (Amendment) Order 2016	We have an obligation to ensure that the initial application is issued, and the fee is recognised when papers have been issued, or instantaneously when a claim and fee are received electronically. Our obligation to the applicant is deemed to have been completed at this point. Paper applications are not processed immediately, and a calculation of deferred income is made to match income to the performance obligation. No refunds are given once papers are issued.

Jurisdiction	Fee law	Nature, timing and satisfaction of performance obligation
Performance obligation – hearing fees		
	The Civil Proceedings, Family Proceedings and Upper Tribunal Fees (Amendment) Order 2016	<p>Hearing fees, are separate from the application fee. Hearings are allocated 6 weeks before the date, and the fee is payable 4 weeks prior. Payment is banked upon receipt, and as the hearing is expected to take place in the following month, one month of hearing fees is deferred.</p> <p>We defer hearing fee income to match the income to the distinct performance obligation.</p>
Performance obligation – civil enforcement		
	The Civil Proceedings, First-tier Tribunal, Upper Tribunal and Employment Tribunals Fees (Amendment) Order 2016	<p>A County Court Judgment (CCJ) application for enforcement can made to the Court if the debt has not been settled. The Judgment Creditor (JC) (individual to whom the debt is owed) can request, upon payment of a fee that the court issue a Warrant of Control.</p> <p>The Warrant, if it is issued, is valid for a period of 12 months and once issued there are no further fees to be paid by the JC. Two distinct performance obligations have been identified in respect of Warrants of Control:</p> <ol style="list-style-type: none"> Payment is made on application by the JC for a warrant, where a warrant application and fee is received, we have an obligation to administer the application. Once a warrant is issued an issue notice is sent to the judgment debtor and at this point we have an obligation to try to enforce the warrant on the JC's behalf. <p>The administrative process describes the actions that our enforcement offices will undertake on the JC's behalf. The requirement to administer the process creating a second performance obligation.</p> <p>We defer warrant application fee income to match the distinct performance obligations.</p>

1.4 HMCTS Trust Statement

HMCTS, as the Executive Agency of the Ministry of Justice is responsible for collecting fines and financial penalties imposed by the criminal justice system, prepares a separate Trust Statement that should be read in conjunction with the HMCTS Annual Report and Accounts.

The Trust Statement accounts for fines and penalties imposed by the criminal justice system as revenue ultimately payable to the Consolidated Fund, on a gross basis. It also accounts for the cash and balances payable to the Consolidated Fund and third parties in relation to the collection of the fines and penalties amounts.

1.5 Notional expenditure

Notional expenditure is credited directly to the general fund and comprises the following:

- salaries and social security costs of senior judges funded from the Consolidated Fund
- NAO's remuneration for the audits of HMCTS's accounts and Trust Statement
- our usage of corporate services provided by MoJ.

1.6 Operating segments

Operating segments are analysed in accordance with IFRS 8 Operating Segments along with the lines of information presented to the chief operating decision maker who for the purpose of these accounts is determined to be the HMCTS Board.

1.7 Property and equipment

Initial recognition and capitalisation threshold

Items of property and equipment, including subsequent expenditure on existing assets, are initially recognised at cost when it is probable that future economic benefits or service potential associated with the asset will flow to us and the cost of the asset can be measured reliably. All other repairs and maintenance are charged to the SoCNE during the financial year in which they are incurred.

The capitalisation threshold for individual assets is £10,000.

Where significant purchases of individual assets which are separately beneath the capitalisation threshold arise in connection with a single project, they are treated as a grouped asset. The capitalisation threshold for grouped assets is £1 million. Where an item costs less than the prescribed limit but forms an integral part of a package whose total value is greater than the capitalisation level, then the item is capitalised. All thresholds include irrecoverable VAT.

Where capital budgets are held centrally by MoJ as parent department, expenditure is first capitalised in the MoJ accounts and transferred to us when the associated project is complete.

Subsequent valuation method

Subsequent to initial recognition, land and buildings (including dwellings) are recorded at fair value, as interpreted by the FReM, based on professional valuations which are conducted for each property at least once every five years. In between professional valuations, carrying values are adjusted by the application of indices or through desktop valuations.

Professional valuations are primarily undertaken by the Valuation Office Agency (VOA) using the Royal Institution of Chartered Surveyors (RICS) appraisal and valuation manual, known as the 'Red Book'. See note 1.19 for further details of the judgements and uncertainties due to economic conditions caused by COVID-19.

Criminal courts are mostly classified as specialised buildings which cannot be sold on the open market. Specialised properties are valued on depreciated replacement cost (DRC) to a modern equivalent basis in accordance with the FReM, taking into account the functional obsolescence of the property. Leasehold improvements are fair valued using the building cost information service tender price index compiled by RICS.

Assets which were most recently held for their service potential but are surplus are valued at current value in existing use where there are restrictions which would prevent access to the market at the reporting date. If we can access the market then the surplus asset should be valued at fair value in accordance with IFRS 13.

In determining whether an asset which is not in use is surplus, we have assessed whether there is a clear plan to bring the asset back into future use as an operational asset. Where there is a clear plan, the asset is not surplus and the current value in existing is maintained. Otherwise the asset is assessed as being surplus and valued in accordance with IFRS 13.

Fair value hierarchy and inputs

The valuation technique applied to all the Fair Value figures of Surplus properties is the market approach in accordance with IFRS 13; it uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets.

The inputs to this technique constitute level 2 inputs in each instance. Level 2 inputs are inputs that are observable for the asset, either directly or indirectly. The inputs used take the form of analysed and weighted market evidence such as sales, rentals and yields in respect of comparable properties in the same or similar locations at or around the valuation date.

For other property assets in continuing use, fair value is interpreted as market value or 'value in use'. In the Red Book this is defined as 'market value on the assumption that property is sold as part of the continuing enterprise in occupation'. The 'value in use' of a non-cash-generating asset is the present value of the asset's remaining service potential, which can be assumed to be at least equal to the cost of replacing that service potential.

Depreciated historical cost is used as a proxy for fair value for those assets with short useful lives or low values, as allowed by the FReM.

Revaluation

Gains arising on revaluation are credited to the revaluation reserve and shown in other comprehensive expenditure, unless they reverse a revaluation decrease on the same asset. Reversals are credited to the SoCNE to the extent of the previous amount expensed, and any excess is credited to the revaluation reserve.

When an asset's carrying value decreases as a result of a permanent diminution in the value of the asset due to a clear consumption of economic benefit or service potential, the decrease is charged directly to operating expenditure in the SoCNE, with any remaining revaluation reserves balance released to the General Fund.

A revaluation decrease (other than as a result of a permanent diminution) is reversed against any existing amount held in the revaluation reserve in respect of the same asset, with any residual decrease taken to operating expenditure in the SoCNE.

Each year the difference between depreciation based on the revalued carrying amount of the asset charged to the SoCNE and depreciation based on the asset's original cost is transferred from the revaluation reserve to the general fund.

Depreciation

Depreciation is charged on a straight-line basis at rates calculated to write-off the value of assets less estimated residual value over the estimated useful lives. The useful lives of asset categories are reviewed annually. Where a change in asset life is determined, the asset is depreciated on a straight-line basis over its remaining assessed life. Depreciation commences in the month following the acquisition of a non-current asset for land, buildings and dwellings and in-month for all other non-current assets.

If an item of property and equipment comprises two or more significant components with substantially different useful lives, then each component is treated separately for depreciation purposes and depreciated over its individual useful life.

Estimated useful asset lives are within the following ranges:

Freehold land	Not depreciated
Leasehold land	Remaining lease period
Freehold buildings (including dwellings)	Shorter of remaining life or 60 years
Leasehold buildings (including dwellings)	Shortest of remaining life, remaining lease period or 60 years
Information technology	Shorter of remaining lease period or 7 years
Equipment	Shorter of remaining lease period or 3 to 5 years
Furniture and fittings	Shorter of remaining lease period or 10 to 20 years

Assets under construction

Assets under construction are valued at historical cost within property and equipment. Assets under construction are not depreciated or amortised until completed. On completion, the asset's carrying value is transferred to the respective asset category.

Expenditure is capitalised where it is directly attributable to bringing an asset into working condition.

Disposals

Gains and losses on disposal of property and equipment are determined by comparing the proceeds with the carrying amount and are recognised within operating expenditure in the SoCNE.

When revalued assets are sold, the amounts included in the revaluation reserve are transferred to the General Fund.

1.8 Intangible assets

Intangible assets are recognised in accordance with IAS 38 'Intangible Assets' as adapted by the FReM.

Development costs are recognised as intangible assets when they meet the criteria specified in the FReM. Other expenditures that do not meet these criteria are recognised as an expense as incurred. Costs previously recognised as an expense are not recognised as an asset in a subsequent period. The useful lives of internally developed software range from 3 to 10 years.

Purchased software licenses are recognised as assets when it is probable that future service potential will flow to us and the cost of the license can be measured reliably. Such licenses are initially measured at cost. Purchased software licences are amortised over the licence period.

The capitalisation threshold for software projects is £1 million (including irrecoverable VAT).

Where capital budgets are held centrally by Ministry of Justice as parent department, expenditure is first capitalised in the Ministry of Justice accounts and transferred to us when the associated project is complete.

Subsequent to initial recognition, intangible assets are measured at fair value. As no active market exists for our intangible assets, fair value is assessed as replacement cost less any accumulated amortisation and impairment losses (i.e. depreciated replacement cost).

Intangible assets in service are re-measured at the end of each reporting period using the producer price index issued by the Office for National Statistics (ONS).

1.9 Impairment

Impairments are recognised in accordance with IAS 36 'Impairment of Assets' as adapted by the FReM.

An impairment reflects a diminution in the value of an asset as a result of a clear consumption of economic benefits or service potential. At each reporting date, we assess all assets for indications of impairment. If any such indication exists, the assets in question are tested for impairment by comparing the carrying value of those assets with their recoverable amounts. Where the recoverable amount of an asset is less than its carrying value, the carrying value of the asset is reduced to its recoverable amount.

The recoverable amount of an asset is the higher of its 'fair value less costs to sell' and 'value in use' (defined under 'Valuation Method'). Any impairment loss is charged directly to operating expenditure in the SoCNE. If the asset has previously been revalued, any balance in the revaluation reserve (up to the level of the impairment loss) is transferred to the general fund.

At each reporting date we review impairment losses recognised in previous years. Any reversal of an impairment loss is then recognised in the SoCNE to the extent that the original charge, adjusted for subsequent depreciation, was previously recognised, with any remaining amount recognised in the revaluation reserve.

See note 1.19 for further details of the judgements and uncertainties due to economic conditions caused by COVID-19.

1.10 Assets held for sale

Non-current assets are classified as assets held for sale in accordance with IFRS 5 'Non-current Assets Held for Sale and Discontinued Operations' as interpreted by the FReM.

Non-current assets are classified as 'held for sale' when their carrying amount is to be recovered principally through a sale transaction and a sale is considered highly probable.

Assets held for sale are stated at the lower of their carrying amount immediately prior to classification as 'held for sale' or their fair value less the costs of selling the asset. Any subsequent impairment or reversal of impairment is recognised in the SoCNE. Assets classified as held for sale are not depreciated.

1.11 Leases

Finance leases

Leases of assets where we retain substantially all the risks and rewards of ownership are classified as finance leases. At the commencement of the lease term, finance leases are capitalised at the lower of the fair value of the leased asset and the present value of the minimum lease payments.

Each lease payment is allocated between the liability and finance charges. These corresponding rental obligations, net of finance charges, are included in either short-term or long-term payables, depending on the dates HMCTS is contractually obliged to make rental payments. The interest element of the finance cost is charged to the SoCNE over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The assets acquired under finance leases are depreciated over the shorter of useful life of the asset and the lease term.

Operating leases

Leases other than finance leases are classified as operating leases. Payment made under operating leases (net of any incentives received from the lessor) are charged to the SoCNE on a straight-line basis over the period of the lease. Any upfront payments not yet released to the SoCNE are recognised as a lease prepayment in the SoFP.

1.12 Service concession arrangements

Service concession arrangements (SCAs), including Private Finance Initiatives (PFI) arrangements, are arrangements whereby private sector operators are contractually obliged to provide services to the public in relation to certain infrastructure assets. We define such arrangements as SCAs if they meet the conditions set out in the FReM and IFRIC 12 Service Concession Arrangements.

The future payment streams of SCAs are assessed to separately identify the infrastructure interest and service components.

We recognise the infrastructure asset at fair value (or the present value of the future minimum infrastructure payments, if lower) as a non-current asset in the SoFP with a corresponding liability for future payments under the agreement.

The interest element of the agreement is charged to the SoCNE over the contract period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The service element of the agreement is charged to the SoCNE in the period in which the services are rendered by the operator.

1.13 Third party assets

We hold a number of different cash balances on behalf of third parties. These are not recognised in the SoFP in line with FReM requirements and a disclosure of these balances is made in note 24 to the accounts.

These balances do not include amounts held following the collection of fines and penalties on behalf of other bodies; these amounts are reported in a Trust Statement (see note 1.4).

1.14 Value added tax (VAT)

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

1.15 Provisions and contingent liabilities

Provisions are recognised in accordance with IAS 37 'Provisions, contingent liabilities and contingent assets'.

Provisions represent liabilities of uncertain timing or amount and are recognised when we have:

- a present legal or constructive obligation as a result of past events
- it is probable that an outflow of resources will be required to settle the obligation
- the amount can be reliably estimated

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation. Where the effect is material, the estimated cash flows are discounted. The increase in the provision due to passage of time is recognised as interest expense.

A contingent liability is disclosed when the likelihood of an outflow of resources is less than probable, but more than remote. Where the time value of money is material, contingent liabilities required to be disclosed under IAS 37 are stated at discounted amounts.

1.16 General fund

Funding received from MoJ is credited to the general fund within the statement of changes in taxpayers' equity (SoCTE) upon receipt of the funds.

1.17 Employee benefits

Short-term benefits such as salaries and wages or post-employment benefits resulting from employment and long-term benefits such as long service awards, including termination benefits (for example early departure costs) and pension benefits are recognised at the cost of providing the benefit in the period in which it is earned by the employee, rather than when it is paid or becomes payable.

IAS 19 'Employee Benefits' requires us to recognise the expected cost of the annual leave entitlement of its employees that is accrued at the end of each financial year.

1.18 Pensions

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

Members of the judiciary are covered by the Judicial Pension Scheme (JPS). Further details of this scheme can be found in note 3.3.

1.19 Critical accounting estimates and judgements

We make estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Impact of Covid-19 on land and building valuations

Our valuations have been conducted by the VOA. As is common with many valuations with a reporting date of 31 March 2020, the report included a material uncertainty clause due to the impact of Covid-19. This does not mean, nor is it intended to imply, that the values supplied in the report cannot be relied upon; they are firm valuations for financial reporting purposes. The presence in a report of a material uncertainty clause is sometimes misunderstood and the Global Director of Valuation at the Royal Institute of Chartered Surveyors (RICS) has issued the following explanatory statement to give reassurance:

'Where a material uncertainty clause is being used, its purpose is to ensure that any client relying upon that specific valuation report understands that it has been prepared under extraordinary circumstances. The term is not meant to suggest that the valuation cannot be relied upon; rather, it is used in order to be clear and transparent with all parties, in a professional manner that – in the current extraordinary circumstances – less certainty can be attached to the valuation than would otherwise be the case. Indeed, with regard to the process itself, professional valuers will almost certainly have undertaken far more due diligence than normal, in order to arrive at their estimate of value.'

We acknowledge the uncertainty but consider that there is limited evidence to indicate that there is an impact relevant to the valuation of the estate from Covid-19. While this lack of evidence reduces the level of certainty that can be attached to such a valuation, the valuation provided is considered to be an appropriate basis on which to determine value at the date of reporting.

The overwhelming majority of our estate is specialist property in operational use. The valuer concluded that there has been no diminution identified in the public sector's ongoing requirement for these operational assets nor reduction in their ongoing remaining economic service potential as a result of the incidence of Covid-19. More detail on the level of uncertainty on key asset categories is below.

Sensitivity Analysis

The value of specialised buildings is linked to the cost of rebuilding. The RICS Building Cost Information Service Tender Price Index (TPI) is a measure of inflation in the construction industry, and is used to estimate how the cost of rebuilding specialised buildings changes from year to year. Valuations of specialised buildings are based on a TPI of 335 that was published on 14th March 2020. This is an increase of 3.7% from the previous years figure of 323. BCIS have advised that it is too early for issues related to Covid-19 to have impacted on the TPI index. However, by way of illustration, a change in the TPI of 1 point would lead to change in the value of the estate by £8.0m.

Land associated with specialised buildings, is valued using modern equivalent residential or office land-use sites, the majority based on commercial or residential redevelopment of the respective locations. While price growth was strong in 2019-20, by the 31st March 2020 valuation date, the UK had entered lockdown due to Covid-19, physical viewings were no longer permitted and the market consequently quietened. The professional view of the valuers is that any impact would fall within normal valuation tolerances, and therefore the degree of uncertainty inherent within the valuation relating to land associated with specialised buildings is low relative to other types of property.

Valuation of court buildings earmarked for closure

As part of an ongoing estate rationalisation review, ministers have earmarked a number of under-utilised court buildings for closure over the next few years. This has reduced the remaining estimated useful life of these assets.

Prior to the announcement of closure these court buildings are considered specialised assets and are valued at depreciated replacement cost (DRC). The announcement of closure triggers the impairment event. The reduction in the remaining useful life of these assets represents an impairment indicator. All impairment expenditure is charged to the SoCNE, with the balance of any revaluation reserve taken to the General Fund. The valuation method will be altered from DRC to the appropriate valuation methodology when the asset is transferred to held for sale or when it becomes surplus.

Recognition of fee income

As part of our review of income recognition following the adoption of IFRS 15 by the public sector, we defer income where the performance obligation is not met.

A description of principal performance obligations from which we generate fees income, and the jurisdiction to which that income relates is provided in note 1.3.

2. Statement of operating costs by operating segments

For financial reporting purposes, the segmental reporting format is determined by the way in which the chief operating decision maker monitors the operating results of segments for the purpose of making decisions and allocating resources. The reporting format for 2019-20 includes the following reportable operating segments:

- business as usual
- change and reform

The operating segment's net expenditure for the year is measured on the same basis as the corresponding amounts reported in the financial statements.

Change and reform expenditure relates to all of our change projects. This includes the change activity of the reform, Common Platform and the CJS efficiency programmes as well as other projects required to introduce new systems for legislative changes.

2.1 Segment results

A description of the services from which the reportable segments derive income is provided in note 8. There were no inter-segment transactions in the year (2018-19: nil).

The following table presents the net expenditure for the year by reportable operating Segments for the period ended 31 March 2020:

	2019-20			2018-19		
	Business as usual £000	Change and reform £000	Total £000	Restated business as usual £000	Change and reform £000	Restated total £000
Operating income	(818,575)	(201)	(818,776)	(780,920)	(424)	(781,344)
Total operating income	(818,575)	(201)	(818,776)	(780,920)	(424)	(781,344)
Staff costs	538,743	37,499	576,242	502,143	34,795	536,938
Judiciary costs	586,697	-	586,697	516,622	19	516,641
Purchase of goods and services	645,151	25,573	670,724	628,231	42,449	670,680
Depreciation and impairment charges	137,910	-	137,910	170,895	-	170,895
Other non-cash expenditure	97,247	(23,022)	74,225	83,934	(2,626)	81,308
Total operating expenditure	2,005,748	40,050	2,045,798	1,901,825	74,637	1,976,462
Net operating expenditure	1,187,173	39,849	1,227,022	1,120,905	74,213	1,195,118
Finance costs	10,399	-	10,399	12,130	-	12,130
Net expenditure for the year	1,197,572	39,849	1,237,421	1,133,035	74,213	1,207,248

Details of the restatement are in note 26.

3. Staff and judiciary costs and numbers

Staff costs comprise:

	2019-20 £000	2018-19 £000
Wages and salaries	369,050	362,200
Social security costs	33,894	33,412
Employer's pension contributions	93,884	70,387
Agency staff costs	78,421	70,142
Voluntary early departures	386	41
	575,635	536,182
Add: inward secondments	703	978
	576,338	537,160
Less: recoveries in respect of outward secondments	(96)	(222)
Total staff costs	576,242	536,938

Further information on staff costs and numbers can be found in the our staff section of the annual report on pages 39-43.

3.1 Judiciary costs and numbers

Members of the judiciary are independent of HMCTS. Their payroll costs are met either from the Consolidated Fund in the case of senior judiciary, or directly by us for other judiciary. All costs are included within our accounts to ensure that the full cost of operations is disclosed. Senior judges also receive long service payments under an agreement with MoJ. There is a provision for these payments within the MoJ accounts.

	2019-20				2018-19			
	Senior judiciary £000	Other judiciary £000	Fee paid £000	Total £000	Senior judiciary £000	Other judiciary £000	Fee paid £000	Total £000
Wages and salaries	135,178	114,384	127,013	376,575	130,846	98,024	125,451	354,321
Social security costs	18,208	14,734	13,012	45,954	17,627	12,999	13,294	43,920
Employer's pensions contribution	68,001	51,609	44,558	164,168	49,717	37,187	31,496	118,400
Total payroll costs of the judiciary	221,387	180,727	184,583	586,697	198,190	148,210	170,241	516,641

3.2 Average number of judiciary

The amounts above include salary costs for an average 878 (2018-19: 863) judicial officers and fees for 1,170 full-time equivalent fee paid judiciary (2018-19: 1,171). The salary costs of a further 924 members (2018-19: 914 members) of the senior judiciary were met from the Consolidated Fund.

3.3 Judicial Pension Scheme (JPS)

The JPS is an unfunded multi-employer defined benefit scheme which prepares its own Accounts, but for which we are unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2016. Details can be found in the resource Accounts of the Judicial Pension Scheme at www.official-documents.co.uk

Judicial pensions are paid out of the Consolidated Fund where the judicial office holder's salary was paid from that fund or the JPS where the salary has been paid from the department's supply estimate. Contributions to the JPS have been made at a rate of 51.35% (2018-19: 38.45%). The amount of these contributions is included in the table in note 3.1 shown above.

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

Although the JPS is a defined benefit scheme, in accordance with FReM 6.2, we account for the scheme as a defined contribution scheme and recognises employer contributions payable as an expense in the year they are incurred.

Pension entitlements are provided to salaried judges under the JPS. In September 2005, a retired fee paid judicial office holder brought a claim in the Employment Tribunal seeking retrospective parity of treatment with salaried judicial office holders by claiming pension entitlements under the Part Time Workers Regulations.

A UK Supreme Court hearing on 6 February 2013 ruled that a retired fee paid judicial office holder is entitled to a pension on terms equivalent to those of a salaried judicial office holder. This lead case set the precedent for other stayed cases. Consistent with the accounting for salaried judicial office holders, and in accordance with FReM 6.2, we account for employer contributions payable to the JPS for eligible fee paid judicial office holders as they are incurred, but does not recognise a liability in respect of back payments or the pension liability arising pursuant to the claim. Accordingly, provision for the fee paid pension entitlement is recognised in the JPS Accounts.

Provisions have been recognised in the Ministry of Justice accounts for both the liability to fee paid judicial office holders in respect of the Judicial Service Award, and the separate element of the pension liability relating to fee paid judges, as neither of these is a liability covered by the JPS and its governing Acts.

4. Purchase of goods and services

	2019-20	2018-19
	£000	£000
Lease / other service concession charges:		
Rentals under operating leases	87,363	85,032
PFI service charges	28,280	26,854
Other service concession charges	(100)	2,872
Other services:		
Accommodation, maintenance and utilities	265,331	255,404
IT Services	132,046	131,053
Juror costs	31,054	36,638
Communications, office supplies and services	32,948	27,525
Contracted service costs	28,920	25,019
Consultancy costs	7,791	23,868
Non-pay staff costs	16,069	17,407
Non-pay judicial costs	9,588	6,572
Magistrates' costs	9,523	9,486
Bank charges	4,307	4,037
Other costs	17,594	18,903
Other grants	10	10
Total purchase of goods and services	670,724	670,680

5. Depreciation and impairment charges

	2019-20	Restated 2018-19
	£000	£000
Depreciation of property and equipment	131,795	130,326
Amortisation of intangible assets	19,069	17,928
Impairment of property and equipment	10,411	20,197
Impairment (reversal) of property and equipment	(22,954)	(7,343)
Impairment of intangible assets	-	8,548
Impairment (reversal) of assets held for sale	83	55
Increase in receivables impairment	(494)	1,184
Total depreciation and impairment charges	137,910	170,895

Details of the restatement are in note 26.

6. Other non-cash expenditure

	2019-20	2018-19
	£000	£000
Intra-departmental recharges	88,416	89,798
Increase/(decrease) in provisions	7,013	(8,506)
Capital grant in kind	-	-
Straight-lining of operating lease payments	1,508	2,566
Amortisation of operating lease prepayment	-	-
Net (gain) on disposal of non-current assets	(23,022)	(2,830)
External auditors' remuneration	310	280
Total other non-cash expenditure	74,225	81,308

Intra-departmental recharge

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

External auditors' remuneration

The costs of the audit performed by the NAO on behalf of the Comptroller and Auditor General are recognised as a non-cash charge. During the year we did not purchase any non-audit services. The cost comprises £200,000 (2018-19: £180,000) for the audit of the HMCTS Annual Report and Accounts and £110,000 (2018-19: £100,000) for the audit of the HMCTS Trust Statement.

Capital grant in kind

Capital grant in kind is recognised in relation to the transfer of property from HMCTS to Homes England, in accordance with the Consolidated Budgeting Guidance.

7. Finance costs

	2019-20	2018-19
	£000	£000
Finance charge on pension transfer deficit payable	1,712	2,817
Interest on by-analogy pension scheme liability	44	55
Unwinding of discount on provisions	2,247	2,260
Total non-cash finance costs	4,003	5,132
Local authority loan interest	923	978
Finance charges on PFI and leased assets	5,473	6,020
Total cash finance costs	6,396	6,998
Total finance costs	10,399	12,130

8. Operating income

	2019-20	2018-19
	£000	£000
Gross fee income	724,168	738,057
Movement provisions for fee refund schemes	1,261	(34,470)
Refunds and interest paid under refund schemes	(654)	(10,261)
Total fee income	724,775	693,326
Recoveries from other government bodies	90,979	84,499
Miscellaneous income	3,022	3,519
Total operating income	818,776	781,344

Information on fee income can be found in the Parliamentary accountability report on page 44.

8.1 Fee refund schemes

The £1.3 million movement in fee refund scheme provisions is comprised of:

£1.3 million net decrease (2018-19: £10.4m net increase) in the value of the provision: this represents the utilisation of the provision during 2018-19, and any subsequent changes in the estimate of the refunds likely to be claimed.

£Nil (2018-19: £44.9 million) of new provisions made in respect of fees which were incorrectly set above cost.

Please see Notes 17.3 and 22 for further details about the provisions and contingent liabilities for fee refund scheme

8.2 Significant sources of operating income payables and receivables

	Income	Receivables	Contract assets	Deferred income
	£000	£000	£000	£000
DWP	29,816	10,607	548	-
HMRC	39,560	-	-	-

We receive funding from DWP and HMRC in respect of the operations of the first tier tribunal (SSCS).

8.3 Consolidated Fund income

Total income does not include amounts collected by us where it was acting as agent of the Consolidated Fund rather than as principal. Full details of income collected as agent for the Consolidated Fund can be found in the HMCTS Trust Statement published separately from these financial statements.

9. Property and equipment

	Land excluding dwellings	Buildings excluding dwellings	Dwellings	Information technology	Equipment	Furniture, fixtures and fittings	Assets under construction	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation								
At 1 April 2019	629,078	2,723,481	16,981	63,772	68,504	14,413	97,168	3,613,397
Additions	2,304	5,341	-	480	1,022	1,481	71,374	82,002
Disposals	(1,832)	(40)	-	-	(687)	-	-	(2,559)
Scrap PE	-	(662)	-	(296)	(7,727)	(566)	(79)	(9,330)
Impairment	(2,629)	(7,782)	-	-	-	-	-	(10,411)
Revaluation	17,644	23,628	390	472	1,265	(162)	-	43,237
Reclassification	(25,993)	32,203	-	8,175	2,296	-	(64,486)	(47,805)
Transfers to MoJ	-	-	-	(50)	-	-	-	(50)
At 31 March 2020	618,572	2,776,169	17,371	72,553	64,673	15,166	103,977	3,668,481
Depreciation								
At 1 April 2019	-	-	-	(41,997)	(59,911)	(12,891)	-	(114,799)
Charged in year	(575)	(118,635)	(304)	(8,411)	(3,231)	(639)	-	(131,795)
Disposals	-	40	-	-	576	-	-	616
Scrap PE	-	49	-	267	7,355	550	-	8,221
Impairment	-	-	-	-	-	-	-	-
Revaluations	575	119,254	304	(325)	(1,125)	152	-	118,835
Reclassification	-	(707)	-	148	-	-	-	(559)
Transfers to MoJ	-	-	-	-	-	-	-	-
At 31 March 2020	-	1	-	(50,318)	(56,336)	(12,828)	-	(119,481)
Carrying amount at 31 March 2020	618,572	2,776,170	17,371	22,235	8,337	2,338	103,977	3,549,000
Carrying amount at 31 March 2019 (Restated)	629,078	2,723,481	16,981	21,775	8,593	1,522	97,168	3,498,598
Asset financing:								
Owned	540,835	2,232,189	12,999	22,235	8,337	2,338	103,977	2,922,910
Finance leased	57,530	329,933	4,372	-	-	-	-	391,835
On-balance sheet PFI contracts	20,207	214,048	-	-	-	-	-	234,255
Carrying amount at 31 March 2020	618,572	2,776,170	17,371	22,235	8,337	2,338	103,977	3,549,000

9 Property and equipment (continued)

	Land excluding dwellings	Restated buildings excluding dwellings	Dwellings	Information technology	Equipment	Furniture, fixtures and fittings	Assets under construction	Restated total
	£000	£000	£000	£000	£000	£000	£000	£000
Cost or valuation								
At 1 April 2018	627,436	2,777,489	17,181	62,577	69,285	32,663	98,519	3,685,150
Additions	-	3,252	-	4,065	1,210	73	56,700	65,300
Disposals	(2,750)	-	-	-	-	-	-	(2,750)
Scrap PE	-	(8)	-	(240)	(3,284)	(18,621)	-	(22,153)
Impairment	(2,259)	(17,895)	(43)	-	-	-	-	(20,197)
Revaluation	8,743	(107,313)	(157)	435	832	146	-	(97,314)
Reclassification	(2,092)	67,956	-	(3,065)	461	152	(58,051)	5,361
Transfers from Moj	-	-	-	-	-	-	-	-
At 31 March 2019	629,078	2,723,481	16,981	63,772	68,504	14,413	97,168	3,613,397
Depreciation								
At 1 April 2018	1	(1)	-	(34,345)	(58,468)	(30,723)	-	(123,536)
Charged in year	(724)	(118,046)	(305)	(7,570)	(3,034)	(647)	-	(130,326)
Disposals	-	-	-	-	-	-	-	-
Scrap PE	-	-	-	229	2,334	18,608	-	21,171
Impairment	-	-	-	-	-	-	-	-
Revaluations	865	117,905	305	(311)	(743)	(129)	-	117,892
Reclassifications	(142)	142	-	-	-	-	-	-
Transfers from Moj	-	-	-	-	-	-	-	-
At 31 March 2019	-	-	-	(41,997)	(59,911)	(12,891)	-	(114,799)
Carrying amount at 31 March 2019	629,078	2,723,481	16,981	21,775	8,593	1,522	97,168	3,498,598
Carrying amount at 31 March 2018	627,437	2,777,488	17,181	28,232	10,817	1,940	98,519	3,561,614
Asset financing:								
Owned	609,658	2,484,125	16,981	21,775	8,593	1,522	97,168	3,239,822
Finance leased	-	29,605	-	-	-	-	-	29,605
On-balance sheet PFI contracts	19,420	209,751	-	-	-	-	-	229,171
Carrying amount at 31 March 2019	629,078	2,723,481	16,981	21,775	8,593	1,522	97,168	3,498,598

Land excluding dwellings and buildings excluding dwellings includes surplus assets with a net book value of £7.8 million (2018-19: £5.4 million). Details of the restatement are in note 26.

10. Assets held for sale

	Notes	2019-20 £000	2018-19 £000
As at 1 April 2019		3,002	5,133
Assets reclassified to held for sale from property and equipment		48,852	1,765
(Decrease) in fair value of assets held for sale	5	(83)	(55)
Disposals		(44,425)	(3,841)
As at 31 March 2020		7,346	3,002

As part of an ongoing court rationalisation review, we have committed to a plan to sell a number of surplus properties (land and buildings) that were previously used to provide court services. An active programme to locate buyers and complete the sale of each property has begun and estate agents are actively marketing the properties. The properties are available for sale in their present condition and the sales are highly probable to occur within one year from the date of classification to assets held for sale within the SoFP.

A net profit on disposal of assets held for sale of £23 million (2018-19: £2.8 million) is included within the overall net gain on disposal of property and equipment within other non-cash expenditure which is disclosed in Note 6.

11. Intangible assets

	Information technology £000	Software licences £000	Assets under construction £000	Total £000
Cost or valuation				
At 1 April 2019	209,972	8,016	249,013	467,001
Additions	682	-	104,121	104,803
Disposals	-	-	-	-
Scrap IA	-	(24)	(18)	(42)
Impairment	-	-	-	-
Revaluation	1,397	52	-	1,449
Reclassifications	7,565	-	(8,053)	(488)
Transfers from MoJ	-	-	-	-
At 31 March 2020	219,616	8,044	345,063	572,723
Amortisation				
At 1 April 2019	(150,952)	(3,210)	-	(154,162)
Charged in year	(17,469)	(1,600)	-	(19,069)
Disposals	-	-	-	-
Revaluation	(1,093)	(31)	-	(1,124)
Reclassification	-	-	-	-
Transfers from MoJ	-	-	-	-
At 31 March 2020	(169,514)	(4,841)	-	(174,355)
Carrying amount at 31 March 2020	50,102	3,203	345,063	398,368
Carrying amount at 31 March 2019	59,020	4,806	249,013	312,839

All intangible assets are owned by us.

The additions identified above relate to the development of new IT systems as part of our reform programme.

	Information technology £000	Software licences £000	Assets under construction £000	Total £000
Cost or valuation				
At 1 April 2018	205,038	7,800	158,385	371,223
Additions	-	-	109,378	109,378
Disposals	-	-	-	-
Scrap IA	-	-	(67)	(67)
Revaluations	1,925	216	-	2,141
Impairment	-	-	(8,548)	(8,548)
Reclassifications	3,009	-	(10,135)	(7,126)
Transfers from Moj	-	-	-	-
At 31 March 2019	209,972	8,016	249,013	467,001
Amortisation				
At 1 April 2018	(133,299)	(1,560)	-	(134,859)
Charged in year	(16,364)	(1,564)	-	(17,928)
Disposals	-	-	-	-
Revaluation	(1,289)	(86)	-	(1,375)
Reclassification	-	-	-	-
Transfers from Moj	-	-	-	-
At 31 March 2019	(150,952)	(3,210)	-	(154,162)
Carrying amount at 31 March 2019	59,020	4,806	249,013	312,839
Carrying amount at 31 March 2018	71,739	6,240	158,385	236,364

12. Financial instruments

IFRS 7 'Financial Instruments: Disclosures', requires disclosure of the role that financial instruments have had during the year in creating or changing risks an entity faces in carrying out its business.

As we are funded via MoJ, it is not exposed to the degrees of financial risk or market risk facing a business entity. Financial instruments also play a much more limited role in creating or changing risk than would be typical of the listed companies to which IFRS 7 primarily applies. We have no powers to borrow or invest surplus funds. Its financial assets and liabilities arise from day-to-day operational activities and are not held to hedge risks arising from these activities. We are therefore not exposed to significant liquidity, interest rate or foreign currency risk.

Credit risks arise from our financial assets, which comprise cash and cash equivalents, trade and other receivables and other financial assets. Our exposure to credit risk arises from potential default of a counterparty on their contractual obligations resulting in financial loss to us.

Credit risk associated with our receivables is minimal as most debtor balances are with other government related bodies. Credit risk in relation to receivables is also monitored by management regularly by reviewing the ageing of receivables. The maximum loss HMCTS is exposed to is the carrying value of its financial assets within the SoFP.

Fair values

The fair values of our financial assets and liabilities as at 31 March 2020 and 31 March 2019 approximate their book values.

13. Trade and other receivables

Amounts falling due within one year:

	2019-20	2018-19
	£000	£000
Trade receivables	18,961	13,333
Other receivables:		
VAT recoverable	16,674	12,244
Intra-departmental receivables	54,234	31,527
Prepayments and accrued income	39,499	36,817
Other receivables	7,223	5,892
Total amounts falling due within one year	136,591	99,813

Amounts falling due after more than one year:

	2019-20	2018-19
	£000	£000
Other receivables	548	548
Prepayments	-	-
Total amounts falling due after more than one year	548	548

14. Cash and cash equivalents

Cash and cash equivalents recorded in the statement of financial position and statement of cash flows include cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

	2019-20	2018-19
	£000	£000
As of the beginning of the period	24,837	28,461
Net increase/(decrease) in cash balances	(7,602)	(3,624)
As at the end of the period	17,235	24,837

The following balances as at 31 March held at:

Government Banking Service	17,173	24,773
Cash in hand	59	60
Imprests	3	4
Total cash and cash equivalents	17,235	24,837

15. Trade and other payables

Amounts falling due within one year:

	2019-20	2018-19
	£000	£000
Taxation and social security	17,138	16,170
Trade payables	26,807	12,586
Other payables	27,077	22,460
Intra-departmental payables	88,178	40,756
Accruals and deferred income	150,006	149,934
Deferred fee income	22,612	26,751
Cash balances payable to other government departments	-	-
Current part of payable for pension transfer deficit	32,687	32,687
Total amounts falling due within one year	364,505	301,344

Amounts falling due after more than one year:

	2019-20	2018-19
	£000	£000
Local Authority loan balances	20,776	22,323
Payable for pension transfer deficit	15,283	46,259
Total amounts falling due after more than one year	36,059	68,582

15.1 Financial liabilities

Amounts falling due within one year:

	2019-20	2018-19
	£000	£000
Lease incentive payable	572	1,909
Straight lining payable	2,271	2,867
Finance leases	114	90
Imputed finance lease element of on balance sheet PFI contracts	8,926	8,926
Total amounts falling due within one year	11,883	13,792

Amounts falling due after more than one year:

	2019-20	2018-19
	£000	£000
Lease incentive payable	13,882	13,527
Straight lining payable	92,433	88,970
Finance leases	8,752	8,889
Imputed finance lease element of on balance sheet PFI contracts	68,682	77,607
Total amounts falling due after more than one year	183,749	188,993

16. Notes to the statement of cash flows

Summary of notional and non-cash costs are as follows:

	2019-20	Restated 2018-19
	£000	£000
Notional costs		
Consolidated Fund judicial salaries - wages and salaries	134,368	130,122
Consolidated Fund judicial salaries - social security costs	18,208	17,627
External auditor's remuneration	310	280
Departmental recharge	88,416	89,798
Total notional costs	241,302	237,827
Non-cash costs		
(Profit)/loss on disposal of property and equipment	(23,022)	(2,830)
(Increase)/decrease in fair value of property and equipment	(22,954)	(7,343)
Impairment of property and equipment	10,411	20,197
Impairment of intangible assets	-	8,548
Reduction in fair value of Assets Held for Sale	83	55
Impairment (reversal) of capital receivable	-	-
Capital grants	-	-
Straight-lining of operating lease payments	1,508	2,566
Movement in provisions	6,024	35,456
Movement in receivables impairment	(494)	1,184
Depreciation	131,795	130,326
Amortisation	19,069	17,928
Total non-cash costs	122,420	206,087
Total notional and non-cash costs	363,722	443,914

Details of the restatement are in note 26.

16.1 Reconciliation of property and equipment

	Notes	2019-20	2018-19
		£000	£000
Additions			
Property and equipment	9	82,002	65,300
Plus:			
Movement in capital accrual		(2,453)	(3,910)
Total purchases per statement of cash flows		79,549	61,390

16.2 Reconciliation of liabilities arising from financing activities 2019-20

	Notes	Opening balance 2018-19 £000	Cash flows 2019-20 £000	Closing balance 2019-20 £000
Repayments of local authority loans	15	22,323	(1,547)	20,776
Finance lease liabilities	15.1	8,979	(113)	8,866
PFI liabilities	15.1	86,533	(8,925)	77,608
Total amounts falling due within one year		117,835	(10,585)	107,250

17. Provision for liabilities and charges

	Early departure costs £000	By-analogy pension scheme £000	Dilapidations £000	Other provisions £000	Fee refunds £000	Total £000	2018-19 Total £000
Balance at 1 April 2019	82,007	1,609	25,808	29,213	60,289	198,926	177,806
Provided in the year	5,476	-	-	2,412	-	7,888	47,483
Provisions not required written back	(15)	-	(707)	(153)	(989)	(1,864)	(12,027)
Provisions utilised in the year	(4,231)	(173)	(840)	(337)	(272)	(5,853)	(16,143)
Unwinding of discount	2,246	137	-	1	-	2,384	1,807
Balance at 31 March 2020	85,483	1,573	24,261	31,136	59,028	201,481	198,926

Analysis of expected timings of discounted flows

Not later than one year	4,385	82	215	622	57,507	62,811	67,626
Later than one year but not later than five years	21,152	405	7,523	1,247	1,014	31,341	28,160
Later than five years	59,946	1,086	16,523	29,267	507	107,329	103,140
Balance at 31 March 2020	85,483	1,573	24,261	31,136	59,028	201,481	198,926

17.1 Provision for early departure costs

Provision has been made for the costs of unfunded early retirement benefits of certain magistrates' court staff. The provision represents the present value of the costs of the benefit payable to staff on Crombie and local government early retirement terms.

Also included in early departure costs is a provision for unfunded early retirement costs of our staff in the PCSPS. Provision has also been made for costs related to the modernisation programme.

An interest rate of 2.35% (2018-19: 2.60%) has been used to assess the interest costs of the scheme liability and future estimated payments have been discounted at a rate of -0.5% (2018-19: 0.29%).

The provision for early departure costs recorded above is separate to the voluntary early departure scheme costs recorded in note 3.

17.2 By-analogy pension scheme

The by-analogy pension scheme provision relates to three pension schemes for the Criminal Injuries Compensation (CIC) Tribunal, the Immigration and Asylum Chamber (IAC) and the Residential Property Tribunal (RPT). These schemes have one member, ten members and 12 members respectively.

The schemes' liabilities were valued by the Government Actuary's Department (GAD) as at 31 March 2020 and the associated interest and current service costs have been charged to the SoCNE.

The schemes are referred to as 'by-analogy pension schemes' as they are similar to the PCSPS. However, they are funded by provisions from the department's vote and pension payments are administered by the department and made via the payroll system.

The aggregate actuarial loss on the scheme liabilities in 2019-20 was £93,000 (2018-19 was an actuarial gain of £508,000).

17.3 Fee refunds

Throughout the year HMCTS has developed and processed fee refunds for the following fees, the accounting for these fees is detailed in the table below.

Employment tribunals: Further to the July 2017 Supreme Court ruling HMCTS has continued to process these refunds. We identified £32.2 million in fees paid and to date have refunded £18 million including interest, as we are not able to reliably estimate the probability that the remaining fees will be claimed and refunded, we have recognised a contingent liability of £14.2 million.

In July 2018 The Court of Protection, Civil Proceedings and Magistrates Courts Fees (Amendment) Order 2018 became law. The statutory order reduced a small number of fees which were mistakenly set above cost. These changes affect fees charged for certain proceedings in the Court of Protection, particular fees relating to civil proceedings in the magistrates' Courts (including Council Tax Liability Orders – CLTOs), fees for general applications in insolvency proceedings and the fees charged for High Court Judges sittings as arbitrators. The refund scheme applicable to these cases was launched by MoJ in January 2020.

Following an internal review of fees it was determined that an incorrect fee for low value personal injury claims was charged, the error arose as a result of a single flat fee being charged for cases which should have been treated as money claims and had a sliding fee scale applied. This has resulted in an overcharge of £16.4 million for which a refund scheme is currently being developed.

The above are included in the accounts as follows:

Refund scheme	2019-20	2019-20	Total estimate of refund included in the 2019-20 account
	Provision	Contingent Liability (note 22)	
	£000	£000	£000
Employment Tribunal	Nil	14,200	14,200
The Court of Protection, Civil Proceedings and Magistrates Courts Fees (Amendment) Order 2018:-			
CLTOs	38,500	Nil	38,500
Other	5,100	4,200	9,300
Personal Injury claims – following an internal review	15,400	1,000	16,400
Total	59,000	19,400	78,400

17.4 Other provisions

The 'other' category contains provisions totaling £4.8 million for claims against us, and a provision for an onerous lease of undeveloped land of £26.3 million.

17.5 Dilapidations

Dilapidation costs are an estimate of the expenditure required to return vacated leased buildings to their original condition as at the date of commencement of the lease. The movement in year is as a result of updated information relating to property vacations, new properties leased during the year, and changes in the cost per square metre of the properties leased due to the general market conditions' impact on prices.

18. Capital commitments

Capital commitments at the end of the year not otherwise included in these accounts:

	2019-20	2018-19
	£000	£000
Property developments	47,842	40,067
Intangible assets	55,368	69,233
Total capital commitments	103,210	109,300

19. Operating leases

We lease various land and buildings under non-cancellable operating lease agreements. The land and buildings comprise mainly court facilities and have lease terms ranging from 3 to 40 years. The operating leases do not have purchase options, although some have escalation clauses and terms of renewal. Renewals are negotiated with the lessor in accordance with the provisions of the individual lease agreements.

We also lease vehicles under non-cancellable operating lease agreements. The lease terms are between one and six years.

The non-cancellable operating lease expenditure charged to the SoCNE during the year is disclosed in note 4.

The total future minimum lease payments under non-cancellable operating leases for each of the following periods are as follows:

	2019-20			2018-19		
	Land and buildings	Other	Total	Land and buildings	Other	Total
	£000	£000	£000	£000	£000	£000
Not later than one year	87,497	446	87,943	82,601	548	83,149
Later than one year but not more than five years	294,240	662	294,902	275,624	679	276,303
Later than five years	868,839	-	868,839	873,653	-	873,653
Total commitments under operating leases	1,250,576	1,108	1,251,684	1,231,878	1,227	1,233,105

20. Finance leases

We lease various buildings under non-cancellable finance lease agreements.

The total future minimum lease payments under non-cancellable finance leases for each of the following periods are as follows as at 31 March 2020:

	2019-20	2018-19
	£000	£000
Not later than one year	684	668
Later than one year but not more than five years	2,897	2,832
Later than five years	15,042	15,813
Minimum future lease payments	18,623	19,313
Future interest expense	(9,757)	(10,334)
Total present value of obligations	8,866	8,979

Present value of obligations under finance leases for the following periods comprise:

	2019-20	2018-19
	£000	£000
Not later than one year	114	90
Later than one year but not more than five years	713	604
Later than five years	8,039	8,285
Total present value of obligations	8,866	8,979

We lease various buildings under non-cancellable finance lease agreements. The buildings comprise mainly court facilities and have lease terms ranging from 20 to 999 years. The finance leases do not have purchase options, although some have escalation clauses and terms of renewal. Renewals are negotiated with the lessor in accordance with the provisions of the individual lease agreements.

21. Private finance initiative

We entered into eight PFI service concession arrangements. A summary of each PFI contract is set out below:

Project name	Contract start date	Duration (years)	On/off Statement of Financial Position	Initial capital value (£m)	Description
Exeter	November 2002	30	On	20.1	Provision of a courthouse comprising four criminal courts, one civil court and four district judge hearing rooms. At the end of the contract term the building will revert to us at no cost.
East Anglia	October 2002	25	On	34.5	Provision of Crown Court centres in Ipswich and Cambridge. Ipswich consists of five criminal courtrooms; Cambridge consists of three criminal courtrooms. At the end of the contract term the buildings in Ipswich and Cambridge will revert to us at no cost.
Sheffield	November 2002	25	On	7.7	Provision of a family hearing centre in Sheffield. At the end of the contract term we have the option of acquiring the under lease at the lower of its open market value or £2.0 million.
Derbyshire Magistrates' Courts	August 2001	27	On	29.5	Provision of serviced accommodation for magistrates' courts at New Mills, Chesterfield and Derby. The contract term can be extended (subject to agreement of mutually acceptable terms) by up to five years. At the end of the contract term the buildings shall revert to us at no cost.
Hereford and Worcester Magistrates' Courts	March 2000	25	On	30.6	Provision of serviced accommodation for magistrates' courts at Bromsgrove, Kidderminster, Worcester and Redditch. The contract term can be extended for another 10 years. At the end of the contract term the buildings shall revert to us at no cost.
Manchester Magistrates' Court	March 2001	25	On	32.9	Provision of serviced accommodation at Manchester Magistrates' Court at Spinningfields in Manchester. The contract term can be extended by mutual agreement by up to ten years. At the end of the contract term the building shall revert to us at no cost.
Humberside Magistrates' Court	March 2000	25	On	21.6	Provision of serviced magistrates' courthouses in Hull, Beverley and Bridlington. On expiry, we have the option of taking the assets back for a nominal amount of £3.0 million.
Avon and Somerset Magistrates' Court	August 2004	27	On	46.6	Provision of serviced accommodation at Bristol Magistrates Court, North Somerset Magistrates Court and Avon & Somerset Probation HQ and Training Centre, both at Worle. The contract term can be extended by mutual agreement by up to five years. At the end of the contract term the buildings shall revert to us at no cost.

21.1 On balance sheet contracts

Details of the imputed finance lease charges are given in the table below for each of the following periods:

	2019-20	2018-19
	£000	£000
Rentals due not later than one year	13,292	13,828
Rentals due later than one year and not later than five years	47,695	49,955
Rentals due later than five years	40,000	51,031
Minimum future lease payments	100,987	114,814
Future interest expense	(23,379)	(28,281)
Present value of minimum lease payments	77,608	86,533

Details of the minimum service charge element are given in the table below for each of the following periods:

	2019-20	2018-19
	£000	£000
Service charge due within one year	28,863	26,855
Service charge due later than one year and not later than five years	114,970	107,418
Service charge due later than five years	95,843	116,607
Total	239,676	250,880

21.2 Charge to the statement of comprehensive net expenditure

The total amount charged in the SoCNE in respect of the service element of PFI contracts and other service concession arrangements recognised on the SoFP was £28.2 million (2018-19: £29.7 million).

22. Contingent liabilities

Fee paid judicial office holder claims:

Pension entitlements are provided to salaried judges under the JPS. In September 2005, a retired fee paid judicial office holder brought a claim in the Employment Tribunal seeking retrospective parity of treatment with salaried judicial office holders by claiming pension entitlements under the Part Time Workers Regulations.

The UK Supreme Court ruled on 6 February 2013 that the retired fee paid judicial office holder was entitled to a pension on terms equivalent to those applicable to salaried judicial office holder. This lead case set the precedent for other stayed cases, which in addition to pension entitlements, extended to non-pension entitlements relating to fee paid judicial office holders' employment terms and conditions. For example, holiday and sick pay, payments in respect of training and writing up fees, increases in daily fees and cancellation fees where bookings are not honoured. The Fee-Paid Judicial Pension Scheme was established in April 2017 to provide retrospective pensions for eligible fee paid judicial office holders.

There were outstanding appeals in relation to the scope of MoJ's liability arising from this decision. The UK Supreme Court in July 2017 decided to refer the question of pre-2000 liability to the Court of Justice of the European Union (CJEU).

In November 2018, the CJEU ruled that, in calculating the pension the Court of Justice of the European Union (entitlement of eligible fee-paid judges, any continuous service prior to 7 April 2000 (the date that the Part-Time Worker Regulations should have been transposed into domestic law) must be taken into account.

In December 2018, the Court of Appeal upheld an Employment Appeal Tribunal decision that the transitional protection provisions in the Judicial Pension Scheme 2015 Regulations are unlawful on grounds of age discrimination.

At this stage all these outstanding matters are treated as contingent liabilities, it is not possible to accurately measure any potential financial liability to us.

Fee refunds:

Our current estimate of the total value of the refunds likely to be due is £78.4 million, of which £59 million has been provided for, the balance of £19.4 million is held as a contingent liability. Note 17.3 provides an analysis of both the provisions and contingent liability by refund scheme.

IR35 Legislation:

A change in legislation from April 2017 placed the responsibility for assessment of employment status of contingent workers on to the end client where the engaging client is a public sector body. As the end client, the MoJ group is responsible for deciding whether engagements are inside of the off-payroll working rules or not, and passing on status determinations to the fee-paying agency, so that appropriate tax and NI deductions are made. The public sector engager may be liable for any tax unpaid as a result of an incorrect determination passed to the fee-paying agency.

In 2019, HMRC challenged the MoJ group to revisit employment status determinations for all off-payroll workers engaged as at and since April 2017, where we had previously concluded workers are operating outside of the off-payroll working rules on the basis the individual worker could be substituted by another worker at the choice of the worker without consultation with the Department and without the Department having any right of veto.

IR35 legislation states that if the client has taken reasonable care and fulfilled its other duties, in reaching its conclusion in assessing whether a worker is outside of scope, the responsibility for deducting tax and NICs and paying these to HMRC will not rest with it. We applied the off-payroll rules with diligence and care, taking a considered assessment of the status of each contingent worker in the first instance, using HMRC's online status determination tool. We may be liable for any tax unpaid as a result of an incorrect determination passed to the fee-paying agency.

Other contingent liabilities:

We are involved in several legal cases dealing with ex gratia, compensation and other claims. The estimated cost of settlement for us is £7.3 million (2018-19: £1.3 million).

23. Related party transactions

We are an executive agency of MoJ, which is regarded as a related party. During the year, we had had material transactions with MoJ and other entities for which MoJ is regarded as the parent entity. We also had material transactions with a number of other government departments and central government bodies. In accordance with the requirements of the FReM these transactions have not been reported.

Registry Trust Limited is a private company limited by guarantee with no share capital. It maintains the Register of County Court judgements on behalf of the Lord Chancellor and the Secretary of State for Justice. Revenue recognised from the Registry Trust Limited in the year amounted to £0.6 million (2018-19 £0.6 million) with a total debtor balance due to us as at 31 March 2020 of £0.0 million (2018-19: £0.0 million).

On 16 July 2018 Andrew Baigent, was appointed by the Cabinet Office as a director of Integrated Debt Services Limited (trading as Indesser). Indesser is a joint venture between the Government and TDX Group Limited offering a single route for government bodies to use the private sector to recover debt. Andrew represents the Government as a non-executive director on the Board of Indesser. We use Indesser to provide information and analysis to assist with the recovery of debt. We paid £183,709 to Indesser for goods and services during 2019-20, with a total payable balance of £187,752 (all amounts shown include VAT).

No board members or related parties have undertaken any material transactions with us during 2019-20 and 2018-19.

We also have a number of arrangements with MoJ and its departmental bodies which are classified as intra-departmental recharges. These payments are for the use of assets and other services, and are expensed in the SoCNE each year as they are incurred. It is impractical to separate the payments reliably between those relating to assets and those relating to other services. These arrangements contain no defined end date. The payments also include payments for non-lease elements in the arrangements.

24. Third party balances

We hold a number of cash balances on behalf of third parties. These consist of bail monies and monies held on behalf of court users which are received and held while the case progresses. At 31 March 2020 these amounted to £69 million (2018-19: £27.0 million) and have not been recognised in the accounts in accordance with FReM requirements.

25. Events after the reporting period

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.

As disclosed in note 1.19 the COVID-19 global pandemic has had far reaching economic impacts in the period from the reporting date, there have been no adjustments made to the accounts.

26. Prior period adjustment

At 31 March 2019 a number of specialised operational assets were scheduled for closure, and the DRC valuation of these buildings were impaired to reflect the reduced service potential that these specialised operational assets provided to us.

It has been identified that the valuation for one of these assets, that was due for disposal in 2019-20, was materially understated at the 31 March 2019. The calculation of the impairment of the building did not take account of the pre-marketing valuation of the site, which indicated a higher residual value of the building than was used, resulting in an over impairment of the value.

The prior year comparators have been restated to reflect the impact of the error. This has impacted all the primary statements in addition to notes 2, 5, 9 and 16.

The tables below set out the adjustments made to the statements.

Statement of comprehensive net expenditure for the year ended 31 March 2019

	As reported £000	Adjustment £000	Restated £000
Depreciation and impairment charges	187,003	(16,108)	170,895
Net (gain)/loss on revaluation of property and equipment	(6,857)	(6,378)	(13,235)

Statement of financial position for the year ended 31 March 2019

	As reported £000	Adjustment £000	Restated £000
Property and equipment	3,476,112	22,486	3,498,598
General fund	2,024,947	16,108	2,041,055
Revaluation reserve	1,120,567	6,378	1,126,945

Statement of changes in taxpayers' equity for the year ended 31 March 2019

	As reported £000	Adjustment £000	Restated £000
Net operating expenditure	(1,223,356)	16,108	(1,207,248)
Revaluation of property and equipment	6,857	6,378	13,235

Statement of cashflows for the year end 31 March 2019

	As reported £000	Adjustment £000	Restated £000
Net expenditure for the year	(1,223,356)	16,108	(1,207,248)
Adjustments for notional and non-cash costs	460,022	(16,108)	443,914

Annex A – Fees and charges legislation

The most current fees orders are listed below and can also be viewed at www.legislation.gov.uk

The Civil Proceedings Fees Order 2008 (S.I. 2008/1053) Relevant amendments are S.I. 2014/874, 2014/1834, 2015/576, 2016/402, 2016/434, 2016/807, 2016/1191, 2017/702, 2018/812 and 2019/1063.

The Family Proceedings Fees Order 2008 (S.I. 2008/1054) Relevant amendments are S.I. 2011/1045, 2014/877, 2015/576, 2015/687, 2015/1419, 2016/402 and 2019/1063.

The Magistrates' Courts Fees Order 2008 (S.I. 2008/1052) Relevant amendments are S.I. 2010/731, 2014/875, 2016/807, 2018/812 and 2019/1063.

The Court of Protection Fees Order 2007 (S.I. 2007/1745) Amended by S.I. 2009/513, 2018/812 and 2019/1063.

The Gender Recognition (Application Fees) Order 2006 (S.I. 2006/758)

The Non-Contentious Probate Fees Order 2004 (S.I. 2004/3120) Amended by Schedule 11(1) paragraph 1(2) of the Constitutional Reform Act 2005 and S.I. 2007/2174, 2011/588, 2014/876 and 2019/1063.

The Upper Tribunal (Immigration and Asylum Chamber) (Judicial Review) (England and Wales) Fees Order 2011 (S.I. 2011/2344) Relevant amendments are S.I. 2013/2069, 2016/402 and 2016/807

The Upper Tribunal (Lands Chamber) Fees Order 2009 (S.I. 2009/1114) Relevant amendments are S.I. 2010/2601, 2013/1199 and 2016/434

The First-tier Tribunal (Gambling) Fees Order 2010 (S.I. 2010/42) Amended by S.I. 2010/633

The First-tier Tribunal (Property Chamber) Fees Order 2013 (S.I. 2013/1179) Amended by S.I. 2016/807

In addition, the remissions schedule to each of the above fees orders (but not the fees order below) was substituted by The Courts and Tribunals Fee Remissions Order 2013 (S.I. 2013/2302) as amended by S.I. 2014/590, 2016/211 and 2017/422.

The First-tier Tribunal (Immigration and Asylum Chamber) Fees Order 2011 (S.I. 2011/2841)

Relevant amendments are S.I. 2013/534, 2016/928, 2016/1149, 2017/515, 2018/330 and 2020/314.

Annex B – Performance analysis

Magistrates' courts:

Figure 1: Receipts, disposals and outstanding for all criminal cases in magistrates' courts in England and Wales 2017-18 to 2019-20

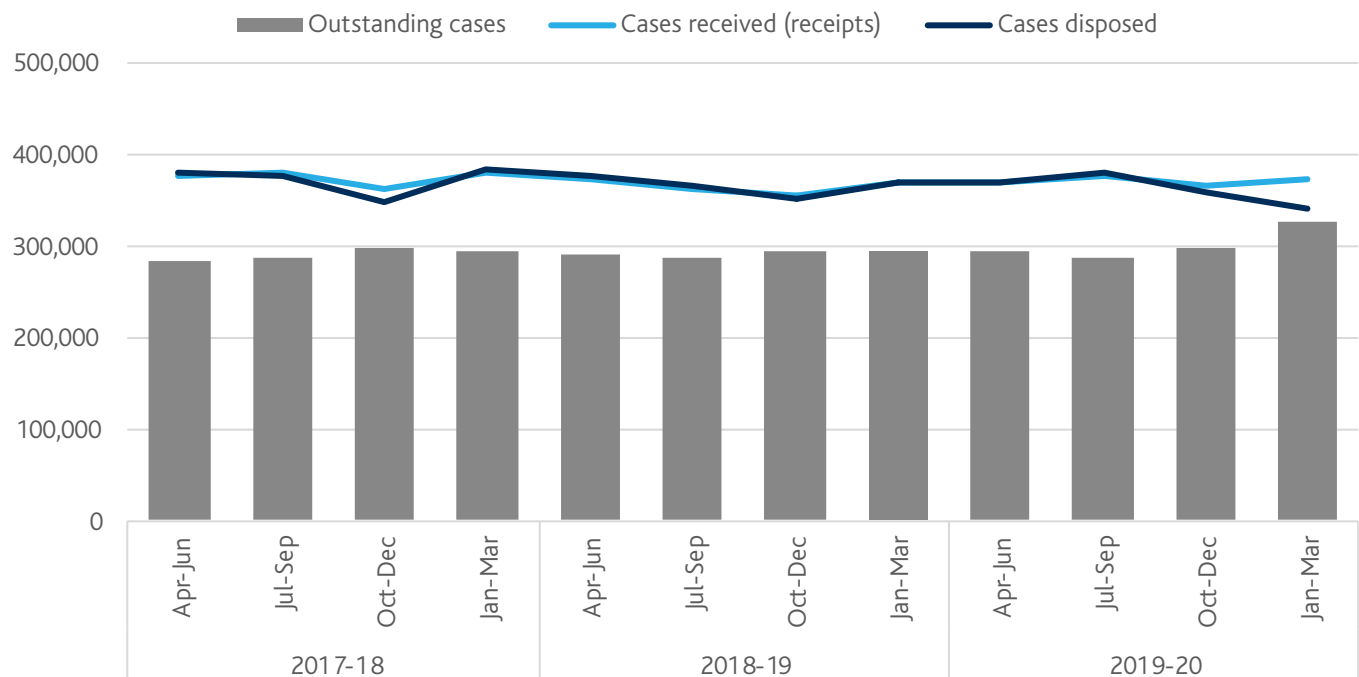
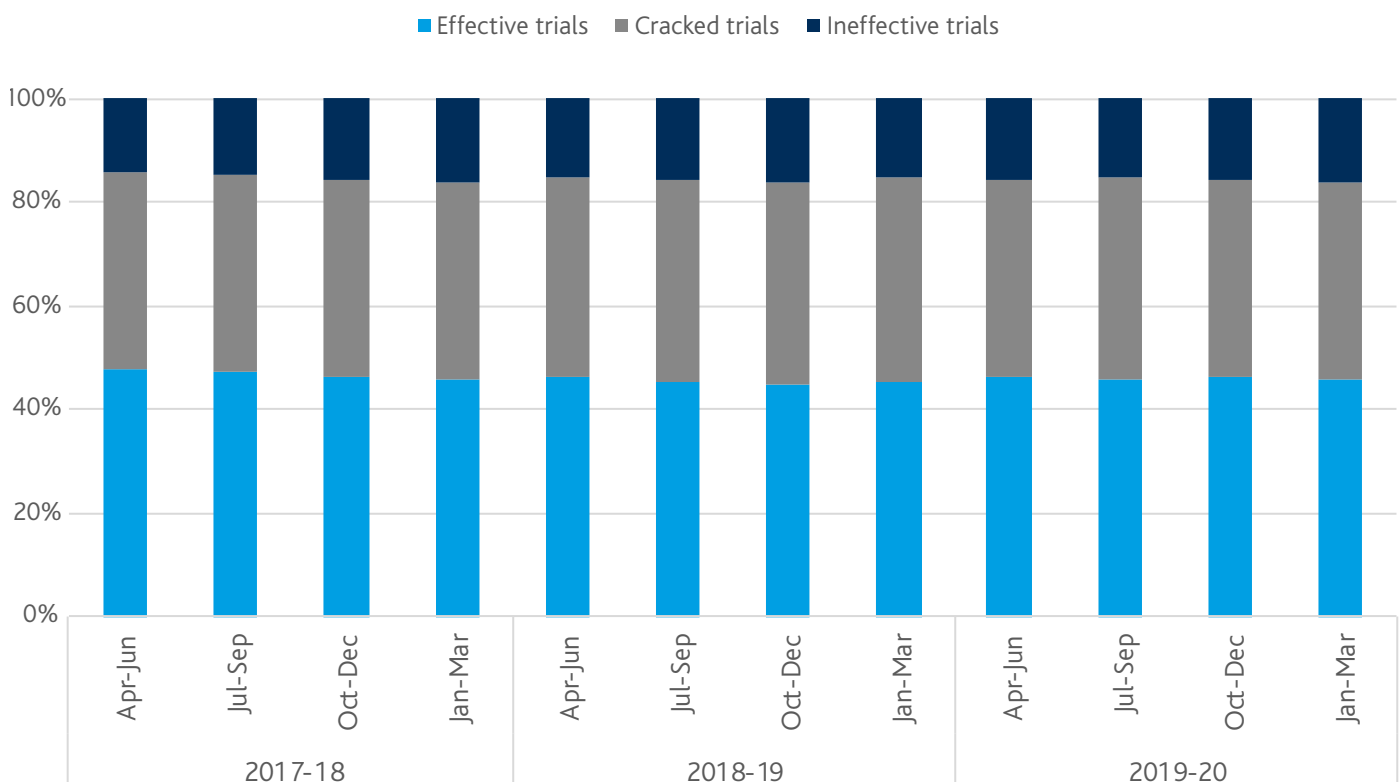


Figure 2: Effectiveness of magistrates' courts trials in England and Wales 2017-18 to 2019-20



Crown Court:

Figure 3: Receipts, disposals and outstanding for all cases in the Crown Court in England and Wales 2017-18 to 2019-20

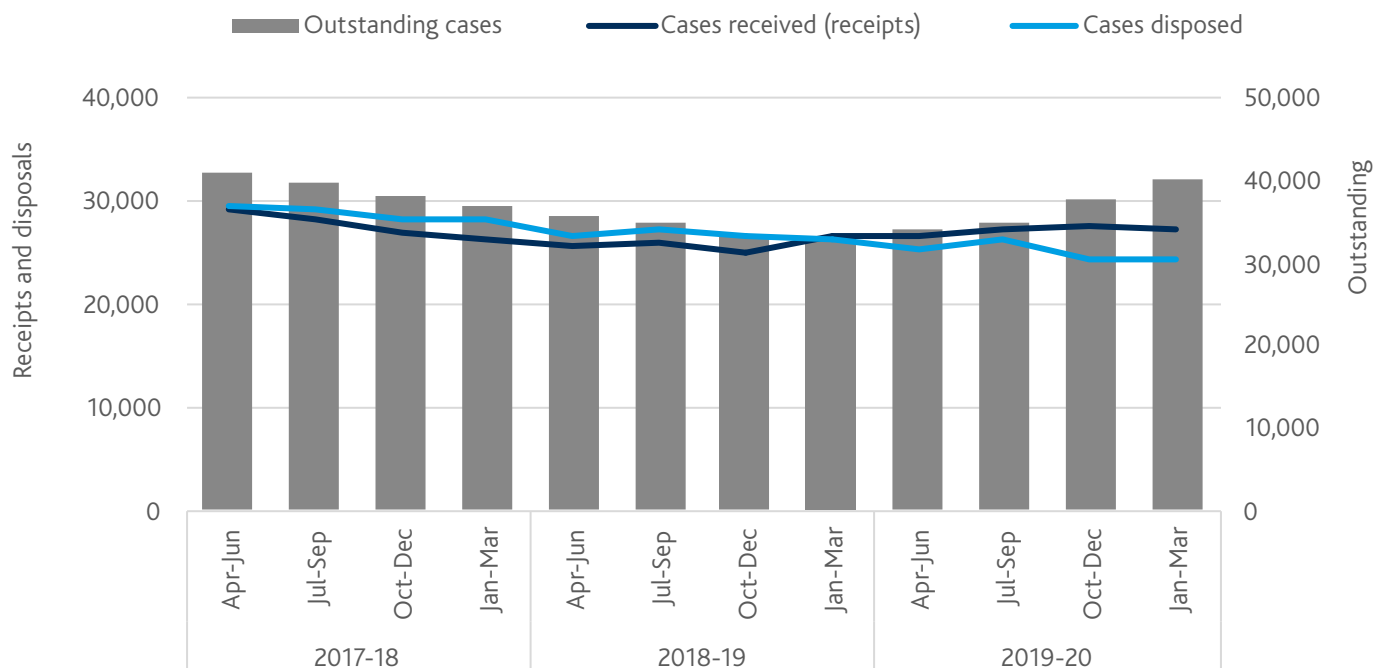
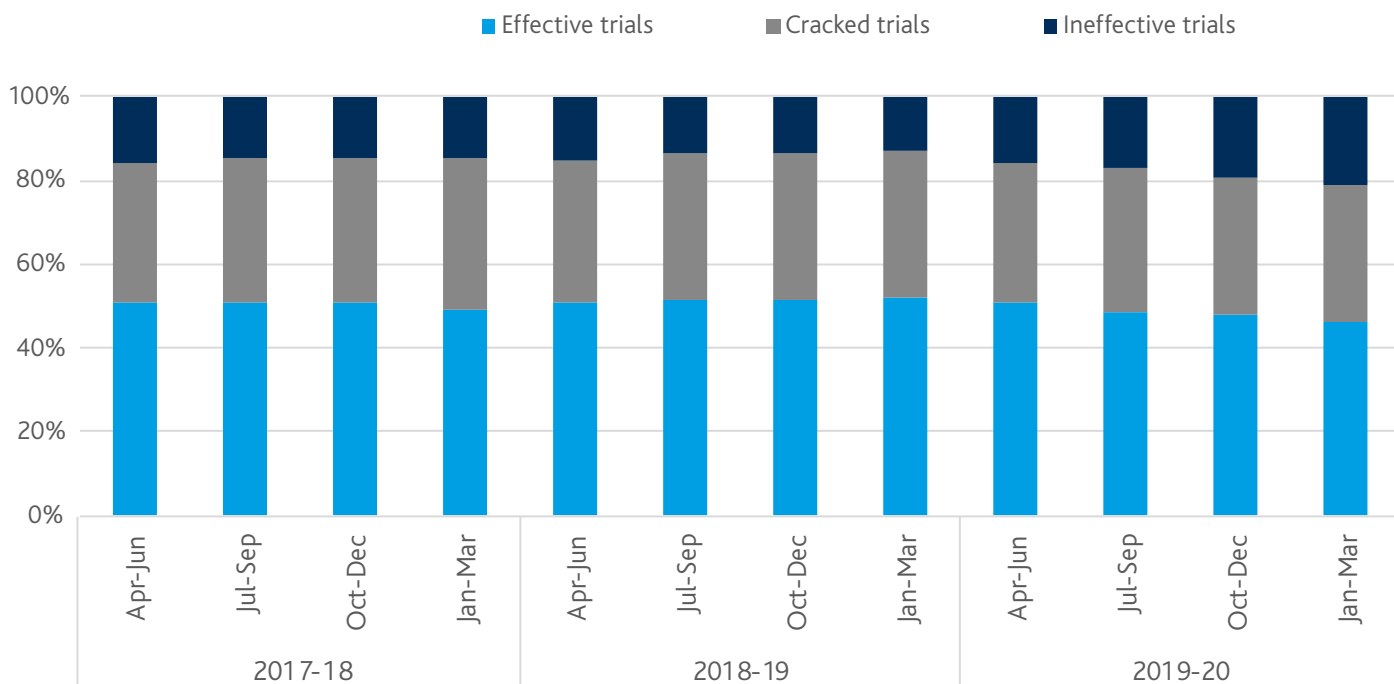
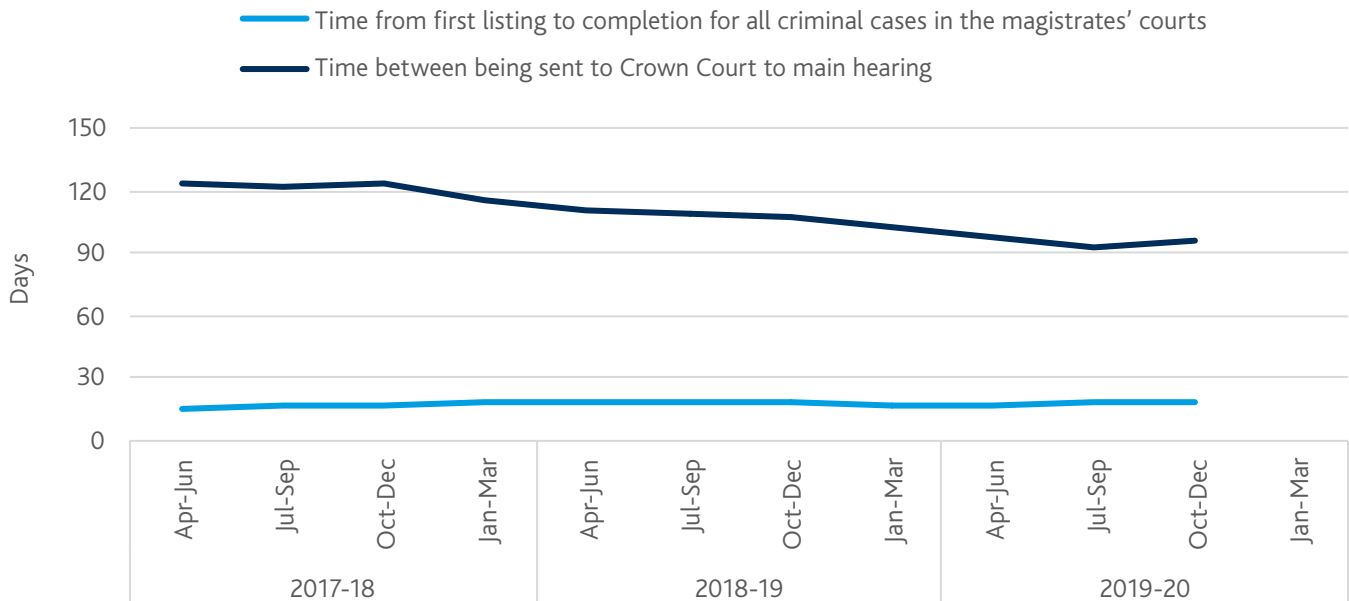


Figure 4: Effectiveness of Crown Court trials in England and Wales 2017-18 to 2019-20



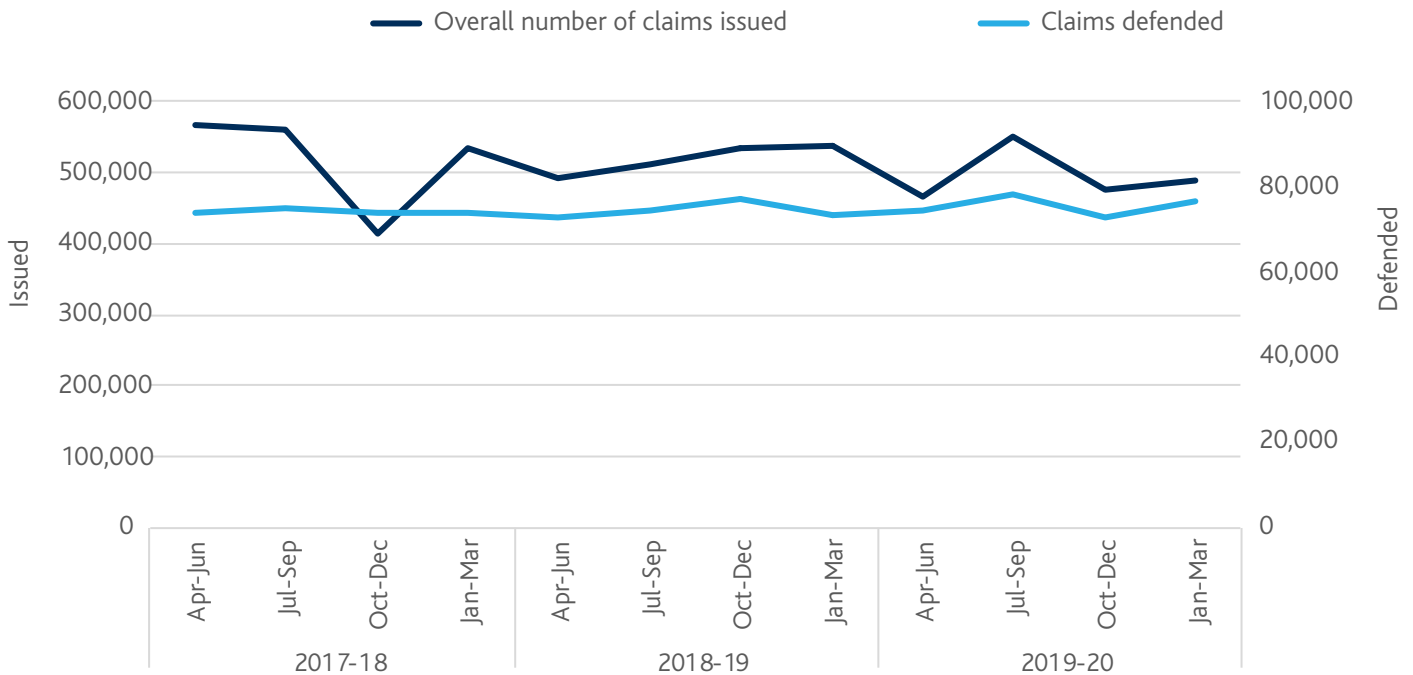
Timeliness for magistrates' and Crown Court cases:

Figure 5: Average number of days taken from first listing to completion for all criminal cases at the magistrates' court and those being sent to the Crown Court to main hearing, England and Wales 2017-18 to 2019-20¹



County court:

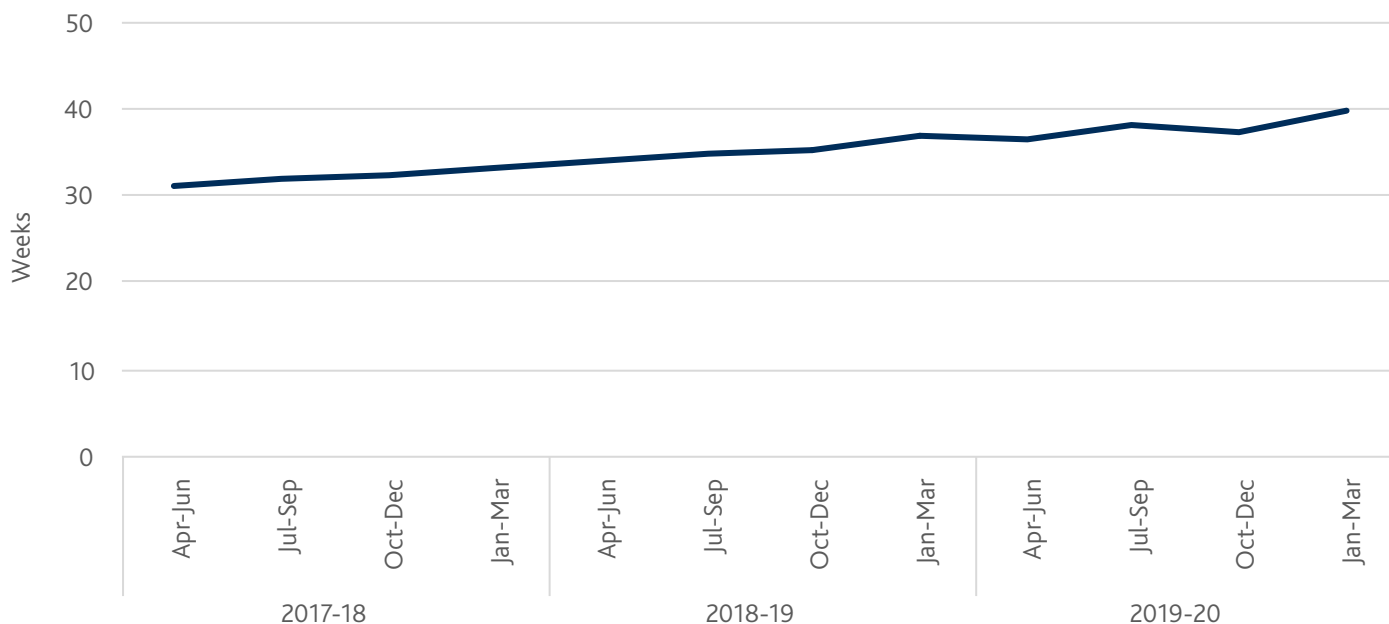
Figure 6: County Court activity,² England and Wales 2017-18 to 2019-20



¹ A temporary pausing of access to the Police National Computer to minimise non-essential travel by our analysts has, in line with guidance from the Office for Statistics Regulation resulted in the decision to delay the publication of all linked criminal court timeliness data for Jan - Mar 2020.

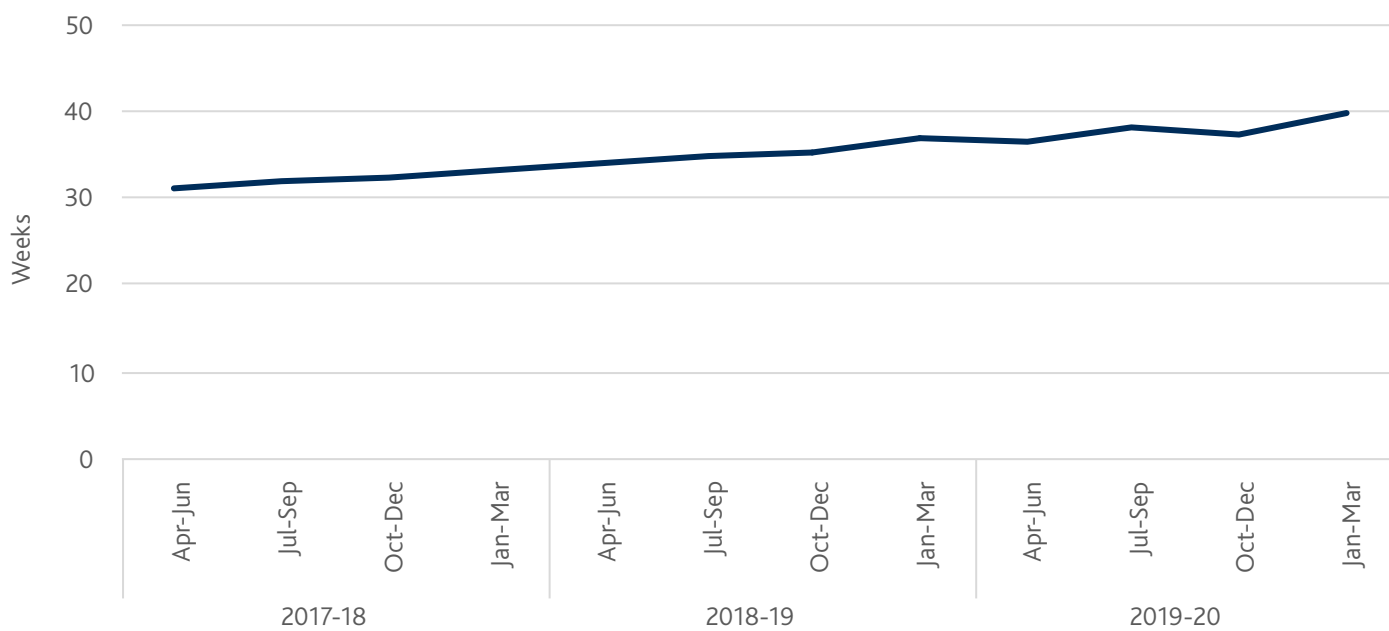
² The fall in total claims through October to December 2017 was driven by the implementation of the pre-action protocol for debt claims (Debt PAP). Debt PAP was implemented with the intention of guiding parties to resolve their issues without the need to start court proceedings.

Figure 7: Average time to reach trial for a small claim in the County Court in England and Wales 2017-18 to 2019-20



Family:

Figure 8: Number of children involved in public law application receipts and disposals,^{3,4} England and Wales 2017-18 to 2019-20⁵



3 Public and private law disposals count the number of orders made, orders refused or applications withdrawn.
 4 There is not a one-to-one relationship between applications and disposals (for example, one application may result in multiple disposals). As a result, changes in outstanding volumes do not equal the difference between receipts and disposals.
 5 Public and private law outstanding figures are sourced from HMCTS internal management systems and, as a result, are subject to change over time. This management information and relevant guidance can be found at www.gov.uk/government/organisations/hm-courts-and-tribunals-service/about/statistics

Figure 9: Number of children involved in private law application receipts and disposals,^{6,7} England and Wales 2017-18 to 2019-20⁸

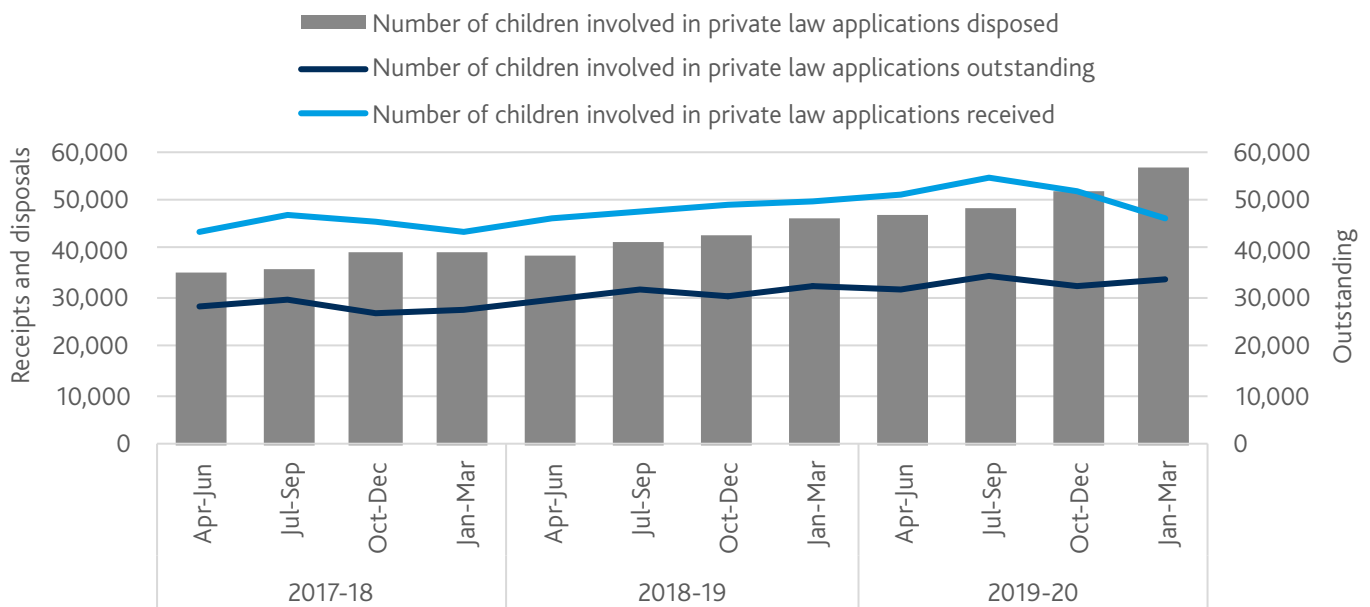
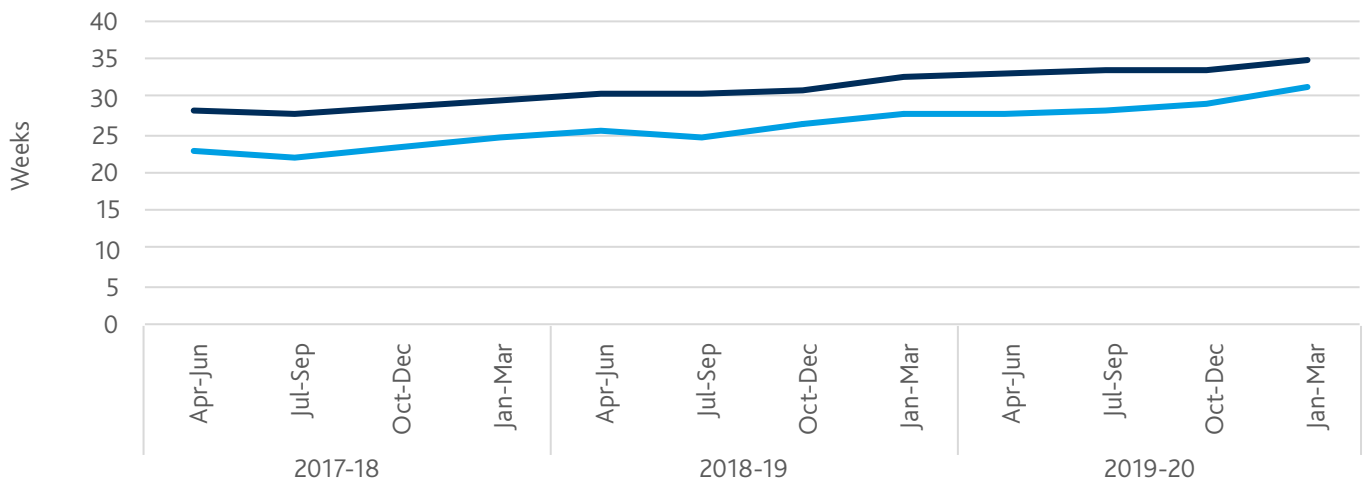


Figure 10: Public and private law summary statistics on the timeliness in the Family Court, England and Wales 2017-18 to 2019-20



6 Public and private law disposals count the number of orders made, orders refused or applications withdrawn

7 There is not a one-to-one relationship between applications and disposals (for example, one application may result in multiple disposals). As a result, changes in outstanding volumes do not equal the difference between receipts and disposals

8 Public and private law outstanding figures are sourced from HMCTS internal management systems and, as a result, are subject to change over time. This management information and relevant guidance can be found at www.gov.uk/government/organisations/hm-courts-and-tribunals-service/about/statistics

Tribunals:

Figure 11: Employment single claim receipts,⁹ disposals and claims outstanding 2017-18 to 2019-20

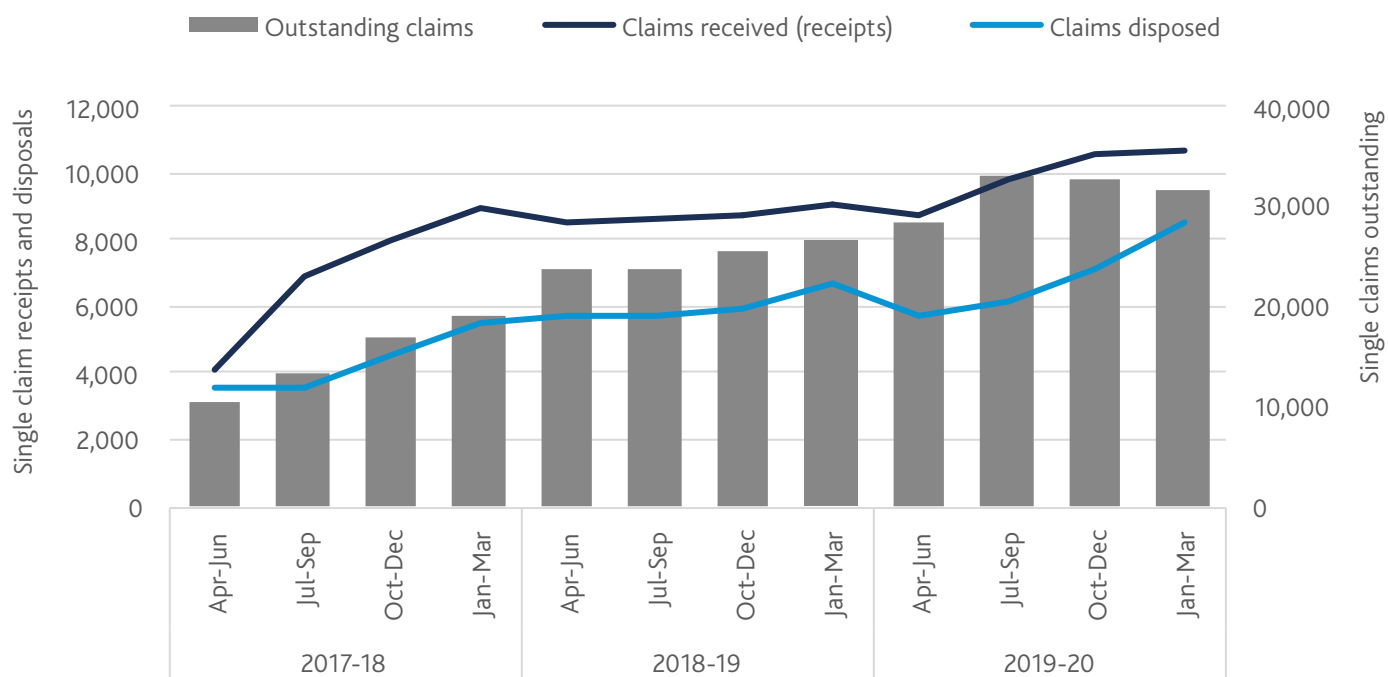
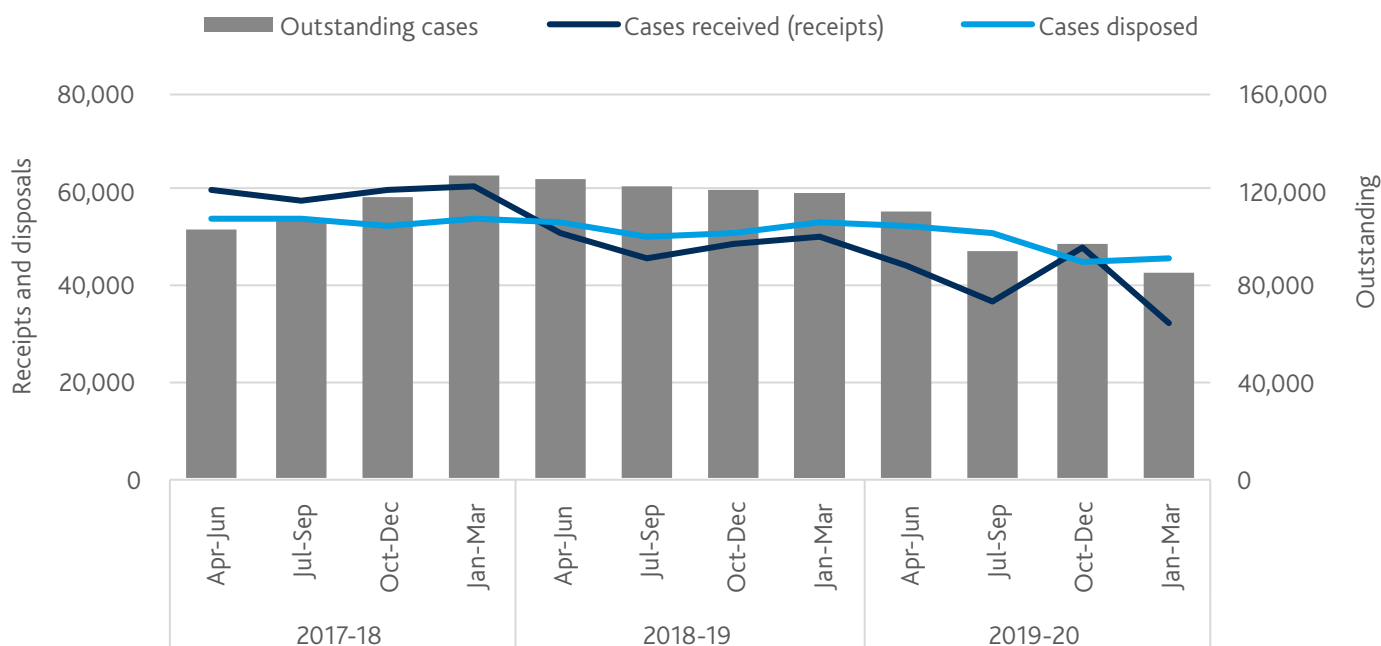


Figure 12: Social Security and Child Support receipts, disposals and caseload outstanding 2017-18 to 2019-20



⁹ In July 2017 the Supreme Court ruled that Employment Tribunal and Employment Appeal Tribunal Fees Order 2013, was unlawful. The subsequent removal of fees has increased the workload received at employment tribunals.

Figure 13: First-tier Tribunal, Immigration and Asylum receipts, disposals and caseload outstanding 2017-18 to 2019-20

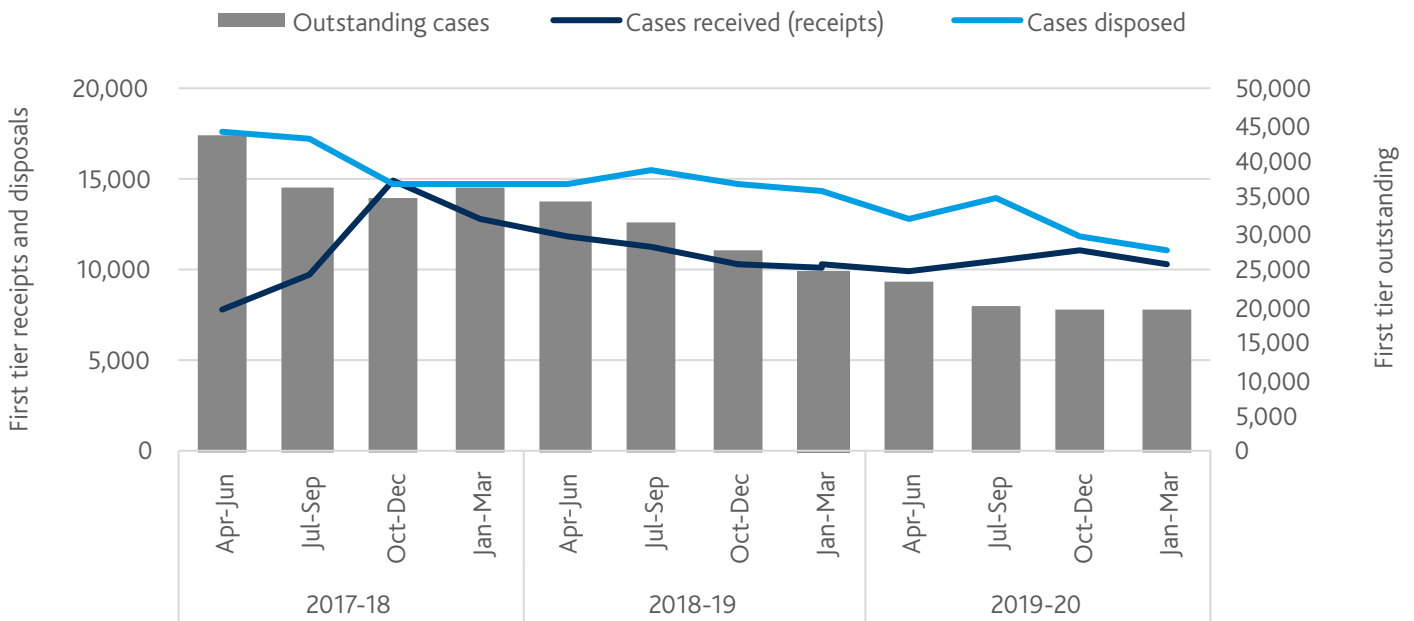
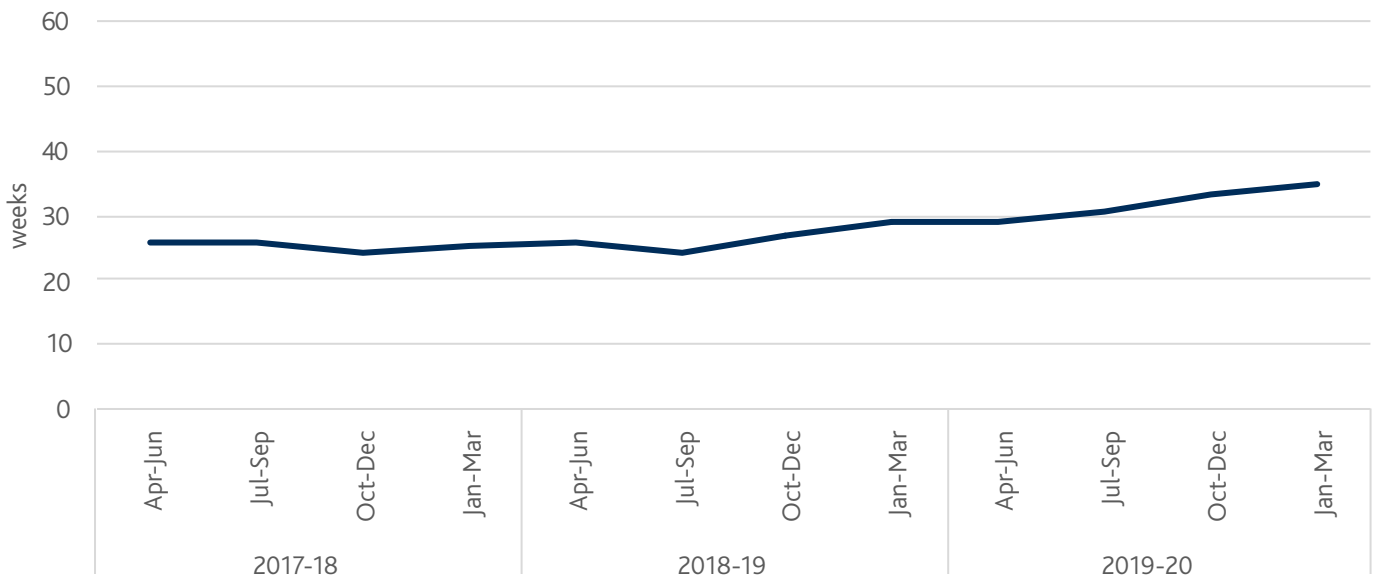


Figure 14: Average age of a disposal in Employment Tribunal single claims, England, Scotland and Wales 2017-18 to 2019-20¹⁰



10 Data from HMCTS management information. This and relevant guidance can be found at www.gov.uk/government/organisations/hm-courts-and-tribunals-service/about/statistics

Figure 15: Average age of Social Security and Child Support cases disposed of in England, Scotland and Wales 2017-18 to 2019-20¹¹

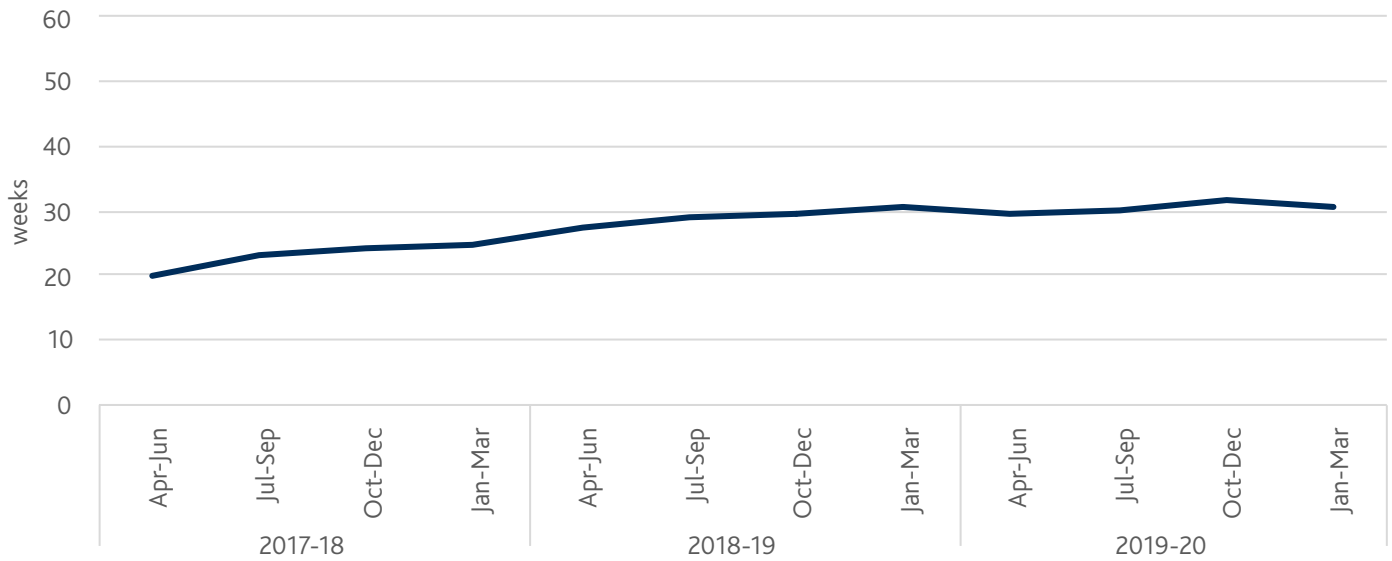
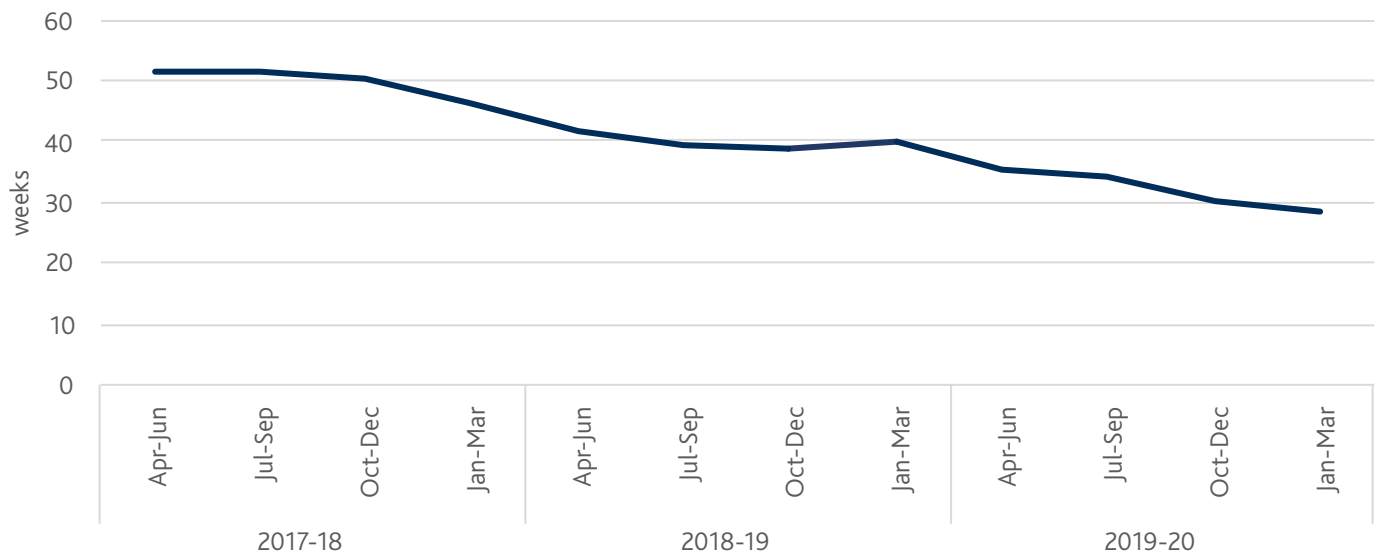


Figure 16: Average age of a disposal of first-tier Immigration and Asylum appeals in England, Scotland and Wales 2017-18 to 2019-20¹²



¹¹ Data from HMCTS management information. This and relevant guidance can be found at www.gov.uk/government/organisations/hm-courts-and-tribunals-service/about/statistics

¹² Data from HMCTS management information. This and relevant guidance can be found at www.gov.uk/government/organisations/hm-courts-and-tribunals-service/about/statistics

Annex C - Glossary and notes

The source for the data shown in this section is MoJ official statistics except where stated otherwise.

MoJ official statistics are published at

www.gov.uk/government/organisations/ministry-of-justice/about/statistics

Further information on terms, concepts and definitions published in the HMCTS annual report

Civil justice and tribunals:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/564054/statement-of-administrative-sources.pdf

Family:

assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/694798/family-court-stats-guide.pdf

Criminal court:

assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/695383/criminal-court-statistics-guide.pdf

Published management information:

www.gov.uk/government/organisations/hm-courts-and-tribunals-service/about/statistics

Glossary of terms

CETV	cash equivalent transfer values
CFT	civil, family and tribunals
COVID-19	coronavirus 2019
CTSCs	Courts and Tribunals Service Centres
DCS	Digital Case System
DPO	Data Protection Officer
FReM	HM Treasury financial reporting manual
FVH	fully video hearings
GDPR	General Data Protection Regulation
HMCTS	HM Courts and Tribunals Service
ICO	Information Commissioner's Office
MoJ	Ministry of Justice
OPTIC	Opinions, Praise, Treatment, Incidents and Complaints
SMT	HMCTS Senior Management Team
SoCNE	statement of comprehensive net expenditure
SoFP	statement of financial position
SSCS	Social Security and Child Support Tribunal



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