

Title: Her Majesty's Courts and Tribunals Service proposals for the closure of Medway County and Family Court IA No: MoJ059/2020 RPC Reference No: N/A Lead department or agency: Ministry of Justice Other departments or agencies: HM Courts and Tribunals Service (HMCTS)	Impact Assessment (IA)			
	Date: 13 July 2021			
	Stage: Consultation			
	Source of intervention: Domestic			
	Type of measure: Other			
Contact for enquiries: EstatesConsultation@justice.gov.uk				
Summary: Intervention and Options			RPC Opinion: N/A	

Cost of Preferred (or more likely) Option (in 2020/21 prices)

Total Net Present Social Value -£12.8m	Business Net Present Value N/A	Net cost to business per year N/A	Business Impact Target Status NQRP
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What is the problem under consideration? Why is government intervention necessary?

The court estate in Kent comprises of 11 court and tribunal buildings: five magistrates' courts; one tribunal hearing centre; and five combined courts hearing crown and county/family work or county and family courts. As the landlord plans to redevelop Medway County & Family Court, HM Courts & Tribunals Service (HMCTS) are required to vacate it. However, when HMCTS consulted in July 2020 on alternative arrangements, the preferred option of relocating hearings to Maidstone Combined Court following enabling works was not supported by the majority of respondents. HMCTS have now secured premises at Gun Wharf Medway as both an interim and a long term solution. This Impact Assessment therefore supports a further consultation on interim and longer term solutions to the closure of Medway County and Family Court.

What are the policy objectives and the intended effects?

The Government's priority is to make sure that effective access to justice is maintained. The associated policy objective is to ensure that the work can continue to be heard in suitable accommodation within reasonable travelling distance for court users. Our assessment of the available options has been conducted in accordance with our published estates principles, detailed in the *Fit for the Future; transforming the court and tribunal estate* consultation response. We have assessed the options against our overarching principles of: ensuring access to justice; enabling efficiency in the longer-term, and delivering value for money.

What policy options have been considered, including any alternatives to regulation? Please justify preferred option (further details in Evidence Base)

Three options are assessed in this Impact Assessment.

- Option 0:** Relocate workload from Medway County & Family Court across the existing Kent court estate.
- Option 1:** Undertake enabling works at Maidstone Combined Court and utilise existing facilities at Medway Magistrates' Court to allow work at Medway to be permanently relocated. Hear work within the existing estate as an interim solution.
- Option 2:** Acquire premises at Gun Wharf, Medway and utilise existing facilities at Medway Magistrates' Court to allow work at Medway to be permanently relocated. Hear work at a temporarily site at the Holiday Inn (Chatham – Rochester) and within the existing estate as an interim solution.

Option 2 is the preferred option as it best fits with the strategic vision for the HMCTS estate and provides optimum alignment with our estates principles. This option will provide a more focused site for County & Family work going forward while sufficiently maintaining capacity in Medway in the short and longer term.

Will the policy be reviewed? Yes/No If applicable, set review date: TBC						
Does implementation go beyond minimum EU requirements?			N/A			
Is this measure likely to impact on international trade and investment?			No			
Are any of these organisations in scope?			Micro Yes/No	Small Yes/No	Medium Yes/No	Large Yes/No
What is the CO ₂ equivalent change in greenhouse gas emissions? (Million tonnes CO ₂ equivalent)			Traded: N/A		Non-traded: N/A	

I have read the Impact Assessment and I am satisfied that, given the available evidence, it represents a reasonable view of the likely costs, benefits and impact of the leading options.

Signed by the responsible SELECT SIGNATORY: David Watson Date: 08.07.21

Summary: Analysis & Evidence

Policy Option 1

Description: Undertake enabling works at Maidstone Combined Court and utilise existing facilities at Medway Magistrates' Court to allow work at Medway to be permanently relocated. Hear work within the existing estate as an interim solution.

FULL ECONOMIC ASSESSMENT

Price Base Year 21/22	PV Base Year 21/22	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: -£9.8m ¹	High: -£13.6m	Best Estimate: -£11.7m
COSTS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Cost (Present Value)	
Low	£10.6m	2	£0	£9.8m	
High	£14.5m		£0	£13.6m	
Best Estimate	£12.5m		£0	£11.7m	
Description and scale of key monetised costs by 'main affected groups'					
All monetised costs in this Option are attributable to HMCTS. They include: <ul style="list-style-type: none"> Approximately £11.4m (discounted, including Optimism Bias) of works to upgrade Maidstone Combined Court £0.7m of transition costs to move work from Medway County & Family Court, including the final three months of rent, etc. at Medway County & Family Court, and for minor works at Medway Magistrates' Court to create a new staff area. 					
Other key non-monetised costs by 'main affected groups'					
None					
BENEFITS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)	Total Benefit (Present Value)	
Low	Optional		Optional	Optional	
High	Optional		Optional	Optional	
Best Estimate	<i>None monetised</i>		<i>None monetised</i>	<i>None monetised</i>	
Description and scale of key monetised benefits by 'main affected groups'					
None					
Other key non-monetised benefits by 'main affected groups'					
Building additional capacity in Maidstone would improve provision of court services, partially offsetting the closure of Medway County & Family Court. <ul style="list-style-type: none"> HMCTS do expect some economies of scale from operating out of the larger Maidstone site, but these have not been monetised. Building additional hearing capacity will result in better justice outcomes for all, when compared with Option 0. By partially maintaining hearing room supply, we will be able to better maintain court performance (such as timeliness). 					
Key assumptions/sensitivities/risks				Discount rate (%)	3.5%
The key risk is that case volumes increase leading to insufficient capacity in Kent. These volumes are assumed to be unaffected by the options assessed this IA. As Option 1 builds in additional capacity relative to the baseline, this mitigates against that risk.					

BUSINESS ASSESSMENT (Option 1)

Direct impact on business (Equivalent Annual) £m: N/A			Score for Business Impact Target (qualifying provisions only) £m:
Costs: N/A	Benefits: N/	Net: N/A	
			N/A

¹ All figures in economic terms: discounted (except where labelled 'constant price') & including OB, but excluding VAT.

Summary: Analysis & Evidence

Policy Option 2

Description: Acquire premises at Gun Wharf, Medway and utilise existing facilities at Medway Magistrates' Court to allow work at Medway to be permanently relocated. Hear work at a temporarily site at the Holiday Inn (Chatham – Rochester) and within the existing estate as an interim solution.

FULL ECONOMIC ASSESSMENT

Price Base Year 21/22	PV Base Year 21/22	Time Period Years 10	Net Benefit (Present Value (PV)) (£m)		
			Low: -£11.1m ²	High: -£14.5m	Best Estimate: -£12.8m
COSTS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)		Total Cost (Present Value)
Low	£9.4m	2	£0.3m		£11.1m
High	£12.8m		£0.3m		£14.5m
Best Estimate	£11.1m		£0.3m		£12.8m
Description and scale of key monetised costs by 'main affected groups'					
All monetised costs in this Option are attributable to HMCTS. They include: <ul style="list-style-type: none"> Approximately £9.0m (discounted, including Optimism Bias) of works to fit-out Gun Wharf Approximately £0.3m ongoing lease costs per annum for Gun Wharf. £0.7m of transition costs to move work from Medway County & Family Court, including the final three months of rent, etc. at Medway County & Family Court, and for minor works at Medway Magistrates' Court to create a new staff area. £1.1m for acquiring temporary premises at the Holiday Inn (Rochester – Chatham) for the interim solution. 					
Other key non-monetised costs by 'main affected groups'					
None					
BENEFITS (£m)	Total Transition (Constant Price) Years		Average Annual (excl. Transition) (Constant Price)		Total Benefit (Present Value)
Low	Optional		Optional		Optional
High	Optional		Optional		Optional
Best Estimate	None monetised		None monetised		None monetised
Description and scale of key monetised benefits by 'main affected groups'					
None					
Other key non-monetised benefits by 'main affected groups'					
Acquiring a new courthouse in Chatham would greatly improve court access and capacity compared with Option 0. <ul style="list-style-type: none"> The new site in Gun Wharf will be designed in accordance with our latest Court and Tribunal Design Guide standards, providing much more modern and efficient hearing and ancillary space. Building additional hearing capacity in the long-term and utilising additional capacity at temporary premises in the interim will result in better justice outcomes for all, when compared with Option 0. Travel times to courts would be shorter, particularly public transport times, than under Option 0 or 1. 					
Key assumptions/sensitivities/risks					Discount rate (%)
The key risk is that case volumes increase leading to insufficient capacity in Kent. These volumes are assumed to be unaffected by the options assessed in this IA. As Option 2 builds in additional capacity relative to the baseline for both the long and short-term, this mitigates against that risk.					3.5%

BUSINESS ASSESSMENT (Option 2)

Direct impact on business (Equivalent Annual) £m: N/A			Score for Business Impact Target (qualifying provisions only) £m:
Costs: N/A	Benefits: N/A	Net: N/A	
			N/A

² All figures in economic terms: discounted (except where labelled 'constant price') & including OB, but excluding VAT.

Evidence Base

A. Background

1. The court estate in Kent is comprised of 11 court and tribunal buildings, of which five are magistrates' courts, one is a tribunal hearing centre while the rest are either combined courts hearing crown and county/family work or county and family courts. The court and tribunal buildings in the county are well-utilised, busy hearing centres accommodating large volumes of work.
2. Medway County Court is the designated Family Court for Kent and is located in Chatham. The building, Anchorage House, is sub-leased from HM Revenue and Customs on a Memorandum of Terms of Occupation¹ (MOTO) with a tenancy that expires in June 2021 (following a recent lease extension) and there is no option to renew beyond this date as the superior landlord has intentions to redevelop the site. The building is also occupied by the Children and Family Court Advisory and Support Service (Cafcass), the Insolvency Service and the National Probation Service.
3. In July 2020, HMCTS publicly consulted on the future plans for Medway County & Family Court, which proposed a permanent relocation of the majority of the workload to Maidstone Combined Court (following enabling works to provide five additional hearing rooms) with some work relocating to Medway Magistrates' Court. As an interim measure (between the exit of Medway County & Family Court and completion of enabling works at Maidstone Combined Court), HMCTS also outlined how work would be heard by telephone or video where possible, and the remaining work would be distributed between Medway Magistrates' Court, Maidstone Combined Court (without enabling works), and county courts in Canterbury, Dartford and Thanet (Margate).
4. However, it was clear from the responses received that both the proposed interim solution to relocate hearings across the existing estate in Kent, and the permanent solution of relocating workloads to Maidstone Combined Court (after completion of enabling works), was not supported by the majority of respondents. Through the consultation process, and engagement with Medway Council, HMCTS have been able to secure premises in Medway for both the long-term and short-term proposals.
5. For the long-term solution, while initial feasibility was undertaken at numerous potential sites, only the premises at Gun Wharf was considered viable accommodation (following reasonable enabling works). Furthermore, seeking additional hearing capacity in the interim at the Holiday Inn (Rochester – Chatham) and utilising existing facilities at nearby courts, would allow HMCTS to maintain business continuity and meet operational requirements.
6. In summary, this Impact Assessment (IA) is in support of a further consultation proposals on the closure of Medway County and Family Court and seeks views on:
 - The interim proposal for the relocation of the work heard at Medway County and Family Court to the Holiday Inn (Rochester – Chatham), Dartford County Court, Canterbury Magistrates' Court, Canterbury Combined Court and Medway Magistrates' Court. This will be in place until the completion of works at our permanent option, expected by late Autumn 2022.
 - The permanent proposal to relocate the work of Medway County and Family Court to the new premises at Gun Wharf (following enabling works) and Medway Magistrates' Court.

B. Rationale & Policy Objectives

Economic Rationale

7. The conventional economic rationales for Government intervention are based on efficiency or equity arguments. Government intervenes if there is a perceived failure in the way a market operates

¹ An agreement between two Crown Bodies which allows them to share the costs of occupying a building or part of a building in cases where the Crown Bodies share costs.

("market failures") or to correct existing institutional distortions ("government failures"). Government also intervenes for equity ("fairness") reasons.

8. The primary rationale for the options assessed in this IA is efficiency: to allow the court system to continue to function in a timely manner when account is taken of the costs of delivering that timeliness and access to justice for all court users.
9. More specifically, efficiency in this context is to be achieved by moving existing court work to a site with suitable travel connectivity and facilities and which align with HMCTS operational requirements without generating unreasonable increases in journey times for court users. HMCTS is seeking to ensure that sufficient capacity and operational efficiency is maintained in the court estate in Kent, by retaining – as far as possible – like for like capacity in the locality so off-setting potential economic impacts that may be generated as a result of, for example, increased waiting times or backlogs.

Policy objective

10. The associated policy objective is to ensure that the work of Medway County & Family Court can continue to be heard in suitable accommodation within reasonable travelling distance for court users.
11. Our assessment of the available options has been conducted in accordance with our published estates principles, detailed in *Fit for the Future; transforming the court and tribunal estate*² consultation response. We have assessed the options against our overarching principles of:
 - Ensuring access to justice: That any increases to journey times are taken into account alongside the needs of court users, particularly vulnerable victims and witnesses.
 - Enabling efficiency in the longer-term: Moving towards a more flexible estate and reducing reliance on buildings with poor facilities that are expensive or difficult to upgrade.
 - Delivering value for money: Reducing the current and future cost of running the estate and making sure we maximise the potential capital receipts from the sale of surplus estate.
12. Access to justice will be maintained by ensuring that any court closure is within a reasonable distance by public transport of a retained court and by taking account of:
 - The journey times for court and tribunal users and, where necessary, proposing mitigating actions, such as more flexible listing procedures (see "Mitigations" within the Equalities Impacts Assessment section of accompanying consultation document);
 - The needs of victims, witnesses and, in particular, those who are vulnerable;
 - The requirements of other agencies such as the HM Prison and Probation Service (HMPPS), the Crown Prosecution Service (CPS), Social Services, Police Forces and the Children and Family Court Advisory and Support Service (CAFCASS).
13. Value for money to the taxpayer will be achieved by:
 - Reducing the current and future cost of running the HMCTS estate in England;
 - Investing in like for like replacement of lost capacity at an alternative site thereby consolidating workloads and allowing sufficient long-term capacity.
14. Enabling efficiency in the longer term will be achieved by:
 - Hearing the same amount of cases within the rationalised estate;

² <https://www.gov.uk/government/consultations/fit-for-the-future-transforming-the-court-and-tribunal-estate>

- Ensuring there is sufficient hearing estate capacity in the future;
- Providing cost effective, flexible and efficient court capacity.

C. Description of options considered

15. To meet the policy objectives, the following options are considered in this IA:

- **Option 0 / 'Do nothing'**: Relocate workload from Medway County & Family Court across the existing Kent court estate.
- **Option 1**: Undertake enabling works at Maidstone Combined Court and utilise existing facilities at Medway Magistrates' Court to allow work at Medway to be permanently relocated. Hear work within the existing estate as an interim solution.
- **Option 2**: Acquire premises at Gun Wharf, Medway and utilise existing facilities at Medway Magistrates' Court to allow work at Medway to be permanently relocated. Hear work at a temporarily site at the Holiday Inn (Chatham – Rochester) and within the existing estate as an interim solution.

16. Option 2 is the preferred option as it best fits with the policy objectives, the strategic vision for the HMCTS estate and provides optimum alignment with our estates principles.

Option 0

17. A genuine 'do nothing' option is not possible as Medway County & Family Court is being forced to close. The minimum viable option would be for the work current undertaken at Medway County and Family Court to be heard by existing courts without any additional hearing capacity. These arrangements would mean longer journey times for court users and would only be viable for the short-term as they would place considerable strain on existing resources and listing practices.

18. A minimum allocation of work following the closure of Medway County Court would be as follows:

- As planned in the permanent proposal, some civil and family work would move to Chatham (Medway) Magistrates' Court, with other work displaced from Chatham to accommodate this.
- HMCTS would work with local judges to identify all hearings suitable for telephone or video-enabled hearings that would reduce the demand on physical court rooms.
- Any remaining work would be allocated to rooms that would be made available at Dartford County & Family Court, Canterbury Combined Court, Thanet County Court and Maidstone Combined Court (without enabling works).
- Work would be shared across the 5 sites, this would be expected to be done in such a way as to avoid unreasonable journeys for court users.

19. The precise distribution of workloads would be based on each individual hearing and would be subject to a decision by judges as to where to list cases. HMCTS's assessment is that the proposed relocation options for both the permanent and interim future of work at Medway County and Family Court are the most effective and viable. The reallocation proposals would allow for the high-volume of work at Medway County and Family Court to be most effectively and efficiently reorganised.

20. Option 0 would also provide insufficient flexibility in the court estate in Kent to deal with changing workloads. The option to not re-provide hearing rooms would also represent a significant reduction in capacity in Kent and the wider South East and place a strain on existing infrastructure, exacerbating backlogs of caseloads.

Option 1

21. Under this option, in the long term, the work of Medway County and Family Court would relocate to Maidstone Combined Court, which would benefit from enabling works to provide five additional hearing rooms, with some work staying at the nearby Chatham (Medway) Magistrates' Court. The previous consultation presented this as the preferred option. It would enable some work to stay within the immediate area providing local access for any court users who are unable to travel to Maidstone. However, with only minimal capacity remaining in Medway, users would in general need to travel farther to get to their nearest court.
22. High levels of workload in civil and family courts across the county would mean that any reallocation of work would not be straightforward, and it has been determined that moving the majority of the work to a single location would be preferable.
23. In the case of Maidstone, an additional five courtrooms would need to be constructed, which would require significant layout changes, including the demolition and re-provision of three existing hearing rooms. There would be some disruption to services at Maidstone Combined throughout the works programme, with significant interruption to caseload capacity whilst the three existing hearing rooms are temporarily unavailable. At Chatham (Medway) Magistrates' Court some video-enabled police custody hearings and crime work would need to be relocated across Kent to free up two courtrooms for use of the county and family court. The work relocated from Chatham (Medway) Magistrates' Court would be subject to judicial discretion, who are responsible for listing decisions.
24. For the interim, prior to completion of enabling works, this option would involve hearing work within the existing estate at Medway Magistrates' Court, Maidstone Combined Court (without enabling works), and Canterbury County Court, Dartford County Court and Thanet (Margate) County Court.
25. This option was the proposed course of action set out in the consultation on the future of Medway County and Family Court, published on the 14th July 2020. However, it was clear from the responses received that the proposal was not supported by a majority of respondents. Following engagement with Medway Council, a second option was developed that would maintain court provision in Medway.

Option 2

26. Under this option, in the long term, the work of Medway County and Family Court would relocate to Gun Wharf in Medway, with some work staying at the nearby Chatham (Medway) Magistrates' Court. This would have little to no impact on travel-times as both sites are close to the existing site.
27. The reallocation proposals would allow for the high-volume of work at Medway County and Family Court to be most effectively and efficiently reorganised. High levels of workload in civil and family courts across the county means that reallocation of work is not straightforward, and it has been determined that moving the majority of the work to a single location would be the preferred option. In each case, measures would be necessary to allow the work to be accommodated.
28. In the case of Gun Wharf, an additional five courtrooms would need to be included within the fit-out. At Chatham (Medway) Magistrates' Court some video-enabled police custody hearings and crime work would need to be relocated across Kent to free up two courtrooms for use of the county and family court. The work relocated from Chatham (Medway) Magistrates' Court would be subject to judicial discretion, who are responsible for listing decisions.
29. For the interim, prior to completion of enabling works, work would be heard at a temporary site at the Holiday Inn (Chatham – Rochester), providing three additional hearing rooms, and within the existing estate at Medway Magistrates' Court, Dartford County Court, Canterbury Magistrates Court, Canterbury Combined Court.

D. Affected Stakeholder Groups, Organisations and Sectors

30. The groups most affected by the options assessed in this IA are as follows:

- The Ministry of Justice (MoJ) and its arms' length bodies, including:
 - HMCTS, including staff working in affected courts;
 - CAFCASS.
- The Judiciary.
- Court users, including:
 - Members of the public who take part in, or witness, court proceedings;
 - Barristers, solicitors and members of the Chartered Institute of Legal Executives;
- The wider public who benefit from an efficient and effective court system.

E. Cost & Benefit Analysis

31. This IA follows the procedures and criteria set out in the IA Guidance and is consistent with the HM Treasury Green Book.
32. Where possible, this IA identifies both monetised and non-monetised impacts on individuals, groups and businesses in the England & Wales with the aim of understanding what the overall impact on society might be from the options under consideration. These impacts are compared against those of the 'do nothing' option (Option 0). As the 'do nothing' option would be compared to itself, it has no impacts and no associated net present value (NPV).
33. IAs place a strong focus on the monetisation of costs and benefits. There are often, however, important impacts that cannot sensibly be monetised. Impacts in this IA are therefore interpreted broadly, to include both monetisable and non-monetisable costs and benefits, with due weight given to those that are non-monetisable.
34. The monetised costs and benefits in this IA have been calculated on the following basis:
- 2021/22 as a price year where applicable;
 - Inflation has been accounted for primarily by using Consumer Price Index inflators, however other inflators were used where appropriate (such as for construction works);
 - An appraisal period of ten years (2021/22 to 2030/31) and a discount rate of 3.5% per year have been used to calculate the NPV;
 - Where costs are not known with a high degree of certainty, Optimism Bias has been applied at the following rates:
 - i. Maidstone enabling works: 20%
 - ii. Gun Wharf construction works: 24%
 - iii. Gun Wharf IT & furniture: 10%
 - High- and low-cost scenarios have created by doubling and removing the above levels of optimism bias respectively.

Methodology

35. Typically an IA supporting a court closure would analyse the costs and benefits of each option in relation to those of remaining at the current court location. In this case, the option to remain at this location is not available and so the IA compares the impact of the options to relocate the work.

36. The savings from no longer running Medway County & Family Court, and the cost of taking on new work at new sites is therefore the same in both options with the exception of:
- Enabling Works to build new physical capacity;
 - Economies of scale from operating at larger sites, which are not quantifiable
 - Operating costs for new sites under the long and short-term proposals.
37. The analysis is consistent with that has been used in previous IAs covering court closures and presents a set of wider benefits to external stakeholders that it is not possible to monetise.
38. The exit from Medway will generate savings for HMCTS in reduced running costs. These emerge regardless of the option chosen and so do not appear in the cost-benefit analysis below as they are a) not driven by the decision being made over the future of the work and b) the same in all options.
39. These savings are presented here for information and are expected to be in the region of £0.3m p.a. after accounting for costs that are estimated to now be borne at the receiving sites.
40. For all the options considered in this IA, there is the risk that redundancies may be required although staff redeployment would be prioritised as a means of redundancy avoidance. If it is not possible to relocate staff within the MoJ or the wider Civil Service, voluntary early departure schemes may also be used as a further redundancy avoidance measure. It is also possible that where redeployments are not feasible, redundancies on voluntary and compulsory terms would need to occur.
41. The purposes of this IA, it is assumed that any redundancy payments would compensate staff for the expected duration of their unemployment before finding a new job. Therefore, these costs would amount to a transfer payment and so have not been included in the economic appraisal below.
42. Ongoing operational costs, such as those for utilities, property services, maintenance, office expenditure and similar items, may vary between the options depending on which receiving sites work is moved to, but this variance is assumed to be small, and is not quantified in the analysis. There may also be operational efficiencies from utilising existing sites more.
43. The policy objective is to ensure that the work of Medway County & Family Court can continue to be heard in suitable accommodation within reasonable travelling distance for court users. To this end, the analysis also includes estimates of the changes in travel times associated with the options under consideration. While we consider the mode of transport used, time cost have not be monetised. For clarity of exposition, the travel time impacts are presented after the main cost and benefit section.

Option 1: Undertake enabling works at Maidstone Combined Court and utilise existing facilities at Medway Magistrates' Court to allow work at Medway to be permanently relocated. Hear work within the existing estate as an interim solution.

Costs of Option 1

Transitional costs (non-monetised)

HMCTS

44. For HMCTS, one-off un-monetised costs would be incurred due to staff and judiciary moving to new courts, and from the need for HMCTS to make alternative logistical arrangements. Similarly, it may take some time for staff and judiciary to settle in their new places of work, particularly as some work practices may differ slightly between courts. These costs are expected to be negligible.

Court users and other agencies

45. There would be familiarisation and awareness costs for regular court users relating to where the nearest court is. These costs are expected to be negligible.

Transitional costs (monetised)

HMCTS

46. The primary cost of to HMCTS of Option 1 would be the cost of new capacity at Maidstone Combined Court. This cost is estimated to be £11.4m,³ including refurbishment, IT, design costs, etc.

47. For HMCTS, one-off transitional costs would also be incurred owing to:

- *Decant and portage costs*: these are the costs associated with decanting work, staff and equipment as well as the portage of documents between buildings.
- *IT decommissioning and enabling*: these are costs associated with the removal and transportation of IT equipment at closing sites.

48. Some transition costs would be incurred in moving from Medway County and Family Court to Maidstone in Option 1, estimated at £0.4m (including the final three months of rent, etc. at Medway). This estimate is the same as for relocating work throughout Kent, as in Option 0.

49. Additional costs would be incurred in converting office space in Medway Magistrates' Court for relocating admin staff, estimated to be £0.3m.

On-going costs (non-monetised)

HMCTS

50. There would be an increase in on-going operational costs at receiving sites, such as those for utilities, property services, maintenance, office expenditure and similar items. These are assumed not to vary by receiving site.

Benefits of Option 1

On-going Benefits (non-monetised)

HMCTS, Judiciary

51. For HMCTS, the on-going non-monetised benefits would include any operational efficiencies generated by operating Maidstone Combined court as a larger more efficient site. These efficiencies would be set against the increasing operational costs at this site mentioned above.

Wider Public

52. Building additional capacity would be expected to help improve justice outcomes by increasing timeliness, adding resilience to the court estate in the event of unexpected increases in volumes.

Net Impact: Option 1

53. As there are no monetised benefits, the NPV for option 1 is equivalent to the Net Present Cost in Table 1 (below): -£11.7m. This consists primarily of enabling costs of approximately £11.4m (20/21 prices, discounted, including Optimism Bias). It is important to note that the benefits of operating out

³ All figures discounted, including Optimism Bias, excluding VAT

of single larger site to Cafcass, the judiciary, legal services and others have not been monetised. Despite the additional cost, Option 1 would better align with the estates principles and overall is expected to deliver substantially more benefits to society than expected in Option 0.

Table 1: Estimated Monetised Costs for Option 1

Item	Costs (excluding OB, £m)	Optimism Bias (%)	Total Costs (including OB, £m)	Net Present Cost (against Option 0)
Transition (all options)	£0.1m	0%	£0.1m	N/A
Medway County & Family rent, etc. (all options)	£0.4m	0%	£0.4m	N/A
Medway Magistrates office space (Option 1-2)	£0.3m	0%	£0.3m	N/A
Maidstone enabling works	£9.5m	20%	£11.4m	N/A
Option 1 total	£10.2m	N/A	£12.1m	£11.7m
Option 1 low	N/A	N/A	£10.2m	£9.8m
Option 1 high	N/A	N/A	£14.1m	£13.6m

Option 2: Acquire premises at Gun Wharf, Medway and utilise existing facilities at Medway Magistrates’ Court to allow work at Medway to be permanently relocated. Hear work at a temporarily site at the Holiday Inn (Chatham – Rochester) and within the existing estate as an interim solution.

Costs of Option 2

Transitional costs (non-monetised)

HMCTS

54. For HMCTS, one-off un-monetised costs would be incurred due to staff and judiciary moving to new courts, and from the need for HMCTS to make alternative logistical arrangements. Similarly, it may take some time for staff and judiciary to settle in their new places of work, particularly as some work practices may differ slightly between courts. These costs are expected to be negligible.

Court users and other agencies

55. There would be familiarisation and awareness costs for regular court users relating to where the nearest court is. These costs are expected to be negligible.

Transitional costs (monetised)

HMCTS

56. One-off transitional costs of around £0.4m are expected be incurred owing to:

- *Decant and portering costs*: these are the costs associated with decanting work, staff and equipment as well as the portering of documents between buildings.

- *IT decommissioning and enabling*: these are costs associated with the removal and transportation of IT equipment at closing sites.
 - *Rent, service charge, business rates*: the final three months of running costs at Medway.
57. The primary cost of Option 2 would be the cost of building new capacity at Gun Wharf in Medway. The cost of building and additional rooms is provisionally estimated to be £9.0m⁴, including furniture and IT costs.
58. Some costs under Option 2 would be required for creating admin space at Medway (Chatham Magistrates' Court). These costs are provisionally estimated to be £0.3m.
59. The cost of obtaining temporary accommodation at the Holiday Inn (Chatham – Rochester): this will include costs for installation of IT, rent, business rates, repairs, utilities, service charge, security, and cleaning. These costs are expected to be c.£1.1m in total over two years.

Ongoing costs (monetised)

HMCTS

60. Operating costs for the long-term operating costs for Gun Wharf: this will include costs for rent, business rates, repairs, utilities, service charge, security, and cleaning. These costs are expected to be c.£0.3m per annum.

On-going costs (non-monetised)

HMCTS

61. On-going costs would include any increase in operational costs at receiving sites, such as those for utilities, property services, maintenance, office expenditure and similar items. These are assumed not to vary by receiving site.

Benefits of Option 2

On-going Benefits (non-monetised)

Wider Public

62. Building additional capacity would be expected to help improve justice outcomes by increasing timeliness, adding resilience to the court estate in the event of unexpected increases in volumes.
63. By providing a long and short-term presence in Medway, journey times will be less than in Option 0 and Option 1 (see travel time impacts section below).
64. By avoiding significant enabling works at Maidstone Combined Court, we will avoid the associated business disruption and temporary further reduction in estate capacity whilst the layout is reconfigured.

Net Impact: Option 2

65. As there are no monetised benefits, the NPV for option 2 is equivalent to the Net Present Cost in Table 2 below. This gives an NPV of -£12.8m. This consists primarily of enabling works costs of approximately £9.0m (20/21 prices, discounted, including Optimism Bias), £0.3m per annum in operating costs, and £1.1m for costs relating to the interim solution.

⁴ All figures discounted, including Optimism Bias, excluding VAT

Table 2: Estimated Monetised Costs for Option 2

Item	Costs (excluding OB, £m)	Optimism Bias (%)	Total Costs (including OB, £m)	Net Present Cost (against Option 0)
Transition (all options)	£0.1m	0%	£0.1m	N/A
Medway County & Family rent, etc. (all options)	£0.4m	0%	£0.4m	N/A
Medway Magistrates office space (Option 1-2)	£0.3m	0%	£0.3m	N/A
Gun Wharf construction	£6.7m	24%	£8.3m	N/A
Gun Wharf IT & furniture	£0.6m	10%	£0.7m	N/A
Gun Wharf ongoing (over 10 years)	£2.4m	0%	£2.4m	N/A
Option 2 total	£11.5m	N/A	£13.2m	£12.8m
Option 2 low	N/A	N/A	£11.5m	£11.1m
Option2 high	N/A	N/A	£14.9m	£14.5m

66. Despite the additional cost, Option 2 is preferred as it would better align with the estates principles and overall is expected to deliver substantially more benefits to society than Option 1.

Travel time impacts

67. To assess the impact of each option on court user travel times, Kent was divided into standard geographical units called Middle-layer Super Output Areas (MSOAs). For each MSOA, the travel time to the closest County Court was identified. This was done using the proposed locations of active courts under each option, and differences in travel time between the options were recorded.

68. Travel times were taken from Google Maps with journeys starting at 7:30am on the 27th of April 2021. The closest court for each MSOA was identified based on the earliest-arriving journey. This was done separately for travel by car and by public transport.

69. Monetisation of travel time impacts was not carried out as it would have required a more detailed set of data than was available for this assessment, covering (i) volumes of individual journeys and (ii) precise routing from starting location to court sites as well as (ii) data on cost of travel time and distance incurred for the full array of different court users (litigants, legal professionals, police etc.).

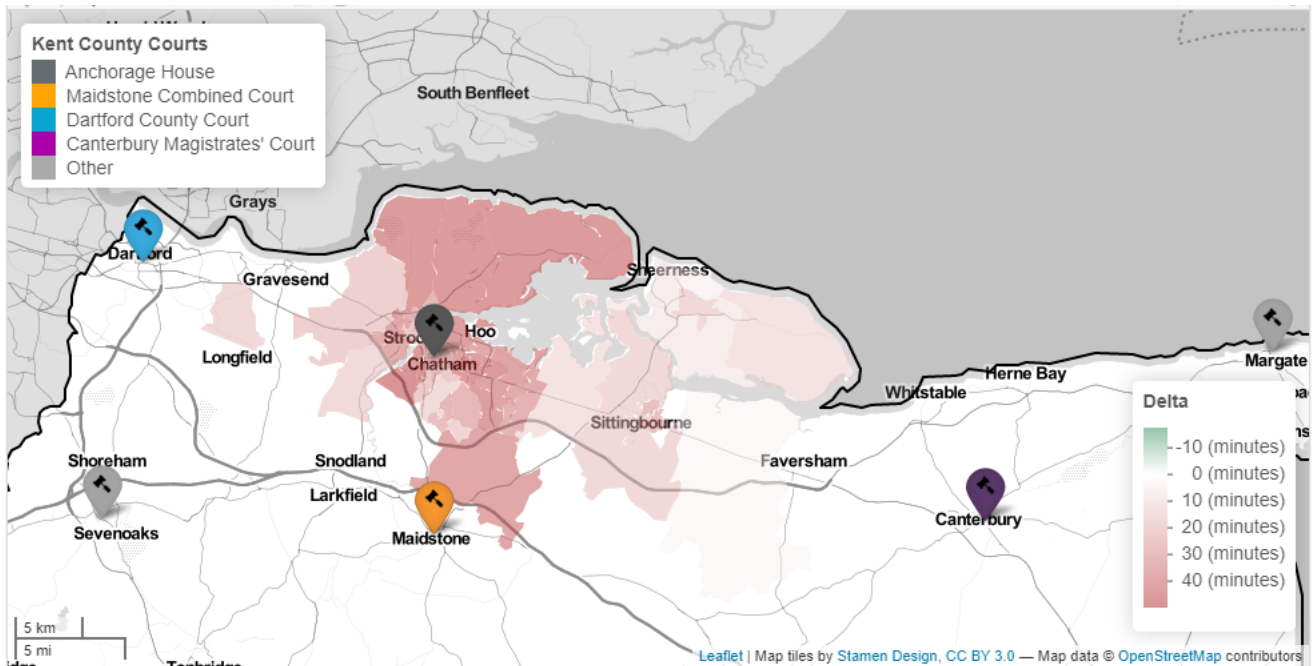
70. The outcome of this analysis is:

- **Driving Times:** All affected court users are comfortably able to arrive at all receiving sites in less than 2 hours under any option. Options 0 and 1 result in slightly longer travel times than either the Option 2 interim or long-term solutions.
- **Public Transport:** Options 0 and 1 result in substantially longer travel times for users around Chatham compared to the present, and some will need to travel more than two hours to get to

the closest court. Option 2 would have moderate positive and negative effects on travel times in the interim solution and negligible impact in the long-term solution, compared to the present.

71. Under Options 0 and 1, public transport travel times would increase by up to about 50 minutes, compared to current provision. Travel times to the closest court would be the same under either of those options, however the increase in capacity at Maidstone under Option 1 would mean court user would be more likely to be able to get a timely hearing at a nearby court.
72. Figure 3 below shows public transport travel time impacts under Options 0 and 1, compared to the present.

Figure 3: Impacts on public transport times by MSOA in Options 0 and 1



73. In determining whether court user journeys are reasonable, HMCTS considers whether the vast majority of court users are able to reach court by 9:30am, the typical start time for morning hearings, leaving home no earlier than 7:30am⁵. To test this, MSOAs whose residents would have a journey over two hours to their nearest court, and therefore unable to reach court by 9:30am, were identified specifically.
74. All affected court users would be able to reach their closest court under all options when travelling by car. However, when travelling by public transport, some court users would face journeys over two hours.
75. Table 4 below concerns the approximately 412,000 residents of 54 MSOAs for whom Anchorage House is currently their closest county court by public transport time. The table shows the percentage of those residents who would have to travel more than two hours to reach their closest county court under each option, and therefore unable to reach court by 9:30am.

⁵ Response to 'Fit for the future: transforming the Court and Tribunal Estate' consultation: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/800874/hmcts-fit-for-the-future-consultation-response.pdf

Table 4: Percentage of residents unable to arrive at court by 9:30am

Option	Percentage unable to reach court by 9:30am
Present situation	2%
Option 0	8%
Option 1	8%
Option 2 (interim)	2%
Option 2 (long-term)	2%

Preferred Option

76. Option 2 is preferred as it best aligns with HMCTS's estates principles as detailed in paragraph 11.
77. Option 2 (and Option 1) would allow for more work to be undertaken out of a single location, allowing some of those who work in the courts – CPS staff, legal professionals and others – to base more of their work in a single location, thereby cutting travel times for those staff when compared with Option 0.
78. Option 2 has higher costs than either Option 0 or Option 1, with an NPV of -£12.8m, as none of the benefits have been monetised.
79. Travel times analysis for court users suggests that they are likely to have shorter travel times to court on average in Option 2 than Options 1 and 0. Furthermore, the percentage of those who can travel to their closest county court in under two hours by public transport will be less in Option 2 than Options 1 and 0 (see Table 4).
80. Option 2 and Option 1 would maintain hearing capacity and Option 0 would not, however Option 1 would involve an impact to business continuity (as Option 1 building works would temporarily remove capacity thereby hindering court efficiency).
81. Option 2 is the preferred option as, while it is the most expensive of those considered, it delivers the best outcome for both HMCTS operations & court users, and is the only option that maintains capacity in Chatham, a key requirement based on responses to the consultation.

Implementation Plan

82. Medway County & Family Court is due to close in June 2021, with the expiry of the lease at the end of June 2021. At this point the Option 2 interim solution will be enacted.
83. Option 2 would involve a tender for the works to fit-out Gun Wharf with works due to complete in 2022.

F. Assumptions and Risks

84. The key modelling assumptions used in the above analysis are described in Table 5 below.

Table 5: General modelling assumptions

Category	Description	Assumption
General	Volume	There will be no change in the volume of court cases, the level of court fees or court user waiting times while at court as a result of these proposals.

	Hearings	There will be no impact on the ability to hear cases in magistrates' courts, and therefore there will be no impact on the prison and remand population.
	Redundancies	Any HMCTS staff made redundant as a result of the closure would be able to find alternative employment. Therefore any redundancy payments have been treated as an economic transfer in line with HMT Green Book guidance and have not been monetised.
	Judicial Costs	Judicial costs have been assumed to remain unchanged. There is a potential risk that judicial costs could increase as a result of the proposed changes if travel times were to increase.

85. The key risk in all options is the capacity to meet local demand. The quantity of enabling works required at Gun Wharf is based on internal demand forecasts made before the start of lockdown and it is unknown how that demand will change in the coming years.

86. Should demand be shown to be systematically higher, more enabling works may be required for either option to be able to cope with the demand.

G. Wider impacts

Equalities Impact Assessment

87. We have assessed the potential equality impacts of these proposals in line with the public sector equality duty. For further detail please consult Annex B Equality Statement, published alongside this document.

Local business

88. While some businesses that operate in areas near closing courts may see a fall in activity in the interim, this should be offset by an increase in activity for businesses located near courts that are receiving the case work from closing sites. In the long-term, the impact is little to none owing to the close proximity of Gun Wharf and Medway (Chatham) Magistrates' Court and Medway County & Family Court.

Environment

89. As illustrated in the 'Travel time impact' section above, if we progress with Option 2 ("preferred option") then there would little/no travel time impact relative to the existing court estate. However, if we progress with Option 0 ("do nothing") or Option 1 ("Maidstone"), then travel time for all court users will increase as users will have to travel farther to get to their nearest court. This means that costs for travel and the corresponding environmental impact (e.g. CO₂ emissions from petrol fumes etc.), would increase as well. On the other hand, the construction works in Options 1 and 2, and operating an additional site in Option 2, would produce additional emissions compared to Option 0.

90. As HMCTS do not capture travel data from court users, and modes of travel vary widely, HMCTS cannot accurately quantify costs and environmental impact associated with increased travel times.

International Trade

91. There are no trade implications from this change.

H. Monitoring & Evaluation

92. The objective of the proposals is to provide appropriate continued capacity for the delivery of court services in Kent. We have developed these proposals in line with our estates principles published in

the consultation document. These principles are intended to deliver an efficient and flexible estate which meets the current and future needs of HMCTS.

93. It is expected that a review will be carried out in 2023/24 to enable an effective assessment of the impact of this and other proposed closures on the provision of court services.