



HM Courts &  
Tribunals Service

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## Annual Report and Accounts 2023-24







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Tribunals Service

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## Annual Report and Accounts 2023-24

For the period 01 April 2023 to 31 March 2024

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# Foreword



**Sir Richard Broadbent**

Independent Chair of  
HM Courts and Tribunals Service Board

HM Courts and Tribunals Service (HMCTS) is an operationally complex organisation. Its performance affects many thousands of people who come into contact with or work in it. The Board is charged with oversight of the organisation. In introducing this Report into HMCTS's activities over the past year, I will briefly set out what the Board has been doing in seeking to discharge this responsibility.

First, we have been doing the things that all responsible and functioning Boards seek to do – reviewing regular reports on operations, tracking financial performance, overseeing the management of audit and risk, addressing the operational issues that inevitably arise from time to time and ensuring Business and Strategic Plans are in place to guide future activity. This does not guarantee that nothing will go wrong - no organisation is perfect - but these activities help ensure that imperfections are identified, addressed and, where appropriate, that lessons learnt.

**Second, as any Board should, we have sought to improve our own performance as a Board. Three initiatives are worth noting:**

A comprehensive review of the Management Information received by the Board has been conducted, covering all aspects of performance. This has resulted in a monthly data set providing valuable data not just for the Board but also for the Judiciary and the Ministry of Justice in our joint endeavour to optimise system performance.

A review of Governance was initiated with the twin aims of improving internal information flows and decision-making processes; and reducing the delays and costs associated with multiple levels of formal controls to which the organisation is subject. The first stage of this review has been completed and is being implemented.



Board membership has developed. In particular, we now welcome regular senior attendees from the Ministry of Justice which is improving mutual co-operation and understanding; and we have been pleased to welcome two new Non-Executive Directors, Nick Fishwick and Luisa Fulci, who each bring valuable skills and experience to our deliberations.

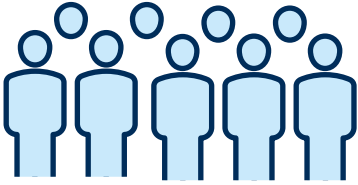
**A recent independent Board Effectiveness Review suggested that, while there is always more that can be done, these initiatives were producing positive results.**

I would like to thank all my Board colleagues for their invaluable input, advice and support over the year. I would also like to thank the Chief Executive and his team as well as all those who work in HMCTS for their hard work in delivering for Courts and Tribunals across the country over the past year.

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**Sir Richard Broadbent**  
Independent Chair of  
HM Courts and Tribunals  
Service Board

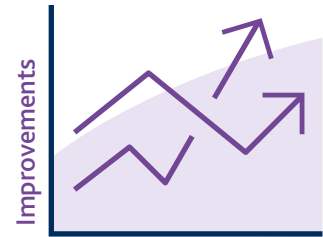
# HMCTS at a glance



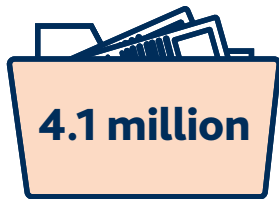
We have around **18,500 members of staff** across HMCTS (approximately 16,400 full time equivalent)



We operate from **350 venues** across England, Wales, and Scotland

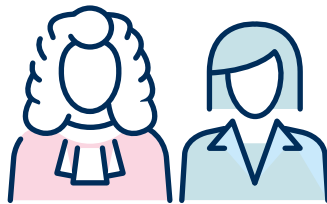


Our net expenditure was **£1.8 billion**



**4.1 million**

We received over **4.1 million cases** (of which 38% were criminal cases)



We support over **22,500 judicial office holders**, including over **14,500 magistrates**



We sat over **580,000<sup>1</sup> days** across our courts and tribunals and facilitated over 2.3 million hearings



Our **employee engagement** index was **57%** (2022: 57%)



**88% of complaints** were resolved at first contact

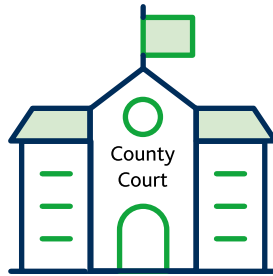


Over **1,200 Freedom of Information** requests received and **88%** responded to **within target**

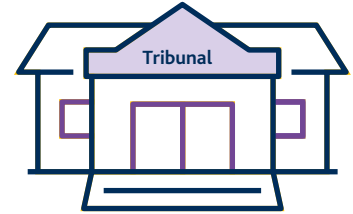




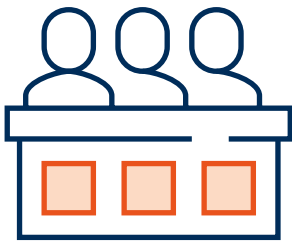
Over **553,000 cases** were received in the **Family Court**<sup>2</sup> and we held over 131,000 sitting days



Over **1.7 million cases** were received in the **County Court**<sup>3</sup> and over 45,000 hearings were held over 71,000 sitting days



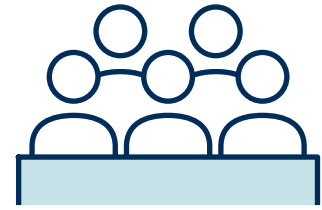
Over **321,000 cases** were received in the **Tribunals** and over 161,000 hearings<sup>4</sup> were held over 148,000 sitting days



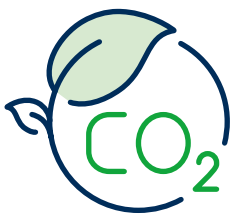
Over **1.4 million cases** were received in the **magistrates' courts** and over 1.3 million hearings were held over 105,000 sitting days



Over **115,000 cases** were received in the **Crown Court** and over 687,000 hearings were held over 107,000 sitting days



Over **488,000 jurors** were summoned and over 136,000 sat on a jury in the Crown Court



We reduced our **greenhouse gas** emissions by **35%** against our 2017-18 baseline



**38 sentencing remarks** were broadcast, increasing transparency in the justice system

1. The number of sitting days includes those in the High Court and the Royal Courts of Justice
2. Information about family hearings are not currently captured centrally, with the exception of Family Public Law, where 76,000 hearings took place over 2023-24
3. In the County Courts, 5% of the caseload comes to a final hearing. 95% of cases are resolved through judgments in default of a defence, shorter judicial hearings or settlement between parties.
4. The Employment Tribunal transitioned to a new database (Employment Case Management (ECM)) during March to May 2021. ECM is not configured to enable the reporting of Employment Tribunal hearings

Note: The infographics use data drawn from case-management systems, which are continually updated and may be subject to future revision.

# Section 1: Performance section

## Chief Executive review



**Nick Goodwin**

Chief Executive Officer of  
HM Courts and Tribunals Service

During the course of this year, we welcomed a new Chair, a new Lord Chancellor and the first Lady Chief Justice for England and Wales. With their support and guidance, along with that of the HMCTS Board and leadership team, we reviewed and critically appraised our operations and priorities. This allowed us to make sure that we could continue to provide, develop and modernise the vital public services we deliver through the courts and tribunals.

Our reformed digital services, which have now been used over 2.4 million times, are not only making a difference to those who use them, but are now giving us the quality insights we need to make better, evidence-based, decisions about further improving services.

Over the year we received over 4 million cases, facilitated approximately 2.3 million hearings and disposed of over 2.5 million cases across criminal, civil and family courts and tribunals.

### **Across every jurisdiction, we had successes at local, regional and national levels.**

In the 2023 to 2024 financial year, we sat over 107,000 Crown Court sitting days, the highest level since 2016 to 2017.

In our criminal courts, the magistrates' and Crown Courts in England and Wales, we completed the rollout of Common Platform, which has now accepted over 1.4 million cases.

Within the civil jurisdiction, we are now ready to introduce integrated mediation for all small claims, valued under £10,000 in the County Court. This will mean swifter access to justice for more parties and reduce demand for small claims hearings.

In family private law, a successful early adopter pilot in Wales is helping us help families in dispute about child arrangements. The new process is designed to be less adversarial and focus on problem solving before families go before a judge.



A successful early adopter pilot in Wales is helping us help families in dispute about child arrangements.

In tribunals, early adopter sites across England and Scotland for the Employment Tribunals online service went live. Meanwhile work continued on the state-of-the-art courts and tribunals in Leeds city centre, which will provide 8 employment tribunal rooms and give victims, defendants and claimants quicker access to justice.

Lots of work has gone on behind the scenes to make the courts and tribunals system more accessible. Of course, there's more to do, and the accessibility and condition of our buildings often remains testing. The £220 million investment in our estate secured by the Lord Chancellor for essential modernisation and repair work over a 2 year period, will allow us to continue to make real progress.



We are now ready to introduce integrated mediation for all small claims, valued under £10,000 in the County Court. This will mean swifter access to justice for more parties.

The year also presented some wide-ranging and significant challenges, adeptly handled by my colleagues across HMCTS and the wider justice system. The presence of unstable concrete (RAAC) in some of our buildings, protestors at our sites, a series of very complex often high-profile cases, prison capacity concerns and the inflationary pressures experienced across the whole public sector required all to display considerable skill and resilience.

**It is here that I would like to pause and thank the myriad of people – court and tribunal staff, judges and partners – who worked so hard to overcome these obstacles.**

Your expertise, professionalism, hard work and determination has been instrumental in our success at facilitating justice for millions of court and tribunal users when they needed it most and despite the challenges before us.

In February 2024, we set out our approach to concluding our Reform Programme and continuing to improve what we do and how we do it beyond its closure in March 2025. We reviewed the scope and timelines for outstanding elements of the Programme and adjusted our commitments so they are achievable in the current operational context.

Our focus has been on looking at the work of HMCTS holistically, considering what we need to do in the final phase of the Reform Programme alongside the day-to-day business of courts and tribunals. This will give us the best chance of performing at our best now and create a stable environment where we can continue to improve.

That's exactly what we'll continue to do as we look forward with positivity to the year ahead.

**Nick Goodwin**

Chief Executive and Accounting Officer

## 1.1 Overview

The overview summarises information about our organisation. It includes our purpose, how we are structured, the main risks to achieving our objectives, and a summary of how we have performed during the year. You can find more detailed information on our performance from page 16.

### 1.1.1 Who we are and what we do

We are an executive agency of the Ministry of Justice (MoJ). We are responsible for the administration of criminal, civil and family courts and tribunals in England and Wales, as well as non-devolved tribunals in Scotland and Northern Ireland.

The HMCTS Framework<sup>1</sup> sets out the partnership between the Lord Chancellor, the Lord/Lady Chief Justice and the Senior President of Tribunals. It describes our responsibilities and includes information on how we are governed and funded. Our Governance Statement from page 34 has more detail on our governance structure.

### Our role and responsibilities

The work we do has a direct impact on everyday lives. Justice is a vital public service, relied on by victims, families, and businesses. We aim to run a fair, efficient, and effective courts and tribunals system. Those who rely on our services include:

- victims and witnesses of crime
- defendants accused of crimes
- people in debt or with other disputes
- people involved in the adoption or protection of children
- people affected by relationship breakdown
- businesses involved in commercial disputes
- individuals asserting their employment rights or challenging the decisions of government bodies

#### Together we:



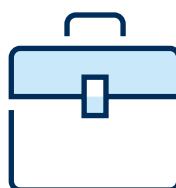
**provide the supporting administration** for a fair, efficient and accessible courts and tribunals system



**collaborate effectively** with other justice organisations and agencies, including the legal professions, to improve access to justice



**support an independent judiciary** in the administration of justice



**work with government departments and agencies** to improve the quality and timeliness of their decision-making, which will reduce the number of cases coming before courts and tribunals



**drive improvements** across all aspects of the administration of courts and tribunals

You can find out more about our work at [www.gov.uk/government/organisations/hm-courts-and-tribunals-service](http://www.gov.uk/government/organisations/hm-courts-and-tribunals-service).

<sup>1</sup> [www.gov.uk/government/publications/hm-courts-and-tribunals-service-framework-document](http://www.gov.uk/government/publications/hm-courts-and-tribunals-service-framework-document)

## How we are structured

We deliver our services in a variety of ways, such as face to face in court and tribunal buildings, remotely via video or telephone links, administratively via Service Centres (the first port of call for members of the public who want information on their case), and through online services on GOV.UK.

We have around 18,500 members of staff, of which 90% work in frontline delivery of services. You can find details on the composition of our workforce from page 53.

Our courts and tribunals are located across England, Scotland and Wales and are managed by regional delivery directors. We have 329 venues, 9 temporary<sup>2</sup> (Nightingale) sites, and 13 administrative sites, including 5 Service Centres. Details of individual venues can be found at [www.find-court-tribunal.service.gov.uk](http://www.find-court-tribunal.service.gov.uk).

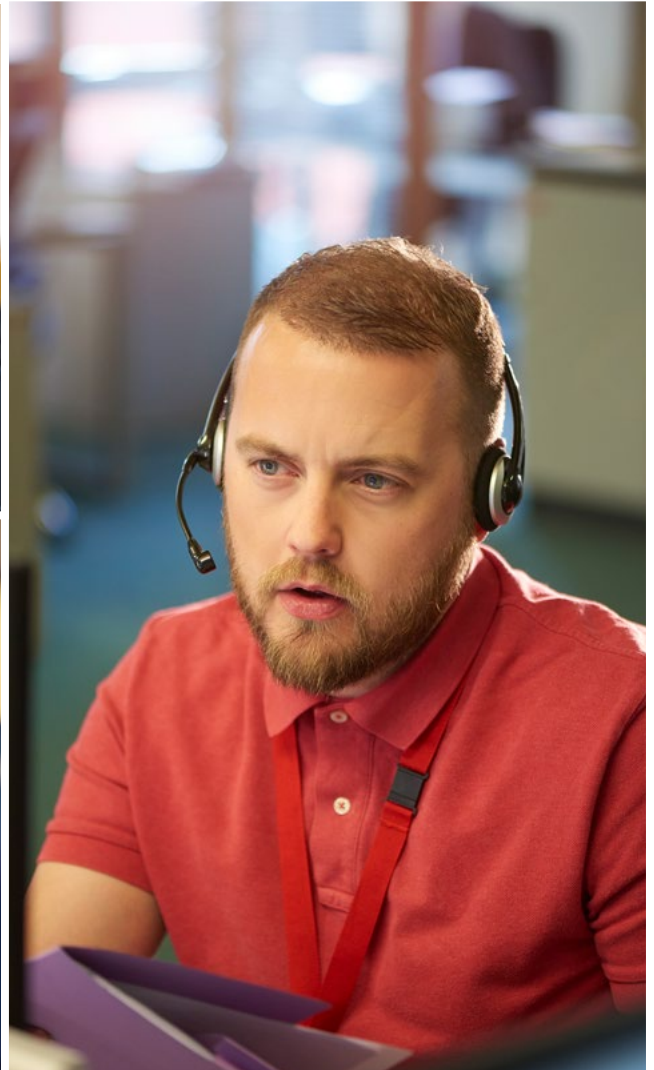
As with any large organisation, the services we provide in our courts and tribunals are supported by headquarters' functions, which include HR, finance, digital, strategy, and property. These are managed by members of our senior management team. You can find details of our governance and management structure in the Accountability section from page 34.

## Our strategic objectives and priorities

Over the course of the year our Board has been reviewing our future strategic objectives and priorities. The vision for HMCTS is centred on supporting and enhancing the efficient and effective delivery of justice. This means facilitating and collaborating with all parties, articulating what each might do to improve delivery and supporting them (particularly with data) to do so, recognising the independence of each constituent part. We also contribute to 'strengthening the justice system and delivering swift access to justice', one of the aims in the MoJ Outcome Delivery Plan. Our Corporate Plan, covering the period 2022-25, provides detail on how we will do this through our strategic objectives and 5 main priorities.

Our business plan for 2023-24 set out activities we planned to deliver and how we would monitor our operational performance. Everything we do is underpinned by our values of purpose, humanity, openness and together.

<sup>2</sup> In addition to our permanent estate, we utilised a total of 11 Nightingale court venues during 2023-24. The number of courtrooms open at any one point fluctuated as our needs, and those of the venues, changed.



**Our vision**

A courts and tribunals system that is **just, proportionate and accessible**



**HMCTS purpose**

To run an **efficient and effective** courts and tribunals system, which **supports an independent judiciary** in the administration of justice - enabling the rule of law to be upheld, and providing **access to justice for all**

**Our strategic objectives**



Making processes straightforward for the public



Dealing with cases as quickly as is reasonable



Ensuring services are accessible and inclusive



Building resilience



Reducing cost

**Our priority areas of focus**

**Pe** People

Having the right people, in the right place, with the right tools and support

**Ins** Insight

Embedding an evidence-based culture that provides the insight about our services and users that we need to make the right lasting decisions

**Ino** Innovation

Continuously improving so that our services are the best they can be and keep pace with what users need and expect

**Re** Resilience

Building capacity and flexibility to ensure we deliver a consistent and reliable service, prepared for the future

**Co** Collaboration

Working with key partners across the justice system and beyond to deliver the best justice service for all public and professional users

**Metrics**

How do we know we are delivering against our strategy – set out in the annual Business Plan and Outcome Delivery Plan



**Activities**

What are we doing to achieve improvement – set out in the annual Business Plan

**Our values**

**Purpose**

Justice matters. We are proud to make a difference for the public we serve.

**Humanity**

We treat others as we would like to be treated. We value everyone, supporting and encouraging them to be the best they can be.

**Openness**

We innovate, share and learn. We are courageous and curious, relentlessly pursuing ideas to improve the services we deliver.

**Together**

We listen, collaborate and contribute, acting together for our common purpose.

A summary of our performance is included on page 12 with a more detailed account in the Performance analysis section from page 14.

## Our budget

We are funded by Parliament through the Ministry of Justice with separate budgets set for revenue and capital expenditure, as part of an annual allocation process. Under an agreement between ministers and the senior judiciary, called the 'Concordat Process', ministers seek to agree our budgets with the Lord/Lady Chief Justice and Senior President of tribunals. The net resource cost of running our organisation during 2023-24 presented in these accounts was £1.8 billion (£2.6 billion expenditure offset by £0.8 billion from income). You can find a more detailed breakdown of our expenditure in the financial performance review on page 14.

## Delivering our services

We aim to deliver simple, easy-to-use services that reduce the time it takes for people to access justice and bring about a quick resolution. During 2023-24 we received over 4.1 million cases across the criminal, civil and family courts, and tribunals and disposed of (completed) over 2.5 million cases. In addition, a large proportion of civil cases, approximately 1.4 million, were not contested and were either settled out of court or received a default judgement.

You can find details of how we delivered our business plan priorities from page 16 and details of our operational performance from page 21.



## Our risks

Our Risk Management Framework brings together our risk strategy and practical guidance on how risks and issues should be managed at all levels in our organisation. During the year our executive team refreshed our corporate risk register, which was approved by the HMCTS Board. The risk register was regularly reviewed and amended as required throughout the year, and 2 specific issues arose during the year:

- In September 2023, Government departments were asked to report on the current picture of suspected and confirmed **reinforced autoclaved aerated concrete (RAAC)** in their estates. In 2020 we commenced surveys and tests at our sites built between 1960s to 1980s when RAAC may have been used so we were well-placed to respond. This year, RAAC was identified during works at a court built in the 1990s; we extended the scope of surveys to include all buildings of a similar age and identified no additional cases. We took remedial action where necessary and continue to keep the condition of RAAC in our buildings under review.
- We worked closely with criminal justice system partners in relation to **prison capacity issues** and put in place contingency plans to minimise the impacts on the operational running of the courts, for example, in the event of defendants arriving late to court. During the year there was no significant disruption preventing the running of the courts or the hearing of cases.

During the year we added a new risk linked to emerging issues that may impact our role as a trusted and reliable partner in the wider justice system, and we developed controls to mitigate this risk materialising.

Risk theme:	<i>Significant service delivery failures and performance improvement</i>	Risk theme:	<i>Providing a safe operating environment</i>
Key priority	Ino Re	Key priority	Re
Risk theme:	<i>Communicating and engaging effectively with our stakeholders</i>	Risk theme:	<i>Attracting, recruiting and retaining a diverse workforce</i>
Key priority	Co	Key priority	Pe
Risk theme:	<i>IT failure because we are using legacy systems and the scale of change to using new IT services</i>	Risk theme:	<i>Operating within our budget</i>
Key priority	Ino Re	Key priority	Re Ins Co
Risk theme:	<i>Having an effective governance framework and being a trusted and reliable partner within the wider justice system</i>	Risk theme:	<i>The impact of implementing reformed services on operational performance and achieving expected benefits</i>
Key priority	Pe Ins Ino Re Co	Key priority	Ino

You can find further details on our risks, including the controls we put in place to mitigate them, in the Accountability section from page 39.



## 1.1.2 Summary of our performance

We measure our performance against each of our 5 main priorities and our business plan, which are monitored by the HMCTS Board throughout the year. Details of how we performed against our main operational performance indicators are in the Performance analysis section from page 21.

The table below sets out the priorities in our business plan for 2023-24. This shows how they relate to our strategic objectives and corporate risk register, alongside examples of what we have achieved during the year. Further details on how we delivered our business plan priorities are from page 16 and further information on how we managed our risks is from page 39. While the deliverables in our business plan are important, they only represent a fraction of the total work we carry out. We spent much of 2022-23 responding to the impacts of the pandemic and industrial action by the Criminal Bar Association. During 2023-24 we focused on stabilising our services, operating at high volumes, and making improvements by continuing to rollout digital services.

Link to strategic objectives



Making the process straightforward for the public



Dealing with cases as quickly as is reasonable



Ensuring services are accessible and inclusive



Building resilience



Reducing cost

Status delivering activities:



Achieved



Partially achieved



Not delivered

Link to strategic objectives and corporate risks

Summary performance in 2023-24

### Key priority 1: **People**

Having the right people, in the right place, with the right tools and support



**Corporate risk:** People



Partially achieved

Further details can be found on page 16.

We developed strategic workforce plans to make sure we have the necessary people resources to deliver our modernised services. We continued to incorporate diversity and inclusion in all our workforce activity and introduced development programmes for our people from under-represented groups. We embedded a new organisational design across many areas and supported our people through the transition to the new structures.

### Key priority 2: **Insight**

Embedding an evidence-based culture that provides the insight we need about our services and users



**Corporate risks:** Performance; Communications



Partially achieved

Further details can be found on page 17.

We introduced a new management information pack providing operational performance data, to help inform our decision-making. We published management information on our reformed services and used protected characteristics data, provided by those using our services, to identify any differences in the way users access our services that we need to understand and improve. We published bi-annual updates to our Vulnerability Action Plan, setting out how we make sure our courts and tribunals are accessible for everyone.

Link to strategic objectives and corporate risks

Summary performance in 2023-24

Key priority 3: **Resilience**

Building capacity and flexibility to ensure we deliver a consistent and reliable service, prepared for the future



**Corporate risks:** People; Funding; Safety and security; IT failure

 Partially achieved

Further details can be found on page 18.

We invested £99 million to help fix underlying issues with our estate, helping to minimise disruptions to the running of our courts and tribunals and improve the working environment. We invested £17 million on major projects to extensively renovate or purchase new premises, to provide our services in a more modern setting. We also continued to invest in our cybersecurity and digital technology systems, to provide a more modern, reliable, and efficient service.

Key priority 4: **Collaboration**

Working with key partners across the justice system and beyond to deliver the best justice service for public and professional users



**Corporate risks:** Performance; Communications; Reputation

 Partially achieved

Further details can be found on page 19.

To prepare for automatic mediation for parties involved in small claims disputes, we collaborated with the MoJ and the judiciary to make sure the system, processes and capacity were in place. For example, we recruited and trained mediators to meet the additional mediation demand. This means parties can resolve their dispute swiftly and without the cost of litigation, and it frees up judicial time to hear more complex cases.

Key priority 5: **Innovation**

Continuously improving so that our services are the best they can be and keep pace with what users need and expect



**Corporate risks:** Performance; Reform; IT failure; Funding

 Partially achieved

Further details can be found on page 20.

We continued to modernise our services and ways of working. During the year we reviewed our plans for the year ahead with the intention of implementing change in a more manageable way, so we can focus on providing a more consistent and reliable service. In 2023-24 we completed the rollout of Common Platform, the digital case management system in the criminal courts. We developed an end-to-end online service for all people appealing immigration and asylum decisions, and for those appealing benefits decisions made by the DWP and HMRC. We also introduced new features to the online service for civil money claims and claims for damages.

## 1.2 Performance analysis

This section provides a detailed view of how we performed against our business plan priorities and main performance indicators this reporting year. It also includes our plans for 2024-25.

### 1.2.1 Our financial performance

Our financial statements for the year ending 31 March 2024 are presented later in this document from page 65. HMCTS is financed by funding provided by the MoJ from money approved by Parliament, and from income generated from fees for services and from other government departments. We operate within the control framework set by HM Government and set out in Managing Public Money.

In 2023-24 HMCTS spent resource and annually managed funding (excluding change programmes) of £2,591 million (2022-23: £2,275 million) on the day to day running costs of the organisation with an additional £56 million of resource spending (2022-23: £49 million) to support the reform change programme. Funding for our capital investment programme (excluding reform) was £162 million (2022-23: £130 million). MoJ set, in agreement with HMCTS, our total expenditure levels, which exclude income from most fees for court services.

We continued to invest in our Reform Programme with £39 million spent on our new case management and other digital systems. In addition, we spent £22 million on technical debt on our legacy systems, to stabilise and re-platform them so they remain available for use. We invested £116 million in maintenance, renovations and renewal of our courts and tribunals buildings, with a further £38 million spent on acquiring new properties and renewing leases.

#### Financial pressures

During the year, we faced increases in our costs from inflation. Judicial salaries rose by 7%, and staff salaries by an average of 4.5%, alongside a one-off cost of living payment of £1,500 for eligible staff. We also saw significant inflation in our costs for fuel, security and guarding, and facilities management that reflects underlying movements in salary levels, including the increase in the National Minimum Wage. Inflation in construction costs, in particular, has placed further pressure on our capital build and capital maintenance projects.



*"We spent £228 million on capital and have continued our focus on investment on our infrastructure, investing over £116 million on maintaining our property, and £61 million on our IT assets, supporting the final stages of reform and removing technical debt from our legacy systems."*

Andrew Baigent, Chief Financial Officer

### Financial performance

The diagrams opposite present our revenue and capital spend for the financial year. Further detail can be found in the annual accounts.

The largest part of our funding is for our core operations, which is primarily to support our users and the work of the courts and judiciary. Although we are working to digitise many of the court administration functions, the courts and tribunals still predominantly operate from buildings, of which we have over 350, many of which are specialised in their nature i.e. secure docks, cells, juror facilities, chambers etc. As a result, our accommodation costs account for £307 million, 12% of spending. We also employ over 16,400 (FTE) to facilitate the work of the courts which accounts for £701 million (28%) of our expenditure; this included the implementation of the staff pay award from August 2023.

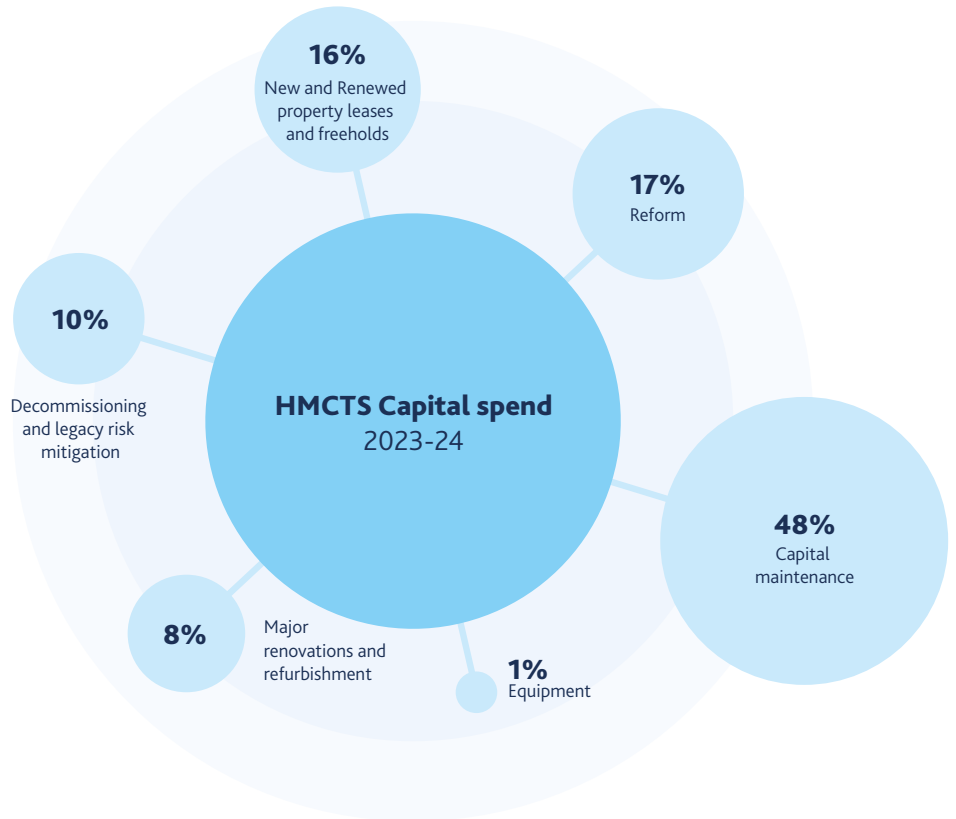
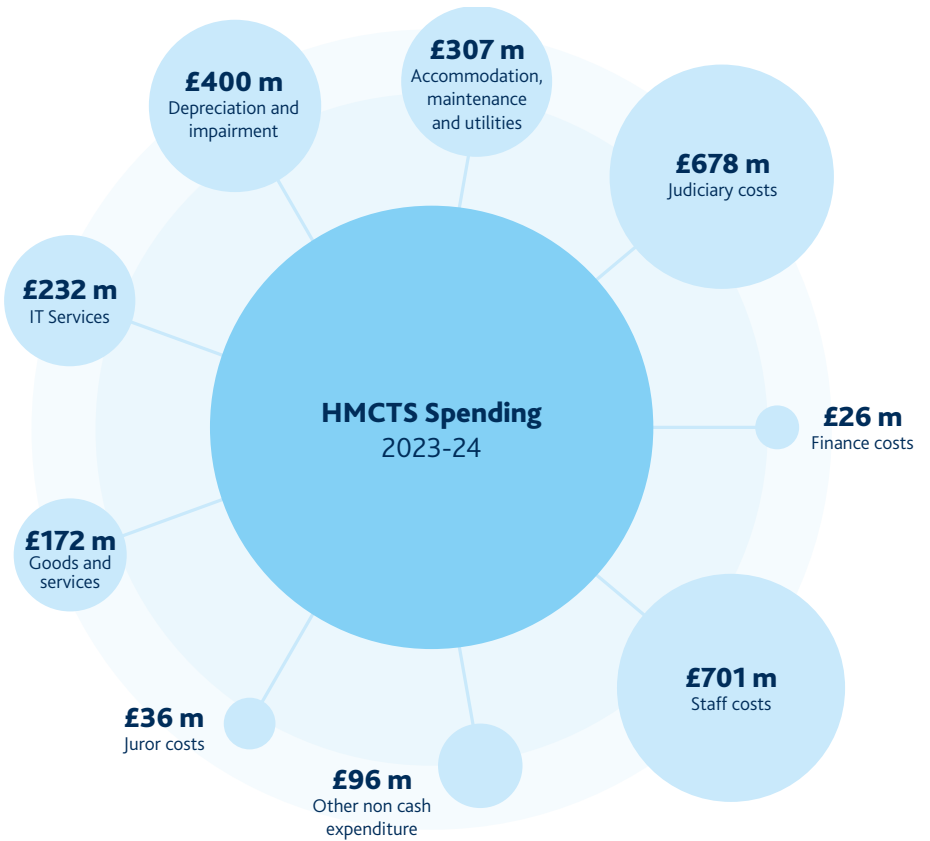
### Investment funding

During 2023-24, we continued to invest in our estate and equipment, and spent £228 million on capital projects as detailed opposite.

### Financial priorities for 2024-25

We will continue our programme of investment in the maintenance of our buildings and improvement of our estate, with planned investment of £120 million on maintenance, and construction or fit out of new court and tribunal buildings in Blackpool, Central London and Reading.

Our Reform Programme will close at the end of March 2025, with the final £8 million of capital investment this year.



## 1.2.2 Performance against our business plan priorities

This section has more detailed information on what we have delivered and our main operational performance data.

### Key priority 1: **People**

Having the right people, in the right place, with the right tools and support

Link to strategic objectives: 

Link to Corporate risk: **People**

Our focus: **ensuring our leaders have the right skills to manage, engage and inspire our people including supporting our people through organisational change; and continue to focus on diversity and inclusion.**

Our success depends on the skills and commitment of our people, and they are at the heart of what we do. Our People and Culture Strategy sets out our priorities and shows how we want our organisation to look, feel and function as we modernise our services and the way we work.

We agreed a new national organisational design which reflects the way we work as we complete our Reform Programme and embarked on a programme to define and enhance our organisational culture. We launched a line manager induction programme to equip leaders with the necessary skills to effectively lead, manage, engage and inspire their teams. We introduced our Learning and Development Hub to streamline access to learning resources, designed bespoke packages to support managers, and developed over 50 learning packages to support our reform work.

We launched 4 new apprenticeships this year (with over 40 apprenticeships now available) and improved guidance on learning and development opportunities.

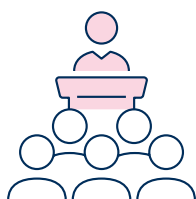
In recruitment, we reduced the average time to hire down to 42 days (14 days lower than last year's peak) and our new centralised recruitment model ensures consistency and best practice in all campaigns across the organisation. We improved the diversity of assessment panel members and enhanced our use of data across the organisation in areas such as attrition, diversity and recruitment. The introduction of the Talent Spot for AA-HEO grades has refreshed our approach to managing talent and made developmental conversations easier by recognising differing individuals needs through conversations with line managers.

### How we did

Below are some examples of what we have achieved and challenges we faced this year.

#### Proportion of People milestones:

86% delivered/14% partially delivered:



The **Power of Choice development programme** was launched in January for colleagues from under-represented groups to help identify and tackle any barriers to progressing in our organisation. **113 people attended the first 3 cohorts.**



During 2023-24, we had **131 new enrolments** in apprenticeship programmes. Since they were launched in 2017, 259 people have completed their apprenticeship, with 247 currently enrolled. Our programmes range from 12 months to 7 years.



We developed **in-year workforce plans** to be used consistently across the organisation, which means we can accurately track and manage our actual workforce by size, shape, location, and composition against our affordable staff numbers.


### Example of challenges faced:

Key challenges throughout the year have been largely to do with the embedding of the National Organisational Design programme and preparing for the planned workforce changes enabled by reform, which is dependent on many external factors and in turn has an impact on attrition, employee engagement and more. Reward continues to be a key challenge, as does supporting the organisation to be in the best possible place to take on board and embed further and sustainable change, particularly as regards capacity, skills and motivation.

In terms of people development, one of the key challenges this year has been tackling apprenticeship withdrawal rates. A survey showed us that candidates were feeling overwhelmed by the demands of an apprenticeship alongside their roles. We introduced specialised tools and additional guidance for apprentices and their line managers to help manage workload and provide breaks in learning. Withdrawal rates have since reduced from 24% to 7%.

### Key priority 2: **Insight**

Embedding an evidence-based culture that provides the insight we need about our services and users

Link to strategic objectives: 

Link to Corporate risks: **Performance; Communications**

Our focus: **to provide accurate and timely management information to our HMCTS Board and to understand and support vulnerable users of our services.**

We are always looking to improve our services so that they are as efficient and effective as possible. To do this, we want to ensure decisions are based on data, which includes insight about our services and our users.

We developed a new management information pack with performance metrics for our main services, and our organisational health. Detailed dashboards for individual services using data from our new Strategic Data Platform are now in place. This means we can provide more information on how our courts and tribunals are performing, that allows us to make informed strategic and operational decisions.

In December 2023 we published management information on our reformed services<sup>3</sup> that set out user satisfaction and the number of applications received online. We will publish this information on our reformed services twice a year.

We updated our Vulnerability Action Plan<sup>4</sup> to illustrate the work we are doing to ensure our vulnerable users are not disadvantaged or discriminated against as we deliver services both now and in the future. We used the information captured through our new systems on protected characteristics to help us do this. We are committed to making sure we are listening to people using our services who are more vulnerable, and our partners who support vulnerable groups.

#### How we did

Below are some examples of what we have achieved and challenges we faced this year.



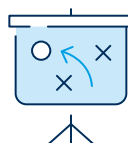
We shared our toolkit for assessing access to justice with members of the Organisation for Economic Co-operation and Development, as a practical resource to measure access to justice in their own countries

#### Proportion of Insight milestones:

80% delivered/20% partially delivered:



We published bi-annual updates on progress in delivering our **Vulnerability Action Plan**



We produced our first fully functional operational performance dashboard, using our **Strategic Data Platform**



We published **access to justice assessments**<sup>5</sup> on 4 of our reformed services, including action we have taken as a result

<sup>3</sup> [www.gov.uk/government/statistical-data-sets/hmcts-management-information-reformed-services-september-2023](http://www.gov.uk/government/statistical-data-sets/hmcts-management-information-reformed-services-september-2023)

<sup>4</sup> [www.gov.uk/government/publications/hmcts-vulnerability-action-plan](http://www.gov.uk/government/publications/hmcts-vulnerability-action-plan)



<sup>5</sup> [www.gov.uk/government/publications/assessing-access-to-justice-in-hmcts-services](http://www.gov.uk/government/publications/assessing-access-to-justice-in-hmcts-services)

### Example of challenges faced:

We hold a wide range of valuable data on our services that can be used to improve performance and share with others to support research. To access this, we invested in improving our data foundations, starting with the build of a new cloud-based Strategic Data Platform. This platform provides new, modern tools that will help us efficiently collect, store, process, manage, analyse and share our data and insights. We completed the platform in March 2023 but to get the benefits we needed to transfer all our legacy data, build new pipelines to newly reformed case management systems, and merge reform and legacy data to create a joined-up view of performance. The merging of legacy and reform data has presented a significant challenge, particularly during the early stages of reform development when cases can transfer between systems. We need to be able to identify and remove duplicate records as well as ensuring we select the most up-to-date details from the right system for each unique record. We successfully completed this for several HMCTS services, including the criminal courts and public family law, but more work remains to be done to complete this in other jurisdictions.

### Key priority 3: Resilience

Building capacity and flexibility to ensure we deliver a consistent and reliable service, prepared for the future

Link to strategic objectives:  

Link to Corporate risks: **People; Funding; Safety and security; IT failure**

Our focus: **to prioritise investment in ensuring our buildings are safe and secure, and to deliver and sustain our digital and technology services.**

Ensuring our infrastructure is resilient and operated effectively is essential to enable us to deliver a consistent and reliable service.

Our digital services are central to making our services modern, reliable, efficient, and accessible. Online services, remote hearings and paperless systems have all helped reduce the need for people to visit our premises and instead follow their cases or file information online. These simplified and streamlined digital services help expedite people to get justice as quickly as possible, while reserving judicial time and court space for the most complex cases.

We continued to invest in digital systems to improve their reliability, however, we still use a large number of older legacy solutions that are no longer supported and in outdated data centres. Our Decommissioning Legacy and Risk Management Programme is reducing the risks associated with our legacy applications by, for example, moving them into secure, modern cloud-based environments, or replacing and then decommissioning them. We are on track to exit the legacy data centres by May 2025.

The buildings we operate from include modern purpose-built courts and tribunals as well as older and listed buildings that are not always easy to maintain or modernise, and were not designed with sustainability in mind. We are investing £220 million capital funding across 2023-24 and 2024-25 to invest in our buildings. This funding meant we could carry out a proportion of essential maintenance and repair work as well as invest in major projects where we needed to extensively renovate or purchase and fit out new premises.



Over 280,000 maintenance and repair jobs were carried out across our estate in 2023-24

### How we did

Below are some examples of what we have achieved and challenges we faced this year.

#### Proportion of Resilience milestones:

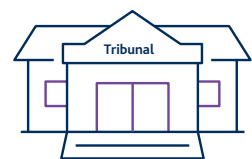
43% delivered/57% partially delivered:



We prioritised **£99 million investment** in essential maintenance and repair work to make our buildings safe, secure and protect continuity of service



We **reduced the number** of software applications hosted in our legacy data centres from 25 to 12 (all applications will have been removed from the legacy data centres by the end of September 2024)



We **relocated Leeds Employment Tribunal** to a newly refurbished building, with modern facilities. The building will also accommodate the Business and Property Court, supporting increased Crown Court capacity in the city.

**Examples of challenges faced:**

Through continuous surveys of our estate, we identified Reinforced Autoclaved Aerated Concrete (RAAC) in some of our buildings. Out of 350 sites, we found 11 (3%) with RAAC issues, which we responded to in line with guidance from the Institute of Structural Engineers and supported by specialist consultants. Of these 11 buildings, RAAC was completely removed from 1, 5 were made safe to use and are now under a scheme of continuous monitoring. We closed the remaining 5 buildings; 3 are temporarily closed while urgent work takes place to remove RAAC, and 2 sites (both in Blackpool) were closed pending permanent replacement. Where we had to close buildings, we rehoused judiciary and staff and arranged for cases to be heard remotely, or at alternative sites, to minimise disruption. The work in Blackpool has been relocated to other sites in Lancashire until a new state-of-the-art court in Blackpool opens in 2026. We continue to keep the condition of RAAC across our estate under review. Where RAAC is deemed as defective or has deteriorated, we follow the advice of structural engineers. We will continue to take precautionary action where necessary to make sure our buildings are safe to use.

**Key priority 4: Collaboration**

Working with key partners across the justice system and beyond to deliver the best justice service for public and professional users.

Link to strategic objectives: 

Link to Corporate risks: **Performance; Communications; Reputation**

**Our focus: improving our engagement with our partners and stakeholders, sharing data and insights.**

We sit at the heart of the justice system and hold a unique position to promote efficiency and effectiveness by working with our justice partners and the judiciary to deliver improved courts and tribunals services. We continue to develop new methods of sharing data and insights to meet our business and operational needs and provide better insights about how our services operate. For example, this year we worked with the NHS to support health care services being provided in the custody suites of our criminal courts, helping vulnerable defendants.

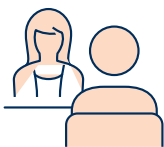
We collaborated with the MoJ and the judiciary to integrate a free mediation session for parties involved in disputes about a specific amount of money valued up to £10,000 in the County Court. These less complex cases represent 80% of all claims for money. We recruited and trained additional court-employed mediators in preparation for automatic referral to mediation commencing from 22 May 2024.

We worked in close partnership with the MoJ, Judicial Office and the Judicial Appointments Commission, in continuing to ensure judges are recruited and trained, and building judicial capacity across all jurisdictions.

**Our Small Claims Mediation Service** has provided voluntary mediation since 2007, settling over half of claims referred to it each year within weeks of starting the case.

**How we did**

Below are some examples of what we have achieved and challenges we faced this year.



**We recruited an additional 39 mediators** to provide free mediation for people involved in civil disputes valued up to £10,000, ahead of the launch of automatic referral to mediation



We worked with partners on the recruitment of over **1,000 judicial** posts; over 45 District Judges accepted appointments this year and recruitment was launched for a further 100.



We worked with partners on the recruitment of over **2,000 magistrates**. We appointed over **100 legal advisers**.

**Examples of challenges faced:**

It has been a challenge to ensure we have the right capabilities, including sufficient judges, staffing and capacity in our estate to manage the number of cases we have. We collaborate with the MoJ, our justice system partners and colleagues in other government departments, to ensure we have the latest available information to help forecast the likely number, type, and timing of cases we will receive. This helps us plan the number of cases which will need to be listed across courts and tribunals. We continue to work with the Judicial Appointments Commission and others, to build the capacity of the district bench but are falling short in meeting the full business needs for salaried judges hence that has made it harder to sit the full volume of cases.



## Key priority 5: Innovation

Continuously improving so that our services are the best they can be and keep pace with what users need and expect.

Link to strategic objectives: 

Link to Corporate risks: **Performance; Reform; IT failure; Funding**

Our focus: **modernising our systems and processes to deliver digital services, driving continuous improvement, and providing easier and quicker access to justice.**

Since 2016 we have been modernising our justice system, moving away from paper-based systems to user-centred digital services that improve access to justice, whilst improving efficiency.

We completed the rollout of Common Platform, our criminal case management system, to all Crown and magistrates' courts. Common Platform organises how criminal cases are accessed, managed, and processed by giving all parties in the criminal justice system, including police, prosecuting and defence lawyers, judiciary and court staff, access to up-to-date case information appropriate for them to see. Prosecutions by organisations such as TV Licencing, Transport for London, DVLA and British Transport Police are now managed on Common Platform.

In the Social Security and Child Support Tribunal (SSCS), we completed the delivery of all end-to-end features for submitting and managing cases online, for appealing benefits decisions made by DWP and HMRC.

We introduced new features to the online services for civil money claims and damages claims. In early adopter courts, cases can now stay online from the issue of a claim, all the way through to final order, creating for the first time an end-to-end digital case file. This service will now be rolled out nationally by March 2025.

*"Excellent platform and easy to use. Thank you."*  
Feedback from public user of the SSCS online system

### How we did

Below are some examples of what we have achieved and challenges we faced this year.

**Proportion of Resilience milestones:**  
25% delivered/75% partially delivered:



**Common Platform**, our criminal case management system, is now live in all criminal courts and is interfaced with the CPS system



We developed an end-to-end digital service for all appellants in the **Immigration and Asylum Chamber**.



In the Social Security and Child Support Tribunal, **Submit and Manage Your Appeal** is now available for 16 benefit types (8 introduced this year). 95% of appellants can now appeal, submit evidence, and track their appeal online.

### Examples of challenges faced:

We have made significant progress in delivering our Reform Programme, which has been introduced while continuing to run the vital day-to-day services we provide. As part of the programme, we assessed the project by considering what we have already achieved, the capacity in our organisation to introduce further changes and the pressure on our operations. We listened to feedback from our staff and partners and have taken account of wider pressures affecting us, such as the long-lasting impacts of the pandemic and the number of outstanding cases. Our priority now is to concentrate on providing a consistent and reliable service and continue to improve at a steady pace. As a result, we took the decision to adjust our plans and to ease the pressure on our business and ensure continued success by extending the overall Reform Programme to March 2025. As part of this assessment, and to assist in providing the stability we need, we will no longer design and implement some elements of functionality; these services will continue operating as per current processes. This will allow us to get the systems and processes performing to their maximum capacity and ability before adding additional functionality. We also recognise that we need to spend additional time ensuring our processes and ways of working align fully with the technological change and that any interactions between the systems are fully documented. We cannot do one without the other and we recognise the consequences of getting this wrong.

### Our main operational performance metrics 2023-24

We continued to focus on making best use of our resources and increasing the number of cases we dealt with. We measure how well we are disposing of cases using a range of metrics and data captured throughout the year. This helps us understand the trends, with the aim of driving improvement.

Our main operational performance metrics this year were:

- disposal of cases in the Crown Court, Family Court (public and private law), Employment Tribunal, and the Immigration and Asylum Chamber (First Tier)
- open caseload in the Crown Court
- timeliness of completing cases in the magistrates' courts

The following charts show our performance against these metrics. We publish a range of monthly management information at [www.gov.uk/government/collections/hmcts-management-information](http://www.gov.uk/government/collections/hmcts-management-information). The management information presented in the graphs below has been extracted from large administrative case management systems. Every effort is made to ensure that our management information is accurate and complete, however it is subject to the inevitable limitations of data collected through complex administrative systems. The data presented here is as recorded on the date of extraction. The case management systems are continually updated and so the information presented may differ from previously published information, and will be subject to future revision. We voluntarily apply the Code of Practice for Statistics to our publication of management information.

#### Performance metrics

At the time of publishing this report, the release of the latest statistics in June 2024 had been postponed for further quality assurance as a result of concerns about the quality of key data inputs. This was in line with the Code of Practice for Statistics. As a result we are providing a link ([www.gov.uk/government/collections/criminal-court-statistics](http://www.gov.uk/government/collections/criminal-court-statistics)) to the latest available data instead of the graphical representation.

The trend on the criminal jurisdiction workload is as follows.

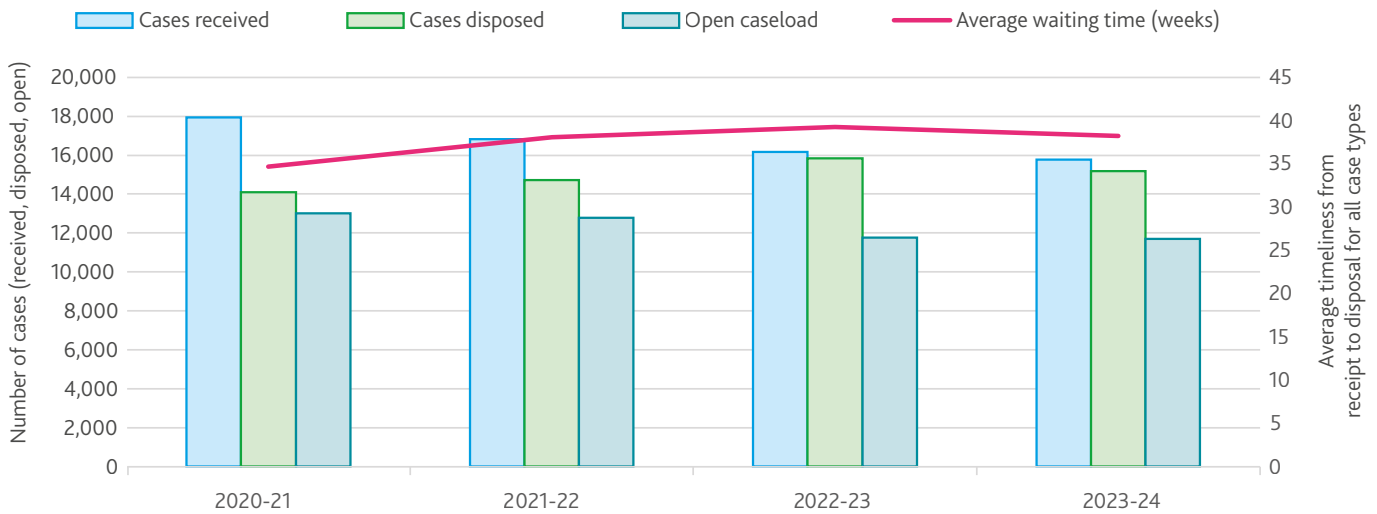
#### Crown Court workload and timeliness

In 2023-24, we sat the highest number of Crown Court days since 2016-17. Despite the additional days, the open caseload has continued to remain at a high level. Challenges continue, especially given the continued deterioration of the early guilty plea rate, as well as availability of sufficiently experienced legal professionals.

#### Magistrates' courts workload and timeliness

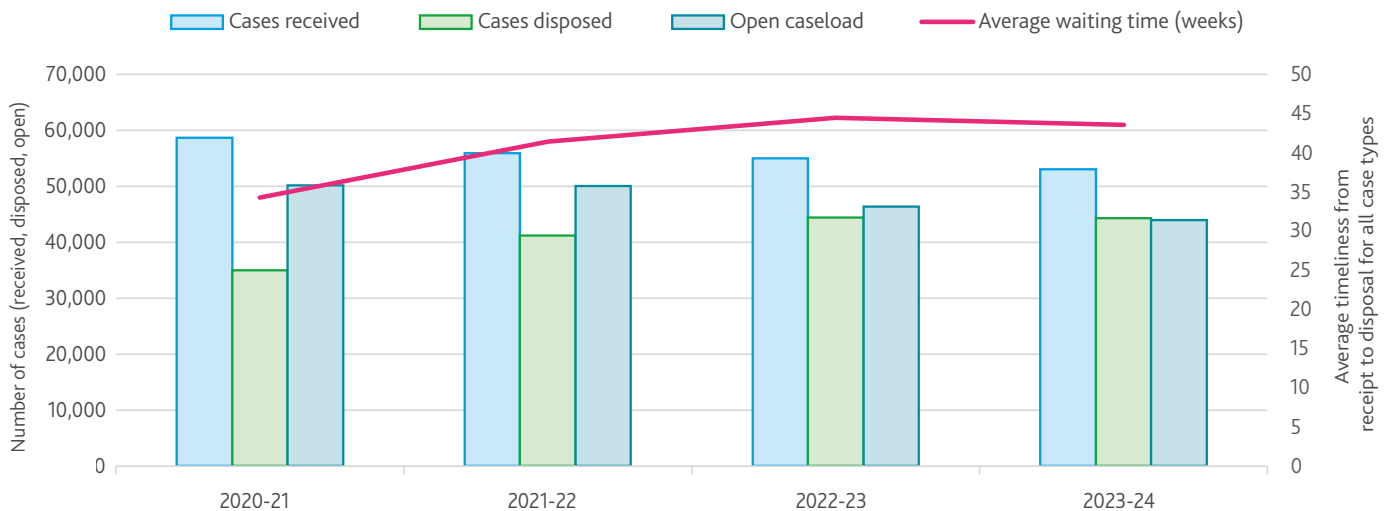
The average timeliness from charge to disposal has remained stable between 9-10 weeks since April 2022. The total work received by the magistrates' courts has been higher than expected. Disposals have also been higher than expected, but not to the same level, so the open caseload has steadily grown.

## Family public law workload and timeliness



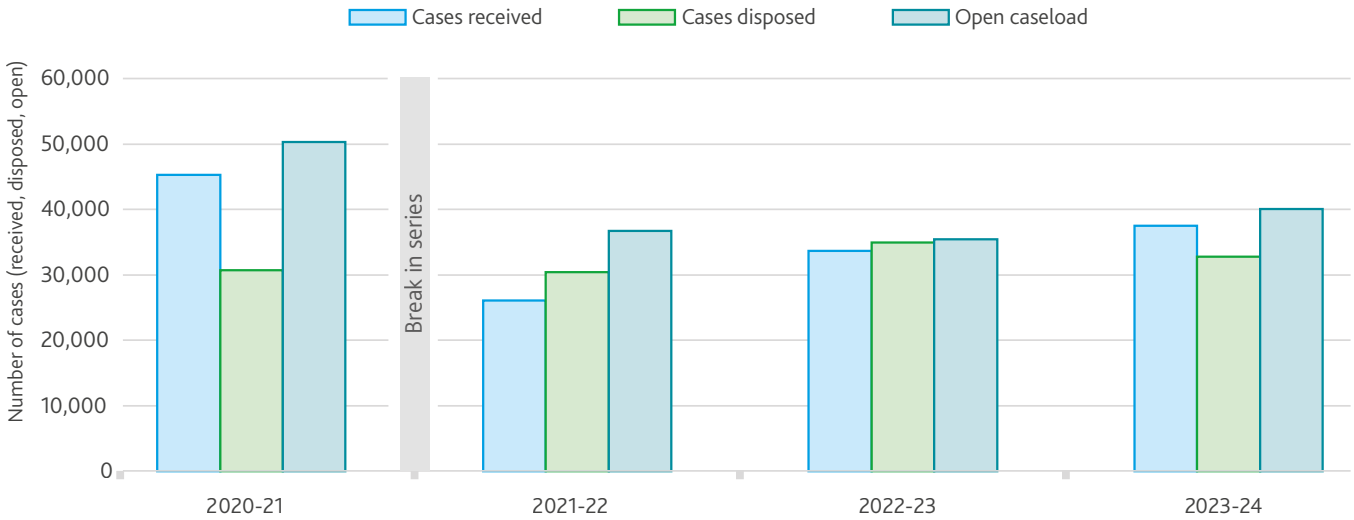
The average waiting time for public law cases has improved to an average of 38 weeks, but remains above the target of 26 weeks for care proceedings. However, disposals were lower than planned, reflecting lower than planned sitting days in this jurisdiction partly driven by newly appointed judges not yet experienced enough to sit in family public law. Work continues to deliver a range of pilots to improve timeliness by increasing efficiency in the system and ensuring cases are ready to be heard when they reach court. We have also improved our digital systems for public law services.

## Family private law workload and timeliness



The number of disposals in 2023-24 has remained in line with those delivered in 2022-23. Our timeliness caseload and waiting times have reduced and this reflects higher than planned sitting days. Work continues to deliver a range of pilots to improve timeliness by increasing efficiency in the system and ensuring cases are ready to be heard when they reach court.

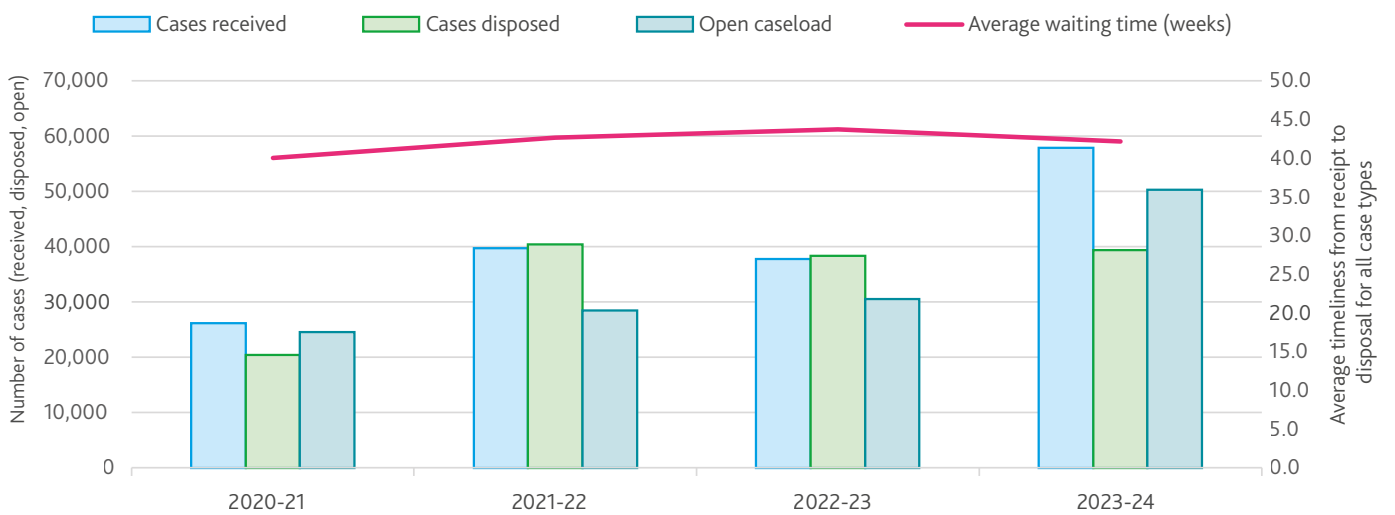
Employment Tribunal workload and timeliness



Disposals over the year were lower than planned, driven by fewer sitting days than expected from salaried judges. There are a significant number of new salaried judges. These new judges have a period of onboarding and training which has reduced disposal rates, alongside some judges starting their appointments a little later than anticipated. We increased the hearing capacity through the judicial-led 'virtual region', enabling fee-paid judiciary to hear suitable cases remotely.

**Note:** The Employment Tribunal transitioned to a new database (Employment Case Management) during March to May 2021. Metrics are not currently available to provide a like-for-like comparison with data from the old database, so results from June 2021 onwards should not be compared to results prior to March 2021. Additionally, Employment Case Management is not configured to enable the reporting of timeliness of cases, so this information is currently omitted. We are not able to provide results for the migration period of March to May 2021.

Immigration and Asylum Chamber (First Tier) workload and timeliness

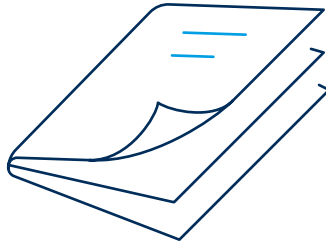


We received a significant increase in receipts, in particular in the autumn of 2023 as the Home Office has cleared the asylum backlog. We are working to ensure the effective listing of cases. There has been a change in case mix over the year with most appeal receipts now in relation to the more complex asylum category.

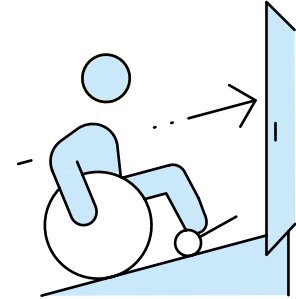
## Promoting equality in delivering our services



We are committed to meeting our **Public Sector Equality Duty**. We proactively consider how our policies, services, spending decisions and employment practices affect our diverse users and staff, and make sure we identify and address any negative impacts and promote equality.



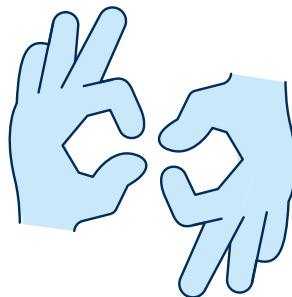
It is important to us our vulnerable users can always access the justice system with safety and confidence. Our **Vulnerability Action Plan**<sup>6</sup> shows how we aim to make our courts and tribunals accessible for everyone. It sets out what we are doing to make sure our vulnerable users are not disadvantaged or discriminated against, as we deliver services now and in the future. Updates on our plan are published bi-annually.



We published **access to justice assessments**<sup>7</sup> on 4 of our reformed services. These assessments, alongside other data, enable us to identify how access to hearings, case outcomes and durations vary by user groups and case type. When we identify a barrier to justice, we work to reduce it or remove it. The assessments also highlight areas where access to justice is working well and where it has improved.



We are partnered with **We Are Group** to provide a free national digital support service that removes the barriers some users face when accessing our online services. For example, those who cannot access the internet or a computer or are less confident in using online services. You can find further details published on GOV.UK<sup>8</sup>.



We supported **25 deaf jurors** who required a British Sign Language interpreter to carry out their jury service



We joined the **Hidden Disabilities Sunflower Network**<sup>9</sup> to help people visiting our buildings who may need additional support. Sunflower lanyards are available to collect in all our buildings for our users, staff and judicial office holders, to make it easy for people to discreetly show that they may need additional help or time.

6 [www.gov.uk/government/publications/hmcts-vulnerability-action-plan](http://www.gov.uk/government/publications/hmcts-vulnerability-action-plan)

7 [www.gov.uk/government/publications/assessing-access-to-justice-in-hmcts-services](http://www.gov.uk/government/publications/assessing-access-to-justice-in-hmcts-services)

8 [www.gov.uk/government/publications/hmcts-reform-infrastructure-and-enabling-services-fact-sheets/fact-sheet-national-digital-support-service](http://www.gov.uk/government/publications/hmcts-reform-infrastructure-and-enabling-services-fact-sheets/fact-sheet-national-digital-support-service)

9 [hdsunflower.com/uk/insights/post/hmcts-joins-the-hidden-disabilities-sunflower-network](http://hdsunflower.com/uk/insights/post/hmcts-joins-the-hidden-disabilities-sunflower-network)

## 1.3 Our priorities for the year ahead





We will continue to support and enhance access to the efficient and effective delivery of justice. We will do this by steadily developing and continually improving our own performance and using our role in the justice system to actively promote efficiency and effectiveness, collaborating with all justice partners, to articulate and facilitate what each might do to improve delivery. This means:





- **performing at our best** and providing quality services to the people that need them
- **improving leadership** and enhancing management and decision making to drive performance
- **supporting our people**, wherever they are and whatever they do, with training, leadership and the tools to do their jobs
- **delivering the final phase of the Reform Programme** and fulfilling its original vision
- **creating a stable environment** through simplification and consolidation of processes while innovating in manageable packets so that we can continue to improve at a steady pace

### Our Business plan 2024-25

Our Business Plan will translate our priorities into actions and targets supporting us to deliver our commitments while transitioning into a leaner and better performing organisation focussed on continuous improvement in all areas. This year we will:

Link to strategic objectives:

	Making the process straightforward for the public		Dealing with cases as quickly as is reasonable		Ensuring services are accessible and inclusive
	Building resilience		Reducing cost		

Priority	Objective
Perform at our best and provide quality services 	1. Run efficient and effective services and drive performance 2. Maintain and improve the capacity, safety, and security of our buildings 3. Enhance our digital and data infrastructure. Fix things that do not work and stabilise our systems
Enhance our leadership skills 	4. Develop management, structure and culture to align with those of a high performing organisation
Live our values and support our people 	5. Build an appropriately skilled diverse, sustainable workforce to meet the needs of court and tribunal users
Deliver the Reform Programme and grasp new opportunities to improve services 	6. Modernise, digitise and standardise services so that they are efficient and work for users 7. Take advantage of new opportunities to improve services
Create a stable environment for continuous improvement 	8. Input into and respond to government priorities and policies 9. Innovate to find the best solutions to problems 10. Secure a foundation for our medium-and long-term plans

Our performance will be measured through a combination of delivery milestones and key performance indicators for sitting days and disposals.

## 1.4 Environmental sustainability

We are committed to adapting the way we work to reduce our impact on the environment and responding to climate change. Our sustainability report follows HMT's Sustainability Reporting Guidance 2023-24 on our Greening Government Commitments<sup>10</sup>.

### Overall Greening Government Commitment performance

Our annual interim measures or 'stepping stone targets' for priority areas are set by the MoJ Senior Sustainability Board. We regularly monitor our performance against Greening Government Commitments (GGCs) and the table below summarises how we are doing, using current data for 2023-24. A detailed breakdown of our data performance is at Annex B. We are currently not on track to meet carbon reduction targets, as there is a high degree of uncertainty on the feasibility of renewable heat sources in some of our ageing buildings, and particularly where we have electrical capacity limitations. We also require significant investment to be able to decarbonise heating across our estate.

### Overall GGC performance against MoJ interim measures for 2023-24

All interim targets are measured against our 2017-18 baseline and are based on data for January to December 2023.

**Key** ● Achieved MoJ interim measure ● Not achieved MoJ interim measure

#### ● Reduce greenhouse gas emissions by 34%

We achieved a 35% reduction in total greenhouse gas emissions. We are generating our own renewable energy through roof mounted solar panels and installed panels at 3 additional buildings this year.

#### ● Reduce heating emissions by 19%

We decreased our heating emissions by 16%. We are working with our Facilities Management Service provider to align heating and cooling plant to operational hours which has enabled us to reduce wasted consumption. We are actively exploring opportunities to connect our buildings to low-carbon heat networks where feasible; we secured £3.5 million grant funding to deliver 2 projects in Bradford from spring 2024.

#### ● Reduce water consumption by 7%

We increased our water consumption by 7%. We installed additional smart metering on our water supplies this year to enable us to identify and target unusual water consumption. We appointed a new water supplier and have established a water reduction improvement plan for delivery from April 2024.

#### ● Reduce overall waste by 15%

We reduced the amount of waste we generate by 54%. We have started to implement food waste segregation for our in-house catering services and staff kitchens and tea points.

#### ● Reduce paper use by 50%

We reduced paper use by 65% through transition to digitised services and local 'no print' campaigns.

#### ● Reduce distance travelled by domestic flights by 17%

We reduced domestic flight travel by 89%. We significantly overachieved our target, enabled by greater use of digitised services.

#### **N/A** Measure for ICT waste

We redistributed unwanted IT equipment across the estate to reduce waste and rationalised the number of printers.

#### **N/A** Remove consumer single use plastics

We are working to reduce and remove avoidable consumer single-use plastic, wherever viable and practical.

#### **N/A** Nature recovery and biodiversity action planning

We have an Ecology Management Plan in place to protect and increase biodiversity at Snaresbrook Crown Court (Site of Special Scientific Interest).

#### **N/A** Procuring sustainable products and services

We adhere to the MoJ Sustainable Procurement Policy including use of Government Buying Standards.

#### **N/A** Adapting to climate change

We are delivering a climate change adaptation action plan to identify and manage risks to our services, posed by climate change.

#### **N/A** Rural proofing

We follow Department for the Environment, Food and Rural Affairs guidance and conduct rural proofing tests where appropriate.

#### **N/A** Sustainable construction

We adhere to the MoJ's Building Research Establishment Assessment Method policy. 3 projects are currently undergoing assessment.

#### **N/A** Reducing environmental impacts from ICT and digital

We are improving our sustainable practices by upgrading, recycling and reusing hardware and software, while adhering to the greening government ICT and digital services strategy.

<sup>10</sup> [www.gov.uk/government/collections/greening-government-commitments](https://www.gov.uk/government/collections/greening-government-commitments)

### Taskforce on climate-related financial disclosures

Our report on climate-related financial disclosures is consistent with HMT's taskforce disclosure application guidance which interprets and adapts the framework for the UK public sector. We have complied with the taskforce recommended disclosures for 2023-24 around governance, metrics and targets. We plan to make disclosures for strategy, risk management and further metrics and targets disclosures in future reporting periods in line with the central government implementation timetable.

### Governance around climate-related issues

We have a dedicated sustainability team who work in partnership with the MoJ Climate Change and Sustainability Unit. They co-ordinate our response to meet UK government environmental ambitions and targets. Our Property Director is the senior responsible officer for sustainability, and progress and sustainability and climate-related risks are reported to our Property Board and the HMCTS Board. We are an active member of the MoJ's Sustainability Board. This Board is the internal body accountable for the MoJ's Sustainable Operations Strategy which sets out how we embed environmental sustainability throughout our estate, operations and procurement activity, and respond to risks.

### Board oversight of climate-related issues

Our Property Board, Facilities Management Board and the HMCTS Board have oversight of our sustainability action plan. The Property Board and (from this year) the Facilities Management Board, receive a quarterly update of our progress against priority Greening Government Commitments targets, progress against the sustainability action plan and risks that may impact our ability to improve our environmental performance and transition towards a more sustainable organisation. The HMCTS Board receive an annual update of our progress, achievements, and risks.

We have begun work this year to integrate sustainability and climate-related risks and opportunities within our cross-organisational governance and assurance processes and we have begun assessing and managing sustainability and climate-related risks as part of our corporate risk framework; this work will develop and strengthen over the next financial year. The HMCTS Board are alerted to any significant changes on our corporate risks monthly, and our Audit and Risk Assurance Committee have oversight of all corporate risks quarterly, as outlined in the Risk management section from page 39.

### Management's role in assessing and managing climate-related risks

We have a Sustainability Steering Group who have oversight of sustainability and climate-related matters, and a role in assessing and managing climate-related risks. The group is made up of senior corporate and operational representatives and we expanded membership this year to ensure we have sufficient cross-organisation representation. The group is chaired by our Head of Sustainability with reporting and escalation responsibilities to our Property Director.

Over the next year, we will develop our approach to assessing and managing sustainability and climate-related risks to ensure it becomes a shared responsibility of all senior leaders across the organisation. We implemented new risk management processes from March 2024, to embed sustainability and climate-related risks in all directorate risk registers; this will help us increase oversight, accountability and grow expertise in managing risk across our organisation. The risks identified through this process will be reported through our established risk and governance processes.

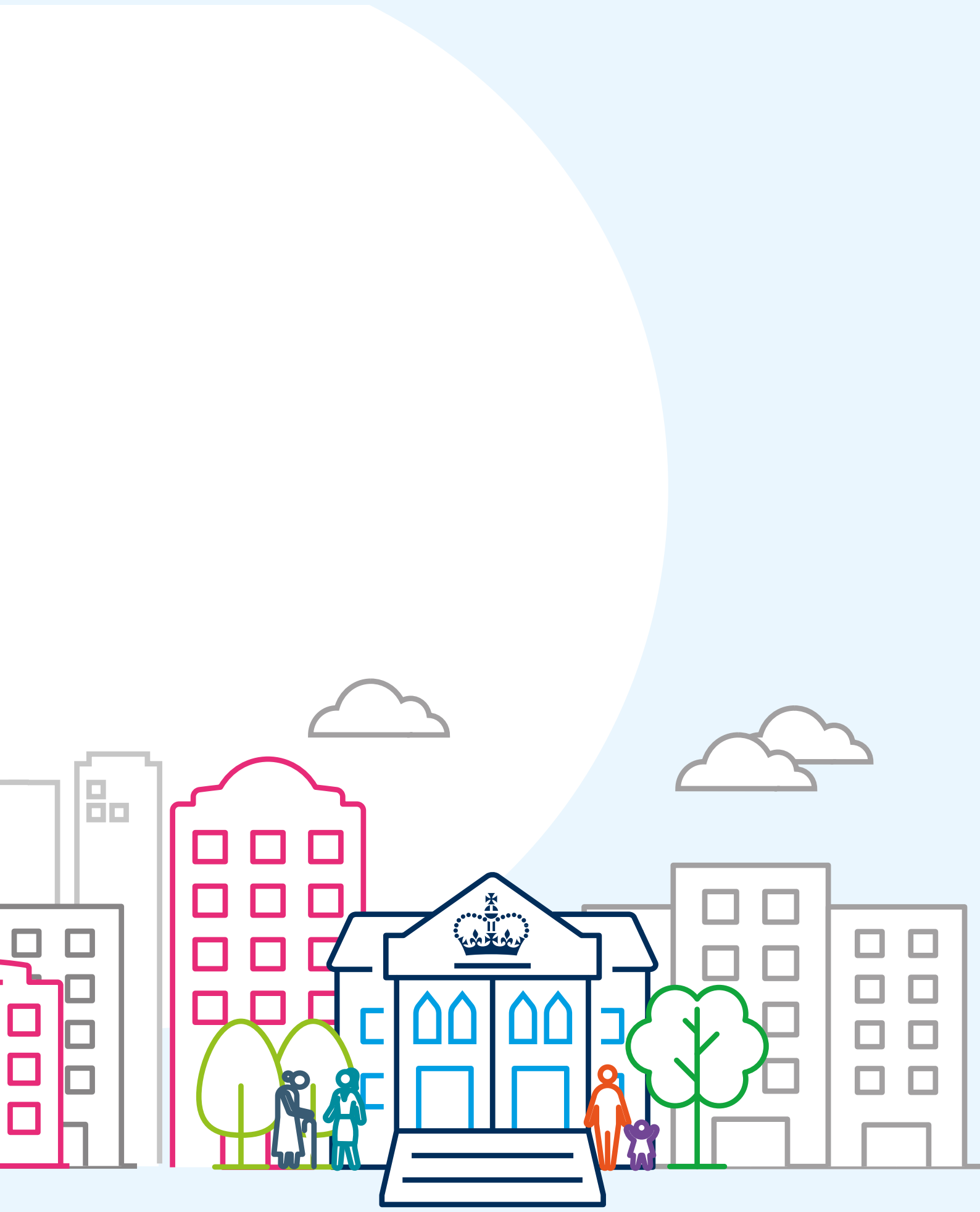
We adhere to the MoJ assurance review process for programme and major project business cases, referred to as the keyholder process. Climate change and sustainability is a keyholder which means all business cases with expenditure above £10 million are screened for their climate change and sustainability impacts.

#### Nick Goodwin

Chief Executive and Accounting Officer

18 July 2024





# Section 2: Accountability report

This section sets out how we meet the main accountability requirements to Parliament. It is made up of:

- our corporate governance report
- our remuneration and people report
- our parliamentary accountability and audit report

## 2.1 Corporate governance report

The purpose of the corporate governance report is to explain the composition and organisation of our governance structures, and how these arrangements have supported the achievement of our objectives.

### 2.1.1 Director's report

#### Introduction

As Chief Executive, I am responsible for the day-to-day operations and administration of the agency 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 with my directors, I have responsibility for maintaining effective governance and a sound system of internal control that supports the achievement of our policies, aims and objectives, while safeguarding the public funds and assets for which I am personally accountable. Overall, I am satisfied that we have had effective governance, risk management and internal controls in place during 2023-24. 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

The role of our Board, its members and summaries of Board meetings can be found at [www.gov.uk/government/organisations/hm-courts-and-tribunals-service/about/our-governance](http://www.gov.uk/government/organisations/hm-courts-and-tribunals-service/about/our-governance). Photos of our Board members as at 31 March 2024 are below. From 1 April 2024, Luisa Fulci joined our Board as a non-executive director.



**Sir Richard Broadbent**  
Independent Chair



**Nick Goodwin**  
Chief Executive



**Nicky Wilden**  
Non-executive



**Lakh Jemmett**  
Non-executive



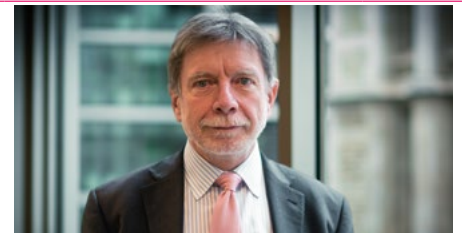
**Nick Fishwick**  
Non-executive



**Sir Keith Lindblom**  
Senior President of Tribunals



**Sir Andrew Edis**  
Senior Presiding Judge



**Tim Jenkins**  
District Judge



**Andrew Baigent**  
Chief Financial Officer<sup>1</sup>



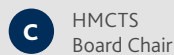
**Daniel Flury**  
Operations Director<sup>2</sup>



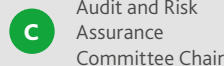
**Louise Alexander CBE**  
Human Resources Director



**Jerome Glass**  
Moj representative



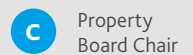
HMCTS  
Board Chair



Audit and Risk  
Assurance  
Committee Chair



Change Portfolio  
Board Chair



Property  
Board Chair



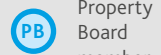
HMCTS  
Board  
member



Audit and Risk  
Assurance  
Committee  
member



Change Portfolio  
Board member



Property  
Board  
member

<sup>1</sup> Andrew Baigent left HMCTS on 3 June 2024. Catherine Blair was appointed interim Chief Financial Officer on 24 June 2024.

<sup>2</sup> Paul Harris was Operations Director during 2023-24. He was in post until 1 April 2024, but his last working day was 22 March and his successor Daniel Flury, took up the post of Operations Director from 25 March 2024.

## Our senior leadership team

The table below shows our senior leadership team as at 31 March 2024. You can find details of our management at [www.gov.uk/government/organisations/hm-courts-and-tribunals-service](http://www.gov.uk/government/organisations/hm-courts-and-tribunals-service).

**B** HMCTS Board member      **E** Executive Team member

<b>Chief Executive</b> Nick Goodwin	<b>B</b> <b>E</b>	<b>Criminal Enforcement and Confiscations Director</b> Guy Tompkins	
<b>Chief Financial Officer</b> Andrew Baigent	<b>B</b> <b>E</b>	<b>Development Director</b> Jason Latham	<b>E</b>
<b>Chief Digital and Information Officer</b> John Laverick	<b>E</b>	<b>Human Resources Director</b> Louise Alexander CBE	<b>B</b> <b>E</b>
<b>Chief Technology Officer</b> Jay Bangle ( <i>left HMCTS 1 September 2023</i> )		<b>Implementation Director</b> Donna Hayes	
<b>Civil, Family and Tribunal Programme Director</b> Rachel Hunt		<b>National Services Director</b> Una Bennett ( <i>until 31 January 2024</i> ) Helen Measures ( <i>from 5 February 2024</i> )	
<b>Commercial Director</b> Tim Byford		<b>Operations Director</b> Daniel Flury	<b>B</b> <b>E</b>
<b>Communications Director</b> Georgia Jerram	<b>E</b>	<b>Property Director</b> Rupert Morgan	
<b>Courts and Tribunals Director</b> Mark Stewart		<b>Strategy, Analysis and Planning Director</b> Annabel Burns	<b>E</b>

### Notes:

- Paul Harris was Operations Director during 2023-24. He was in post until 1 April 2024, but his last working day was 22 March and his successor Daniel Flury, took up the post of Operations Director from 25 March 2024.
- Louise Alexander became a member of HMCTS Board from 8 September 2023.
- Georgia Jerram was a member of the Executive Team until 31 March 2024. She remains a member of the Senior Leadership Team.
- Annabel Burns joined HMCTS in November 2023.

## Significant interests held by HMCTS Board members

We maintain a register of interests for members of our HMCTS Board, Audit and Risk Assurance Committee, Change Portfolio Board, Property Board, and our senior leadership team. All members are asked to review and update their register of interests at least annually. You can find more information on how we manage conflicts of interest and applications under business appointment rules, within the assurance on our system of internal controls, on page 44.

## Personal data related incidents

During 2023-24 we received over 4.1 million cases. This included a vast range of sensitive personal information from a variety of sources from people using our services. We take our responsibility seriously, to make sure this information is appropriately protected. We self-refer all significant data incidents to the Information Commissioner's Office. We continue to work closely with the Information Commissioner's Office and other agencies to learn lessons and continually improve our systems. All our people must complete mandatory annual data security training, available as an e-learning package.

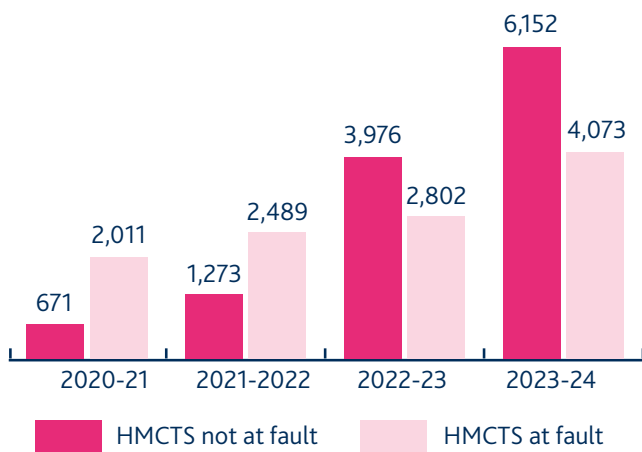
10,637 data incidents were reported during 2023-24 (2022-23: 7,090). In comparison to the volume of work we processed across the organisation, this equates to a 0.3% incident rate (2022-23: 0.2%). At the end of March 2024, 412 (4%) of the incidents were still open and undergoing investigation. These may be 'not at fault' incidents or not data incidents at all. Of the closed incidents, 6,152 (60%) were confirmed as 'not at fault' incidents but as external events, for example, incorrect or unredacted information supplied to us or uploaded incorrectly by external users. The remaining 4,073 (40%) of closed incidents were 'at fault' incidents, caused by internal staff errors, for example, data uploaded to the wrong case in error. We continue to monitor any errors, identify the root cause, and take action to reduce the chance of it happening again.

We had an increase of 50% reported data incidents compared to last year (55% not at fault and 45% at fault). For those where we were not at fault, this was primarily due to authorised third parties uploading information incorrectly onto our system, following the introduction of new case management systems such as Common Platform.

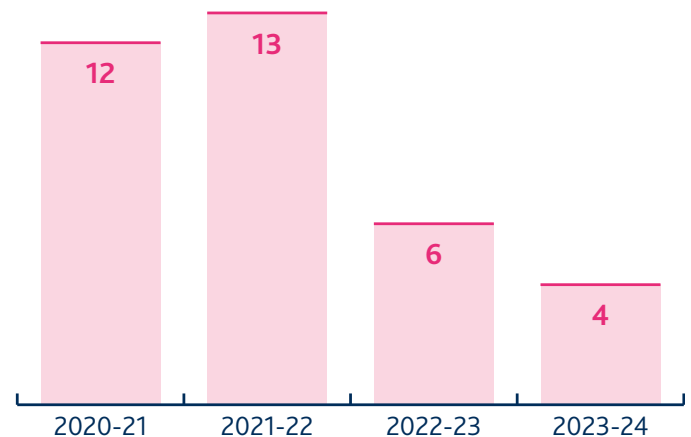
We continue to engage with all parties to put measures in place to mitigate these issues. For example, we have implemented several IT solutions to minimise the impact, including the ability of our Service Centre staff to remove incorrect documentation uploaded by professional users. Since September 2023 the general trend has shown a reduction of incidents by professional users.

For those where we were at fault, the primary cause was internal staff errors and targeted face to face training took place with staff to address this issue.

Breakdown of closed data incidents



Number of personal data incidents reported to the ICO



## Section 2: Accountability report

We are required to report personal data related incidents where they have been reported to the Information Commissioner's Office. The following 4 incidents were reported by us through the MoJ Data Protection Officer, between 1 April 2023 and 31 March 2024. This is a reduction compared to 6 reports in 2022-23. The Information Commissioner's Office took no action against us, and the remaining incidents were considered to be low impact.

### Data incidents reported to the Information Commissioner's Office

Date of incident	Nature of incident	Nature of data involved	Number of people potentially affected	Date MoJ referred to Information Commissioner's Office
21 July 2023	Disclosure of confidential address of an applicant to a respondent in a special guardianship case	Confidential address	3	10 August 2023
1 August 2023	Disclosure of confidential address of applicant to a respondent in a divorce case	Confidential address	2	14 August 2023
17 November 2023	Disclosure of surname and confidential address of adoptive parents to the birth mother in an adoption case	Confidential address and surname	3	17 November 2023
13 December 2023	Disclosure of bail address of defendant to a non-party	Bail address	1	29 December 2023

## 2.1.2 Statement of Accounting Officer's responsibilities

Under section 7(2) of the Government Resources and Accounts Act 2000, HM Treasury (HMT) has directed us 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 HMT on 14 December 2023. 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 expenditure, financial position and cash flows. In preparing the accounts, I, as Accounting Officer have complied with the requirements of the Government Financial Reporting Manual. In particular, I have:

- observed the Accounts Direction issued by HMT, including the relevant accounting and disclosure requirements, and applied suitable accounting policies on a consistent basis
- made judgments and estimates on a reasonable basis
- stated whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed and disclosed, and explained any material departures in the accounts
- taken all steps that ought to have been taken to make myself aware of any relevant audit information, established that our auditors are aware of that information, and that I am not aware of any relevant audit information of which our auditors are unaware of
- prepared the accounts on a going-concern basis
- confirmed 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 the MoJ has designated me as Chief Executive, the HMCTS Accounting Officer. The Accounting Officer's Memorandum issued by HMT, and published in *Managing Public Money*<sup>3</sup>, sets out the responsibilities of an Accounting Officer. These include responsibility for the propriety and regularity of public finances for which I am answerable, keeping proper records, safeguarding our assets, and preparing the accounts.

3 [www.gov.uk/government/publications/managing-public-money](http://www.gov.uk/government/publications/managing-public-money)

## 2.1.3 Governance Statement

This Governance Statement summarises the main features of the governance, risk management and internal control frameworks we operated in 2023-24. It also sets out our most significant challenges and the steps taken to continuously improve.

### Our governance framework and management structure

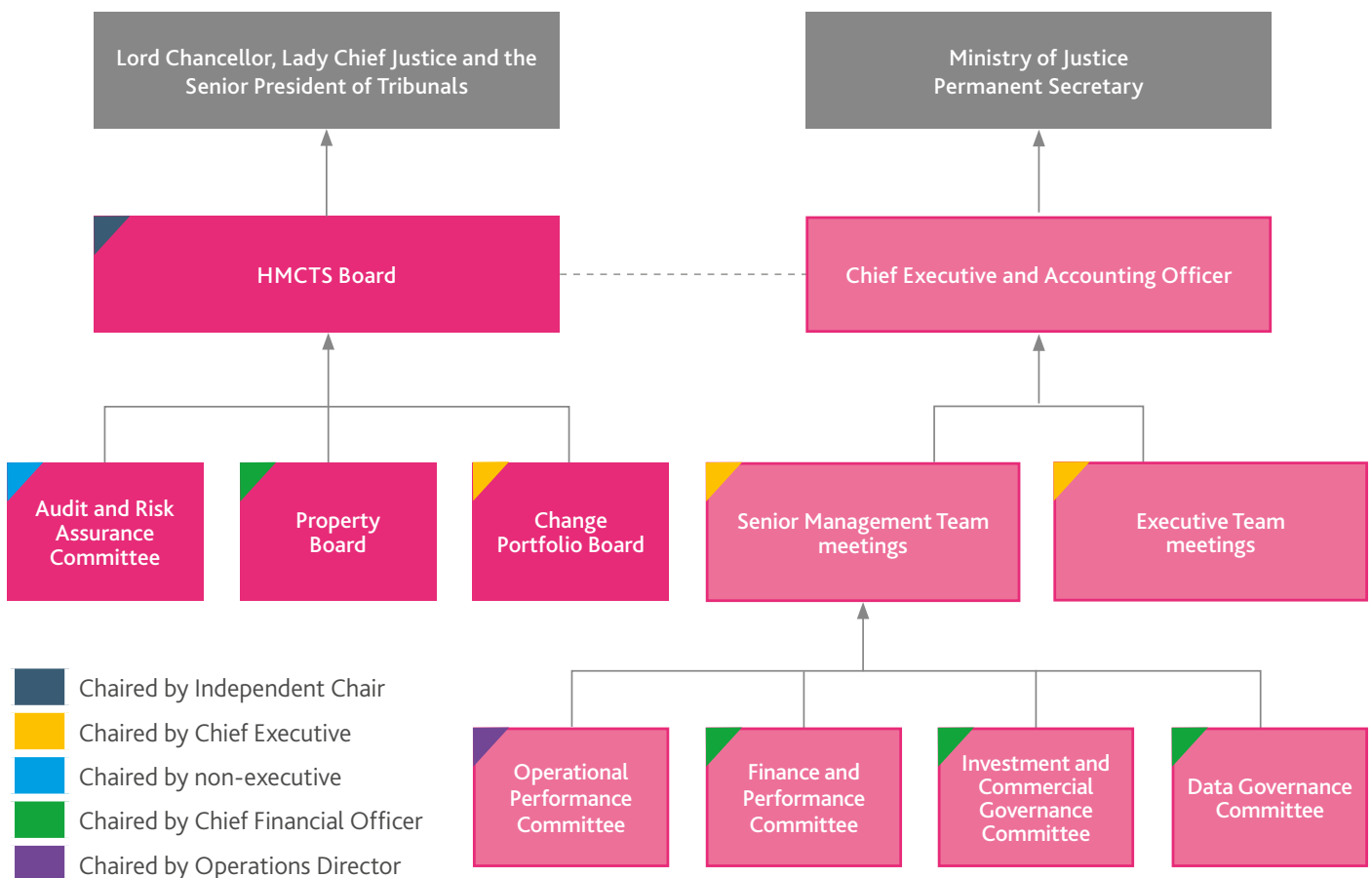
We operate as a partnership between the Lord Chancellor, the Lord/Lady Chief Justice, and the Senior President of Tribunals. Our Framework Document sets out the remit of our organisation in more detail, including how we are governed and funded.

Corporate governance is the responsibility of the HMCTS Board, working within the requirements of HM Government's "Managing Public Money". During the year, a review of governance was carried out to streamline decision-making and reduce costs. The first stage of this review focussed on information flows, management structures and processes; it has completed and the recommendations are being implemented. The next stage will focus on delegated authorities and formal approval processes. Following the review, the Chief Executive re-structured the senior management team, creating a small Executive Team to support him in delivering the organisation's objectives and a wider Senior Leadership Team to ensure cohesion, accountability and delivery. A number of other changes have been made aimed at developing personal accountability and reducing reliance on committees.

There is a Delegations of Authority Policy which is periodically reviewed by the HMCTS Board. Other changes made to the governance structure this reporting year were:

- the creation of a Data Governance Committee
- in July 2023, the Change Portfolio Board had its first combined reform and non-reform meeting

Our top-level governance structure as at 31 March 2024 is set out below. The HMT Code of Practice for Corporate Governance in Central Government Departments applies to the MoJ directly, and we have adopted the main principles as best practice. We remain compliant with material requirements with the exception of the Nominations Committee. Instead, non-executive members of the HMCTS Board annually consider the performance, talent, development and succession planning of our senior leadership.



## Section 2: Accountability report

We carried out a review of our governance structure and will develop and agree a plan for implementation during 2024-25.

### HMCTS Board and its committees

See the Director's report on page 30 for membership of the HMCTS Board and its committees.

	HMCTS Board	Audit and Risk Assurance Committee	Change Portfolio Board	Property Board
Terms of reference	Last reviewed and agreed on 7 March 2024	Last reviewed and agreed on 22 November 2023	Last reviewed and agreed on 17 April 2024	Last reviewed and agreed on 1 March 2024
Roles and responsibilities	Responsible for overseeing the organisation's delivery of its objectives as set by the Lord Chancellor, Lady Chief Justice and the Senior President of the Tribunals	A Board Committee supporting the HMCTS Board, Chief Executive and Accounting Officer in their responsibilities for risk management, internal controls and governance, and production of the annual report and accounts	Has delegated authority from the HMCTS Board to govern and hold to account substantial change activities within the Reform Programme and the major change portfolio of priority programmes	Has delegated authority from the HMCTS Board to approve property transactions on behalf of the Board and monitor the management of HMCTS estate
Chair	Victoria Cochrane, Interim Independent Chair to 1 May 2023  Sir Richard Broadbent, Independent Chair from 1 May 2023	Nicky Wilden, Non-executive Director	Nick Goodwin, Chief Executive	Andrew Baigent, Chief Financial Officer
Issues covered	<ul style="list-style-type: none"> <li>the de-scoping of the reform project to reduce operational risk and improve service delivery</li> <li>the development of new standardised Management Information supported by an interactive database</li> <li>the development of a strategic agenda to clarify priorities, the role of the organisation and business strategy</li> </ul>	<ul style="list-style-type: none"> <li>regular discussion of corporate risks and the effectiveness of controls and mitigation</li> <li>discussed management response to issues identified by audit activity, including internal audits, the National Audit Office and value for money audits</li> </ul>	<ul style="list-style-type: none"> <li>regularly reviewed progress against the portfolio performance plans</li> <li>reviewed and endorsed RAG (Red Amber Green) ratings for the Reform Programme and the portfolio</li> <li>discussed the portfolio risks, issues and mitigation</li> <li>undertook regular substantive discussions on projects within the portfolio</li> </ul>	<ul style="list-style-type: none"> <li>regularly reviewed performance and the financial position</li> <li>discussed progress against the portfolio performance plans for the property elements of the HMCTS Reform Programme</li> <li>endorsed the proposals for 2023-24 (and for 2024-25) capital maintenance programme and considered monthly progress reports</li> </ul>



	HMCTS Board	Audit and Risk Assurance Committee	Change Portfolio Board	Property Board
Issues covered cont.	<ul style="list-style-type: none"> <li>the Board's own effectiveness in respect of which it has articulated its values (teamwork, transparency and substantive debate) and is increasing the proportion of time it devotes to in-depth and strategic issues relative to operational oversight</li> <li>a comprehensive review of governance processes with the aim of improving information flows, streamlining management structures and processes and reducing the cost and time of formal approval processes</li> </ul>	<ul style="list-style-type: none"> <li>undertook substantive discussions in relation to areas such as: business continuity and scenario testing; cyber security; safety and security; counter fraud and corruption framework; and the MoJ Whistleblowing Policy</li> </ul>	<ul style="list-style-type: none"> <li>reviewed and endorsed business cases for major programmes and projects</li> <li>provided steers in relation to the prioritisation of projects within the change portfolio</li> </ul>	<ul style="list-style-type: none"> <li>approved our Estates Strategy, and Sustainability Strategy and considered progress reports</li> <li>regularly reviewed upcoming property lease management</li> </ul>
Effectiveness reviews	<p>The Chairman facilitated a discussion on the Future Work of the Board at the meeting on 7 June 2023 following conversations he had with Board members, his own observations and taking into account the findings of the annual self-assessment of performance. Areas identified for improvement included focusing on setting agendas, defining relevant management information, developing an appropriate strategic agenda, prioritising the Board's work, and moving the Board's values firmly towards transparency, teamwork and substantive debate.</p>	<p>Discussed findings of the annual self-assessment of performance on 15 September 2023. Key improvement activity included a focus on improving clarity in commissioning and content of papers by the introduction of pre-meets between the ARAC Chair and Chief Financial Officer; close alignment between ARAC and the HMCTS Board to ensure matters are not duplicated; and regular feedback from the ARAC Chair following meetings with the Government Internal Audit Agency and National Audit Office.</p>	<p>The annual self-assessment of performance was deferred to enable the embedding of the move from separate reform and non-reform meetings to a combined Change Portfolio Board.</p> <p>Despite this, improvement activity has continued to take place including the introduction of succinct, combined reporting and managing of reform risks and wider change through a single portfolio view.</p>	<p>Discussed findings of the annual self-assessment of performance on 30 May 2023. Key improvement activity included a review of the Property performance report to ensure that items remain relevant and to include a specific discussion on risk.</p>

### Quality of information

During the year professional teams provided specialist information to the HMCTS Board and its committees to facilitate informed decision-making. Members sponsored agenda items and ensured the papers were of sufficient quality and supported focused discussion on key issues. Risks and resource implications were highlighted where required, to ensure there was sufficient engagement and challenge during discussions.

Board papers were of sufficient quality that the strategic direction for the organisation was set. The HMCTS Board and its committees reviewed and obtained reports and assurance from several sources to help them perform their duties. The papers included updates in relation to key matters of focus.

The table below sets out the attendance of HMCTS Board members at the Board and its committees during 2023-24. It also includes attendance of judicial and non-executive members of the committees who are not HMCTS Board members.

Member	HMCTS Board	Audit and Risk Assurance Committee	Change Portfolio Board <sup>4</sup>	Property Board
<i>Attendance at meetings expressed as number of meetings attended out of number eligible to attend</i>				
<b>Non-executive members</b>				
<b>Independent Chair</b>				
Sir Richard Broadbent ( <i>from 1 May 2023</i> )	10/10			
Victoria Cochrane ( <i>to 1 May 2023</i> )	1/1			
<b>Senior independent Non-executive</b>				
Victoria Cochrane ( <i>until 5 November 2023</i> )	5/6			
<b>Chair of the Audit and Risk Assurance Committee</b>				
Nicky Wilden	11/11	7/7		11/11
Lakh Jemmett	10/11	6/7		
Nick Fishwick ( <i>from 2 January 2024</i> )	3/3			
Sophie Ingram		7/7		
<b>Judicial members</b>				
<b>Senior President of Tribunals</b>				
Sir Keith Lindblom	11/11			
<b>Senior Presiding Judge</b>				
Lord Justice Andrew Edis	11/11			8/11
District Judge Tim Jenkins OBE	11/11	5/7	13/15	10/11
<b>Deputy Senior Presiding Judge</b>				
Lord Justice Nicholas Green ( <i>from 11 January 2024</i> )			0/3	
Judge Siobhan McGrath				9/11
Mr Justice Akhlaq Choudhury ( <i>Attending Property Board until 28 November 2023</i> )				4/6
Mr Justice Stephen Cobb ( <i>until 31 December 2023</i> )			7/9	
Mr Justice Sweeting ( <i>Attending Property Board from 28 November 2023</i> )				4/5
<b>Executive members</b>				
<b>Chief Executive</b>				
Nick Goodwin	10/11	6/6 <sup>5</sup>	14/15	
<b>Operations Director and Deputy Chief Executive</b>				
Paul Harris CBE ( <i>until 1 April 2024</i> ) <sup>6</sup>	11/11	3/6 <sup>7</sup>	12/15	2/2

<sup>4</sup> The Change Portfolio Board held separate reform and non-reform meetings with slightly different memberships until the Board moved to a combined meeting in July 2023. This means there were variations between attendance figures for this year.

<sup>5</sup> Attendance was as a regular attendee rather than a member of the Committee

<sup>6</sup> Paul Harris was Operations Director during 2023-24. He was in post until 1 April 2024, but his last working day was 22 March and his successor Daniel Flury, took up the post of Operations Director from 25 March

<sup>7</sup> Attendance was as a regular attendee rather than a member of the Committee

Member	HMCTS Board	Audit and Risk Assurance Committee	Change Portfolio Board <sup>4</sup>	Property Board
<b>Operations Director</b> Daniel Flury (from 25 March 2024) <sup>8</sup>				1/1
<b>Chief Financial Officer</b> Andrew Baigent	11/11	7/7 <sup>9</sup>	12/15	9/11
<b>Human Resources Director</b> Louise Alexander CBE (from 8 September 2023)	7/7	2/3 <sup>10</sup>	15/15	
<b>Strategy and Change Director<sup>11</sup></b> Gemma Hewison (until 25 May 2023)	2/2		4/4	
<b>MoJ representative</b> <b>Annabel Burns</b> (until 3 November 2023) <b>Jerome Glass</b> (from 9 January 2024)	4/6 3/3			

## HMCTS Senior Leadership Team (SLT) and its sub-committees

Details of substantive changes made to the governance structure this reporting year are on page 34. The purpose of SLT and its sub-committees as at the end of March 2024 are below.

**Committee:** Executive Team

**Chair:** Chief Executive

**Purpose:** To support the Chief Executive and the HMCTS Board in the delivery of organisational objectives. It is responsible for agreeing and making recommendations to the HMCTS Board on key matters. The Executive team remit also includes creating and maintaining the corporate governance framework and controls.

**Committee:** Senior Leadership Team

**Chair:** Chief Executive

**Purpose:** To support the Chief Executive in the delivery of our day-to-day operations, administration and the leadership of staff. The SLT is responsible for proactively engaging on talent and succession management (current and future), making workforce decisions, and developing and monitoring delivery and outcomes of the People and Culture Strategy.

**Committee:** Operational Performance Committee

**Chair:** Operations Director

**Purpose:** To monitor and review operational performance against measures and financial allocations set by the Finance and Performance Committee, identifying significant issues and making sure remedial action is in place to address underperformance and significant regional variation.

**Committee:** Finance and Performance Committee

**Chair:** Chief Financial Officer

**Purpose:** To oversee main corporate planning and reporting spending reviews and business planning. The committee sets our overall financial plans and performance expectations, including operations, and will monitor and investigate the overall financial and non-financial performance of the agency and the performance of corporate services and shared services provided (apart from commercial performance). Any issues of operational performance will be referred to the Operational Performance Committee.

**Committee:** Investment and Commercial Governance Committee

**Chair:** Chief Financial Officer

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

**Committee:** Data Governance Committee

**Chair:** Chief Financial Officer

**Purpose:** To sponsor and govern the ambitious, strategic, sustainable, and responsible use of justice data across the organisation for the benefit of the business and our users.

<sup>9</sup> The Change Portfolio Board held separate reform and non-reform meetings with slightly different memberships until the Board moved to a combined meeting in July 2023. This means there were variations between attendance figures for this year.

<sup>8</sup> Paul Harris was Operations Director during 2023-24. He was in post until 1 April 2024, but his last working day was 22 March and his successor Daniel Flury, took up the post of Operations Director from 25 March

<sup>9</sup> Attendance was as a regular attendee rather than a member of the Committee

<sup>10</sup> Attendance was as a regular attendee rather than a member of the Committee

<sup>11</sup> Following the departure of Gemma Hewison and a restructure, a new directorate called Strategy, Analysis and Planning was created in November 2023, headed by Annabel Burns.

### Risk management

Our risk management is based on the government publication 'The Orange Book'<sup>12</sup>. We have satisfied ourselves that we comply with the 5 risk management principles set out in the Orange Book. This assessment was reviewed and agreed by the Audit and Risk Assurance Committee in February 2024.

We have a Risk Management Framework which brings together our overarching risk strategy and practical guidance on how risks and issues should be managed at all levels throughout our organisation. The risks are aligned to our business plan priorities and our contribution to strengthening justice and delivering swift access to justice, one of the aims in the MoJ Outcome Delivery Plan.

### Our corporate risk register

We designed a new template to provide an increased focus on controls, identifying their effectiveness (and improvement action as necessary) as well as tolerance and appetite levels. The risk register was comprehensively refreshed, and the risks were regularly reviewed by our Senior Leadership Team until this responsibility was assumed by the Executive Team (at the beginning of the new financial year 2024-25). The HMCTS Board was provided with a monthly risk dashboard which outlined risk movements and headline updates. Our Audit and Risk Assurance Committee also carried out a quarterly challenge and assurance review of the risk register.

We supported the MoJ's reporting of key risks to the MoJ Executive Committee through our membership of the MoJ risk advisory group which provides challenge around ongoing activity to address those risks that impact on the delivery of our objectives.

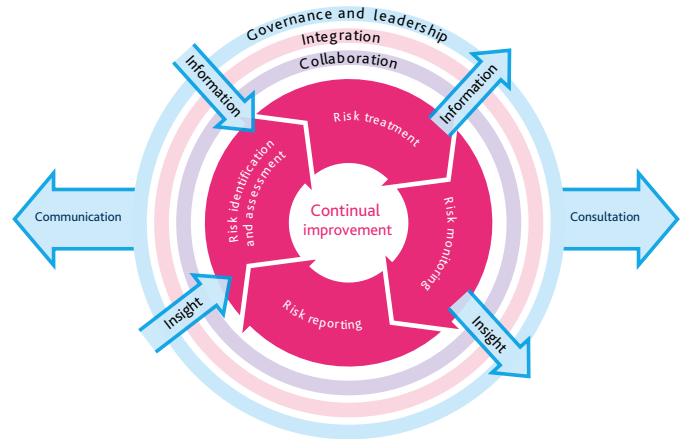
### Risk appetite

We reviewed our risk appetite as part of the comprehensive risk refresh. All our risk categories are aligned to a risk appetite of 'open', 'cautious' or 'averse'. The HMCTS Board agreed the risk appetite, and this is reviewed every 6 months.

### Risk assessment 2023-24

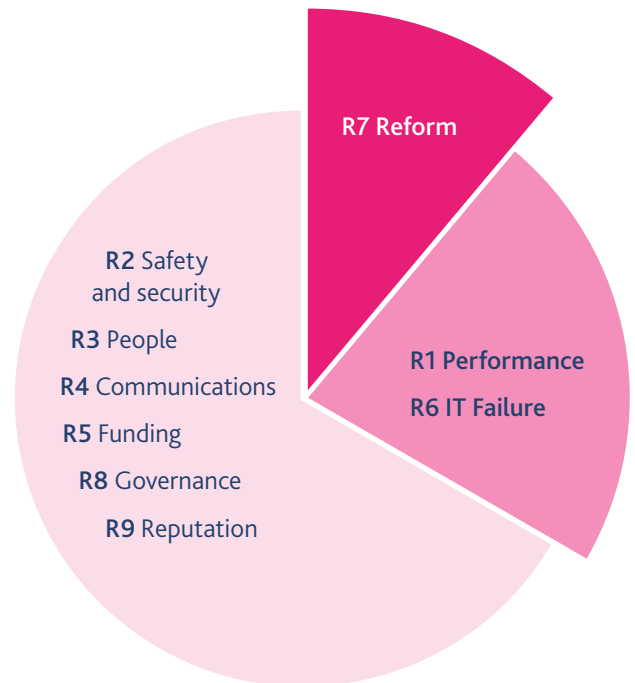
We use a 5x5 scoring methodology to assess the impact and likelihood of risks materialising to ensure we assess our risks in a consistent way. It also enables us to focus our resources on the most significant risks to our organisation. This methodology is used across all regions and directorates, as well as at a corporate level.

#### Risk Management Framework



### Risk themes

The themes of our risks as at the end of March 2024 are outlined below, followed by details of those risks we managed during 2023-24.



Key: Risk assessment as at end March 2024



12 [www.gov.uk/government/publications/orange-book](http://www.gov.uk/government/publications/orange-book)

## Risk management as at 31 March 2024

### Key

Risk assessment as at end March 2024



Very high



High



Medium



Low

Risk movement (from date risk identified to end March 2024)



Risk increase



Risk decrease



No risk movement

Relation of risk to main priorities



People



Insight



Innovation



Resilience



Collaboration

### Risk description

**R1 Performance** – this risk relates to failure to deliver core justice services and planned operational performance improvements



### Examples of main controls and activities to manage risks

Operational performance is monitored by the HMCTS Board, and this year we introduced a new approach to measuring performance using more timely and accurate management information. This helps us identify any areas for improvement as well as any potential issues so we can take mitigating action where necessary. The implementation of reform alongside delivery of our services meant there were pressures in delivering improvements and tackling outstanding caseloads. An integrated plan to address these concerns was approved by the HMCTS Board, the judiciary, and Ministers. These controls will contribute towards a reduction in the level of risk.

**R2 Safety and security** – this risk is about failure to provide a safe operating environment for staff, judiciary and users



We take the safety and security of staff, judiciary and users seriously. We have in place a professional and qualified team dedicated to ensuring the safety and security of all. Our Safety and Security policies and a Statement of Intent are in place, meeting operational requirements and aligned to Health and Safety Executive, legislative, government and industry standards. These were regularly reviewed. We have also been proactive in the management of RAAC risks, carrying out surveys and tests at our sites. Where needed, sites have been closed and remedial action taken.

**R3 People** – this risk is about failure to retain our people to deliver our core objectives, and failure to attract, recruit and develop a diverse workforce to deliver our core objectives



We are seeking to better understand our culture, identifying where we want to build on the things we already do well and where we need to improve. In addition, a 5 strand Talent Management Approach has been developed and implemented to attract, manage, and support talent in the organisation. The development and improvement in this control and the improvement in Trade Union relationship led to the reduction in the risk score.

**R4 Communications** – this risk is about failure to communicate and engage effectively with internal and external stakeholders, whose trust and goodwill, co-operation, collaboration, expertise, and professional partnerships we depend upon to effectively deliver our services



We have a professional, in-house communications team, with the capacity, knowledge, and expertise to advise, plan and deliver effective communications plans and strategies to support the business. The team delivered effective and professional communications throughout the year, including for some of the bigger issues impacting our organisation, such as outstanding caseloads in the Crown Court, prisons' capacity, reform and the Common Platform, and RAAC. Controls in place have led to this risk meeting its target score.

Risk description	Examples of main controls and activities to manage risks
<p><b>R5 Funding</b> – this risk is about the failure to make best use of the resources we have within our budget without overspending</p> <p>  <span style="border: 1px solid black; padding: 2px;">Pe</span> <span style="border: 1px solid black; padding: 2px;">Ins</span> <span style="border: 1px solid black; padding: 2px;">Ino</span> <span style="border: 1px solid black; padding: 2px;">Re</span> <span style="border: 1px solid black; padding: 2px;">Co</span>  </p>	<p>We have robust financial management arrangements in place including the setting of budgets, approval of budget holders and maintenance of approvals and a financial control regime. We have regular reporting of expenditure and staffing levels against plans. There is scrutiny through quarterly performance meetings with budget holders and regular financial reporting to the Board. There has been regular reporting of benefits achievement. Furthermore, we engaged with the MoJ effectively for Spending Reviews and Allocations processes, using up-to-date and detailed costing information, and ensuring that proposed funding and expected activity levels were affordable within our planning parameters. These controls were effective in reducing the risk exposure for the organisation and the target score has been met.</p>
<p><b>R6 IT failure</b> – this risk is about IT failure which means we are unable to provide HMCTS services, or sensitive data is compromised through cyberattack or system weaknesses</p> <p>  <span style="border: 1px solid black; padding: 2px;">Ino</span> <span style="border: 1px solid black; padding: 2px;">Re</span>  </p>	<p>We have clearly defined and comprehensive architectural governance boards in place. There are mature and effective incident management processes and remediation in place, alongside disaster recovery plans. To manage the risks of the legacy estate, we have the Decommissioning Legacy Risk Mitigation programme which is modernising and upgrading heritage applications and migrating them on to more stable (cloud based) hosting environments. Cyber security risk management plans are in place covering our specific cyber risks. We are also implementing the ‘GovAssure’ process to undertake assessments of critical assets. This is aligned to the UK Cyber Security strategy to meet targets for increased resilience of critical systems across Government. These controls will contribute towards a reduction in the level of risk.</p>
<p><b>R7 Reform implementation</b> – this risk is about the failure to successfully manage the implementation of reform and its potential impact on operational performance, as well as failing to achieve the benefits and desired outcome of reform</p> <p>  <span style="border: 1px solid black; padding: 2px;">Ino</span>  </p>	<p>We introduced systems to provide a picture of the predicated change load at all our individual sites, in addition to a tool to assess sites’ readiness for change. These helped to inform decision-making around the rollout of reform deliverables. A revised approach to implementation was agreed with more of an operational focus to enable lessons of the past to be learned. These controls will contribute towards a reduction in the level of risk.</p>
<p><b>R8 Governance</b> – this risk relates to not having an effective governance framework which enables timely decision-making and which delegates decision-making to the appropriate level</p> <p>  <span style="border: 1px solid black; padding: 2px;">Ino</span> <span style="border: 1px solid black; padding: 2px;">Re</span>  </p>	<p>A review of HMCTS governance was commissioned by the HMCTS Board Chair and the MoJ Permanent Secretary in late 2023. The review reported in March 2024, and the recommendations will be implemented in the next financial year. This is expected to result in a reduction of our risk exposure. Two new Non-executive Directors were appointed, providing effective independent challenge, with start dates of 1 January and 1 April 2024 respectively. Annual effectiveness reviews have been undertaken for the HMCTS Board, Audit and Risk Assurance Committee and Property Board. Outcomes of these reviews are reported on page 36. The Change Portfolio Board effectiveness review has been deferred to enable the embedding of the move to a combined (reform and non-reform) Change Portfolio Board.</p>
<p><b>R9 Reputation</b> – this risk is about the failure to work effectively as trusted and reliable partners within the wider justice system</p> <p>  <span style="border: 1px solid black; padding: 2px;">Pe</span> <span style="border: 1px solid black; padding: 2px;">Ins</span> <span style="border: 1px solid black; padding: 2px;">Ino</span> <span style="border: 1px solid black; padding: 2px;">Re</span> <span style="border: 1px solid black; padding: 2px;">Co</span>  </p>	<p>This is a new risk for this year with a wide variety of causes. Controls identified include our subject-matter experts and senior leaders who effectively managed key strategic relationships. There are boards at which performance and service delivery is monitored which are in place across all levels of the organisation and jurisdictions, involving the judiciary and stakeholders where required. In addition, a Gold, Silver and Bronze command structure was ready to be stood up to respond to particular crises, for example the prison capacity issue, and we have been developing a more systematic way of monitoring trends in complaints by jurisdiction and type so that we can address problem areas swiftly. These controls have been effective in reducing our risk exposure and meeting the target score on this risk.</p>

## Assurance on our system of internal controls

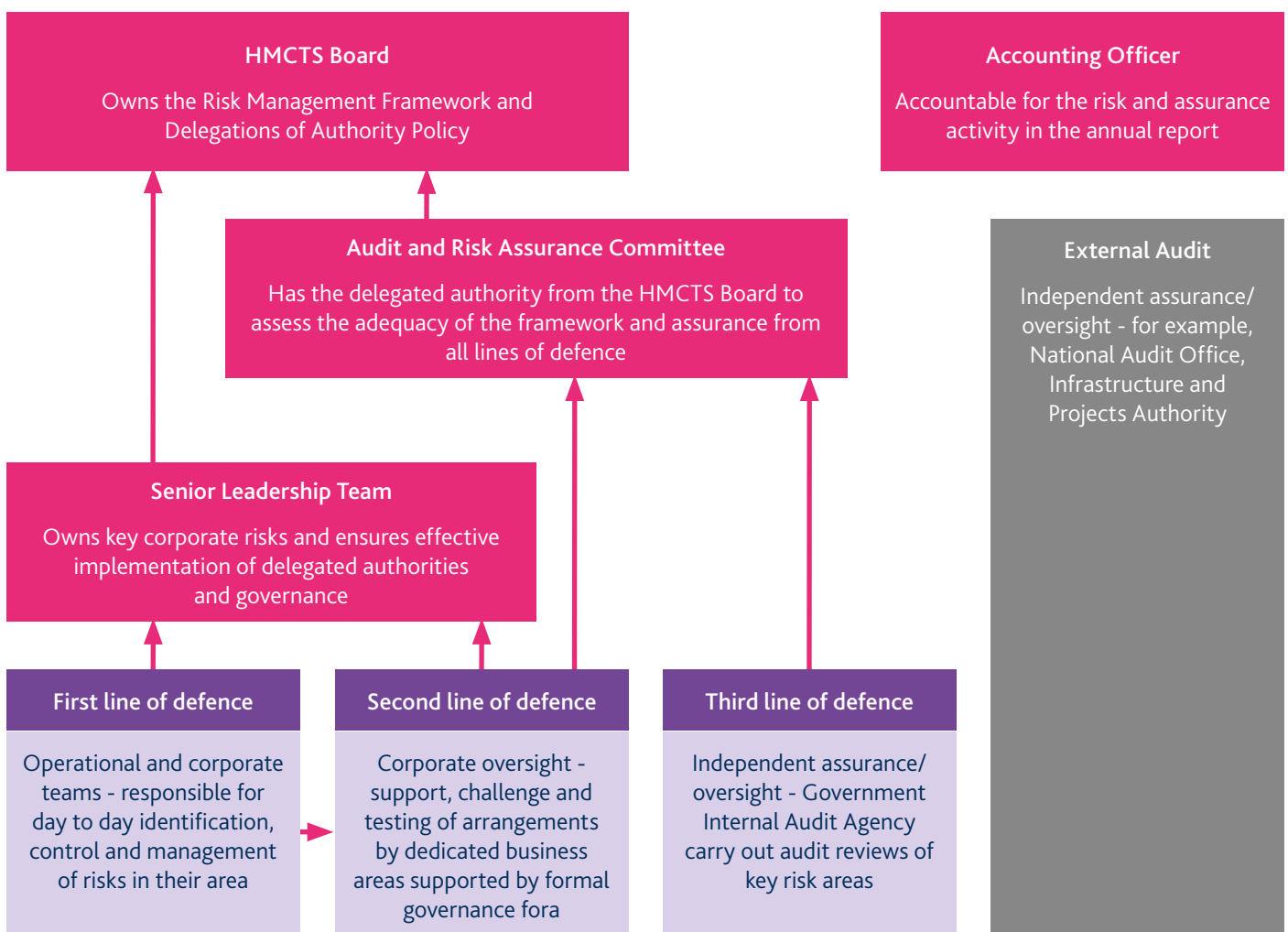
Our Chief Executive, as Accounting Officer, and his senior management team, have collective responsibility for monitoring our systems to ensure they are robust. Our Chief Financial Officer issues a letter to each director, setting out their delegated accountabilities and authority to commit resources and incur expenditure for the reporting year. Each director provides assurance on the governance and management of risks and internal controls within their business area by signing a quarterly combined risk register and governance statement. The director must be satisfied that the assurance statements in the document have been reviewed and that any exceptions, risks and issues are being effectively managed. The information is used to provide an accurate picture of governance, risk management and control across our organisation.

ARAC review the comprehensiveness of assurances on governance, risk management, the control environment, and the integrity of finance statements.

Our assurance framework and examples of sources of assurance are described below.

### Our assurance framework

We have a 3 lines of defence approach to assurance as shown below.



Our ARAC review the comprehensiveness of assurances on governance, risk management, the control environment and the integrity of finance statements. You can find further details on ARAC on page 35.

Our Operational and Corporate Assurance team provide a second line of defence function. The team evaluates first- and second-line assurance activities to make sure they are appropriate, proportionate and effective for our operational environment. The team carries out visits to gain assurance that we are complying with policies at local and regional level. They also undertake wider national reviews; during 2023-24 this included a review of processes in place for legacy (non-digital) probate applications, and the payment process for interpreters booked for courts and tribunals hearings. We work across the business to drive forward improvements from our reviews; for example, there has been significant improvement in the volume of payments to agency staff that have been correctly validated.

### Financial assurance

We have financial assurance processes in place that ensure we have adequate controls across our organisation to help safeguard public money. The necessary controls and assurance around finance and banking requirements are monitored through financial key control checks. These highlight possible control weaknesses which are rectified where possible.

### Business continuity

We have a regional network of business continuity co-ordinators. They make sure every site has an up to date, fit for purpose and tested business continuity plan. This is co-ordinated centrally by our national business continuity and resilience team so we can continue to operate where possible when faced with issues. We work closely with the MoJ Departmental Operations Centre to assess the impact of external risks and national threats on our organisation; we continue to build our contingency plans around that work.

We ran reasonable worst-case scenario exercises, testing resilience against a number of events. We put contingency plans in place to meet challenges during the year, such as the identification of RAAC in some of our court buildings, and the impact of prison capacity issues in the criminal courts. We made sure urgent business was dealt with as a priority.

### Data security

Our security data protection and information matters are led by our Chief Financial Officer who is also our senior information risk owner (SIRO). He is also a member of the MoJ Information and Security risk board, that provides advice and assurance to SIROs across the MoJ. Data Security issues are discussed by the executive team and the Finance and Performance Committee when required.

### Whistleblowing arrangements

We actively encourage our people to speak out and raise concerns about any allegations of wrongdoing. The MoJ Raising a Concern (including whistleblowing) Policy applies to our staff and is accessible on the intranet. A revised MoJ Whistleblowing Policy was issued in April 2024. The policy, procedures and supporting toolkits provide advice and guidance on the process for raising concerns so our people feel safe to speak up. It provides advice on the protection given to whistleblowers and reassurance that their concerns will be investigated promptly and professionally.

There are a number of Nominated Officers across the MoJ, all of a senior management grade, who our staff can contact. They offer impartial support and advice outside of the line management chain to those who suspect wrongdoing and want to raise a concern. Their role is to ensure individual voices are heard and to help make sure concerns are appropriately addressed. There were no formal whistleblowing cases reported by us during 2023-24 (2022-23: Nil).

Our ARAC is responsible for overseeing the effectiveness of the whistleblowing policy in our organisation.

### Health and safety

We are committed to protecting the safety and security of all those in our premises. We apply standards, advice and guidance from the Centre for the Protection of National Infrastructure, the Health and Safety Executive, Crown Premises Fire Safety Inspectorate, and public health agencies in all parts of the UK.

Occupational health and safety is central to the delivery of our corporate priorities, and we are focused on meeting our statutory health and safety obligations. Our National Committee for Safety and Security, which also includes a focus on fire safety and physical security, meets quarterly and includes Trades Union representation. We provide bi-annual reports on security and safety risk management for scrutiny by our ARAC.

### Counter fraud, bribery and corruption

We have a zero tolerance of fraud, bribery and corruption. There are clear policies which set out responsibilities for the prevention, detection and reporting of fraud, bribery and corruption. They apply to all staff and cover engagement with official bodies and third parties. There is mandatory training that all our staff must complete on counter fraud, bribery and corruption, refreshing their knowledge as required.

We launched our new Counter Fraud Framework, centred around our Counter Fraud, Bribery and Corruption Strategy 2024-26. Our strategy outlines how we intend to focus our efforts on tackling fraud, bribery and corruption in our organisation. We carried out our fraud risk assessment and completed our first bribery and corruption assessment, the findings of which were presented to our ARAC. We were assessed against the annual Cabinet Office fraud functional standards and met all the required elements.

During 2023-24 we received 127 (2022-23: 180) referrals specifically related to allegations of fraud, bribery and corruption. Of these, 22 (2022-23: 21) were internal incidents and 105 (2022-23: 159) were external. 47 (2022-23:17) referrals were reported to the police and Action Fraud for consideration of criminal charges.



## Functional standards

All government departments and agencies are required to embed certain functional standards<sup>13</sup>. These benchmark corporate delivery in certain main thematic areas including project delivery, HR and finance. The functions support collaboration across organisational boundaries, and efficient and effective delivery of public services. Of the 13 standards, 10 are applicable to us. Our heads of functions provide annual positive assurance against the standard. A review of compliance against these standards was validated by our Executive Team in May 2024.

## Managing conflicts of interest

We comply with the MoJ procedures for the declaration of interests, gifts and hospitality. A toolkit provided by the MoJ sets out the expectations and process for declaring an interest and is accessible to staff on the intranet. It is the responsibility of the individual to declare all interests (actual, potential or perceived) that could be relevant to their role. This includes submitting a register detailing senior civil servant's declarations of outside interests to the MoJ Transparency Unit. This Unit holds a central log and provides MoJ-wide governance, due diligence and organisational oversight.

## Business appointment rules

All officials must obtain written permission before undertaking any outside work (paid or unpaid). They must also make an application under the business appointment rules if they intend to move on from the Civil Service so that any risk of conflict can be identified and managed. The process for managing these applications and ensuring appropriate records are maintained is carried out by the MoJ Transparency Unit.

## Complaints to the Parliamentary and Health Service Ombudsman

The complaints we receive are dealt with in 3 stages:

- first contact – at the point where the problem happened
- review – by a senior manager who works in the location or service where the complaint happened
- appeal – by our central customer investigations team

Around 96% of the complaints we receive are resolved at levels 1 and 2. Complainants who remain dissatisfied after the appeal stage can take their complaints to the Parliamentary and Health Service Ombudsman (PHSO). The PHSO investigate complaints from individuals who believe they have received poor service from government departments, other public organisations and the NHS in England. They have the power, in law, to investigate and make the final decision on complaints about public services for individuals. The PHSO may also make recommendations on how mistakes can be put right. This can include explanations, apologies and recommendations for the service to learn and improve. They can also ask organisations to produce action plans to show how they will be implemented.

During 2023-24, PHSO investigated 4 complaints against us, which represented less than 0.01% of all complaints we received. The PHSO made 2 recommendations which we complied with. Details of complaints investigated by PHSO are published at [www.ombudsman.org.uk/](http://www.ombudsman.org.uk/).

During 2023-24 we established, and chair, a cross-Moj complaints group. The aim is to share best practice and identify learning opportunities so we can improve how complaints are handled. We introduced an ongoing series of training events for our staff, designed to give those working on the frontline, additional training about handling challenging or complex complaints. This should help increase the number of issues resolved at the first point of contact.

We have also developed an approach for providing regular feedback to frontline complaint handlers on complaints that have been escalated to the final stage of the administrative complaints process. This will highlight problem areas that can be worked on to improve the quality of initial complaint responses.

## Complaints investigated by PHSO

	2021-22	2022-23	2023-24
Investigations completed by PHSO	4 (100%)	5 (100%)	4 (100%)
Upheld complaints	1 (25%)	0 (0%)	1 (25%)
Partly upheld complaints	1 (25%)	1 (20%)	1 (25%)
Complaints not upheld	2 (50%)	4 (80%)	2 (50%)

## Significant control challenges

Throughout 2023-24, we had appropriate governance in place to mitigate control challenges and issues with the exception of:

### Data systems access by former employees

A report issued by our Internal Auditors in May 2024 revealed that there had been a lapse in routine administrative housekeeping, which suggested that a number of former HMCTS employees had accessed case management systems after leaving HMCTS. Following further investigation, it became apparent that the majority of the access had been made appropriately, with the removal of agency staff from HR records making it look like users accessed systems after they had left HMCTS. The remaining accounts of staff who have left HMCTS received immediate remedial action with the suspension of all accounts. Measures are being put in place locally to prevent a recurrence by strengthening the joiners/movers/leavers processes. Updates to the system requiring multi-factorial authentications will further strengthen our preventive controls in this area.

13 [www.gov.uk/government/collections/functional-standards](http://www.gov.uk/government/collections/functional-standards)

### Online divorce applications

There is a statutory bar against applying for an order for divorce before the end of 1 year from the date of the marriage, contained in section 3 of the Matrimonial Causes Act 1973. A new system for divorce applications was built to reflect the implementation of the Divorce, Dissolution and Separation Act 2020 (which introduced no fault divorce) and went live on 6 April 2022. Prior to that, a digital service for divorce proceedings had first been introduced in 2019 which included a validation function to stop applicants making their applications before 1 year and 1 day from the date of their marriage.

We identified a technical fault with the new system which allowed applications to be made from the anniversary of the marriage onwards (as opposed to 1 year and 1 day) between 6 April 2022 and 23 November 2022. To prevent any future applications from members of the public being submitted early, the error was rectified as soon as it came to light.

We have since reviewed all 90,431 applications made during this period and identified 67 cases where members of the public submitted an early application and subsequently received their final divorce order from the courts. The premature applications were not identified during the court process at the stage of issuing a conditional order, or a final order. Any final orders, including divorce orders, issued based on these early applications remain final orders of the court unless and until overturned by the court. This is a matter for the independent judiciary to determine.

### Criminal jurisdiction data

In June 2024 concerns about the quality of key data inputs for criminal court statistics led to the postponement of the release of latest statistics for further quality assurance. At the time of publication of this Annual Report and Accounts this quality assurance was still ongoing. HMCTS leadership has committed as part of this process to assess and review potential control failures that may have led to material errors in key data inputs and to rectifying these swiftly.

### Internal audit and annual audit opinion

One of our main 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 main risks for our organisation and arrangements are in place to make sure our Chief Executive is made aware of any significant issues which indicate that main risks are not being effectively managed.

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

### National Audit Office and Parliamentary reports

There were no NAO value for money reports carried out on our work during 2023-24. On 24 May 2024, the NAO published its report on Reducing the backlog in the Crown Court<sup>14</sup>. The report describes what action the MoJ, HMCTS and other parts of the criminal justice system have taken to address the backlog of cases in the Crown Court. We are reviewing the findings and main conclusions of the report and will provide a response later this year. The status of all NAO recommendations published since 1 April 2019 are available to view on the NAO Recommendations tracker at [www.nao.org.uk/recommendations-tracker/](http://www.nao.org.uk/recommendations-tracker/).

On 30 June 2023, the Public Accounts Committee published its report on The Court Reform Programme<sup>15</sup>. The Committee was concerned about the delays and revisions to the programme and made a number of recommendations. We considered the findings of the report and have implemented all the recommendations, including ensuring we continue to learn lessons to improve the remainder of the programme. We published our response<sup>16</sup> to the recommendations in September 2023.

The Justice Select Committee launched the following HMCTS related inquiries:

- the work of the County Court (opened 26 October 2023). Written evidence from the MoJ was published on 12 December 2023<sup>17</sup>.
- timeliness of processing probate applications (opened 22 November 2023). Written evidence from the MoJ was published on 25 January 2024<sup>18</sup>.

### 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 data systems access by former HMCTS staff and online divorce applications have been subject to rigorous review and continue to be managed through appropriate, effective and proportionate mitigating activity.

### Nick Goodwin

Chief Executive and Accounting Officer

18 July 2024

<sup>14</sup> [www.nao.org.uk/reports/reducing-the-backlog-in-the-crown-court/](http://www.nao.org.uk/reports/reducing-the-backlog-in-the-crown-court/)

<sup>15</sup> [committees.parliament.uk/committee/127/public-accounts-committee/news/196036/pac-seriously-concerned-at-court-reform-programmes-multiple-delays-and-revisions/](http://committees.parliament.uk/committee/127/public-accounts-committee/news/196036/pac-seriously-concerned-at-court-reform-programmes-multiple-delays-and-revisions/)

<sup>16</sup> [committees.parliament.uk/publications/41573/documents/204881/default/](http://committees.parliament.uk/publications/41573/documents/204881/default/)

<sup>17</sup> [committees.parliament.uk/work/7972/work-of-the-county-court/publications/](http://committees.parliament.uk/work/7972/work-of-the-county-court/publications/)

<sup>18</sup> [committees.parliament.uk/work/8035/probate/publications/](http://committees.parliament.uk/work/8035/probate/publications/)

## 2.2 Remuneration and people report

The remuneration and people report provides information on our staff, and sets out our remuneration policy for directors, how that policy has been implemented, and the amounts awarded to directors. It also provides details on remuneration and staff that Parliament and others see as important to accountability.

### 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 House of Commons, unless otherwise stated.

#### Board members remuneration report

Our remuneration report has been prepared in accordance with the requirements of the Government Financial Reporting Manual (FReM) as issued by HMT. 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 MoJ Permanent Secretary and director generals, in accordance with the rules of the Civil Service Management Code. We do not have a remuneration committee. The main functions of this committee are dealt with through the MoJ Workforce Committee. The following sections provides details of the remuneration and pension interests of the HMCTS Board members who served during 2023-24.

Accrued pension benefits for directors are not included in this table for 2023-24 due to an exceptional delay in the calculation of these figures following the application of the public service pension remedy ([www.gov.uk/government/collections/how-the-public-service-pension-remedy-affects-your-pension](http://www.gov.uk/government/collections/how-the-public-service-pension-remedy-affects-your-pension)).

Table 1 – remuneration payments to HMCTS Board members during the period 1 April 2023 to 31 March 2024

	2023-24					2022-23				
	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
Sir Richard Broadbent Independent Chair <sup>19</sup> (from 1 May 2023)	20-25 (20-25 FYE <sup>20</sup> )	Nil	Nil	-	20-25					
Victoria Cochrane Interim Independent Chair (until 1 May 2023) Non-executive Director <sup>21</sup> (until 5 November 2023)	5-10 (10-15 FYE)	Nil	Nil	-	5-10	15-20	Nil	Nil	Nil	15-20
Nick Goodwin Chief Executive	135-140	Nil	Nil	-	135-140	130-135	Nil	Nil	109	240-245
Paul Harris Operations Director and Deputy Chief Executive (until 22 March 2024) <sup>22</sup>	110-115	4.4	10-15	-	130-135	100-105	4.0	10-15	5	120-125

<sup>19</sup> Sir Richard Broadbent became the Independent Chair from 1 May 2023

<sup>20</sup> FYE: Full year equivalent

<sup>21</sup> Victoria Cochrane stepped down as Interim Independent Chair on 1 May 2023 and stepped down as Non-executive Director on 5 November 2023

<sup>22</sup> Paul Harris took on additional responsibility as Deputy Chief Executive from 30 May 2023 until his retirement on 1 April 2024

## Section 2: Accountability report

	2023-24					2022-23				
	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
Daniel Flury Operations Director (from 25 March 2024) <sup>23</sup>	0-5 (95-100 FYE)	Nil	Nil	-	0-5					
Andrew Baigent Chief Financial Officer	135-140	Nil	10-15	-	150-155	130-135	Nil	5-10	(19)	115-120
Louise Alexander HR Director (from 8 September 2023) <sup>24</sup>	65-70 (120-125 FYE)	Nil	10-15	-	75-80					
Gemma Hewison Strategy and Change Director (until 25 May 2023) <sup>25</sup>	15-20 (110-115 FYE)	Nil	Nil	-	15-20	110-115	Nil	10-15	43	165-170
Lakh Jemmett Non-executive Director	10-15	Nil	Nil	-	10-15	10-15	Nil	Nil	Nil	10-15
Nicky Wilden Non-executive Director	15-20	Nil	Nil	-	15-20	10-15	Nil	Nil	Nil	10-15
Nick Fishwick Non-executive Director (from 2 January 2024) <sup>26</sup>	0-5 (10- 15 FYE)	Nil	Nil	-	0-5					
Annabel Burns Non-executive Director (until 3 November 2023) <sup>27</sup>	Nil	Nil	Nil	-	Nil	Nil	Nil	Nil	Nil	Nil

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

- Sir Keith Lindblom, Senior President of Tribunals
- Lord Justice Andrew Edis, Senior Presiding Judge
- District Judge Tim Jenkins, judicial representative

### 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 allowances 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 us and therefore recorded in these accounts.

<sup>23</sup> Daniel Flury became a member of the HMCTS Board from 25 March 2024

<sup>24</sup> Louise Alexander became a member of the HMCTS Board from 8 September 2023

<sup>25</sup> Gemma Hewison left HMCTS on 25 May 2023

<sup>26</sup> Nick Fishwick became a member of the HMCTS Board from 2 January 2024

<sup>27</sup> Annabel Burns was the MoJ representative on the HMCTS Board until she took up the post of Strategy, Analysis and Planning Director in HMCTS. 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

## Bonuses

Bonuses are based on performance levels 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.

## Fair pay disclosure

We are required to disclose the relationship between the remuneration of our highest-paid director and the lower quartile, median and upper quartile remuneration of our workforce.

**Table 2 – Percentage change from previous year in total salary and bonuses for the highest-paid director and the staff average**

	2023-24		2022-23	
	Total salary	Bonus Payments	Total salary	Bonus Payments
Staff average	7.2%	45.7%	2.8%	-2.0%
Highest-paid director	5.5%	120%	2.0%	-54.5%

**Table 3 – Ratio between the highest-paid directors' total remuneration and the pay and benefits of employees in the lower quartile, median and upper quartile**

	Lower quartile	Median	Upper quartile
2023-24	6.6:1	5.6:1	4.7:1
2022-23	6.3:1	5.6:1	4.6:1

**Table 4 – Lower quartile, median and upper quartile for staff pay for salaries and total pay and benefits**

	Lower quartile		Median		Upper Quartile	
	2023-24	2022-23	2023-24	2022-23	2023-24	2022-23
Salary	22,940	21,775	24,250	21,786	31,200	26,202
<b>Total pay and benefits</b>	<b>22,940</b>	<b>21,775</b>	<b>27,000</b>	<b>24,554</b>	<b>32,512</b>	<b>29,824</b>

The mid-point of the banded remuneration of our highest-paid director in the financial year 2023-24 was £152,500 (2022-23: £137,500). This was 5.6 times (2022-23: 5.6) the median remuneration of the workforce, which was £27,000 (2022-23: £24,554).

In 2023-24, 4 employees (2022-23: 10) received remuneration in excess of our highest-paid director. No permanent staff received remuneration in excess of the highest-paid director (2022-23: Nil).

Remuneration ranged from £20,000-£25,000 to £310,000-£315,000 (2022-23: £15,000-£20,000 to £305,000-£310,000).

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

In 2020-21, following approval from the Cabinet Office and HMT, a 3 year pay deal was implemented for MoJ including HMCTS employees. The 3 year pay deal ran from 1 August 2020 until 31 July 2023. A 1 year pay deal was implemented from 1 August 2023 until 31 July 2024. In addition, a one-off £1,500 non-consolidated cost of living payment was made to eligible staff.

The ratio between the highest-paid director's remuneration and the staff lower and upper quartiles increased due to changes in the remuneration of the highest-paid director. The pay ratios are therefore consistent with the pay and reward policies for the organisation as a whole.

### Service contracts

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

The officials covered by this report hold appointments which are open-ended, with the exception of non-executive directors who are appointed for a term of 3 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/](https://civilservicecommission.independent.gov.uk/).

**Table 5 – HMCTS Board members’ contracts (not subject to audit)**

Name	Contract start date	Unexpired term	Notice period
Sir Richard Broadbent	1 May 2023	25 months	3 months
Victoria Cochrane (until 5 November 2023)	1 November 2014 (renewed on 17 July 2017 and 25 September 2020)	0 months	1 month
Nick Goodwin	14 March 2022	To retirement	3 months
Paul Harris CBE	22 August 2020	0 months	3 months
Daniel Flury	25 March 2024	To retirement	3 months
Andrew Baigent	14 August 2017	To retirement	3 months
Louise Alexander CBE	8 September 2023	To retirement	3 months
Gemma Hewison	22 March 2020	0 months	3 months
Lakh Jemmett	27 July 2014 (renewed on 21 June 2021)	4 months	1 month
Nicky Wilden	1 November 2020	31 months	1 month
Nick Fishwick	2 January 2024	33 months	1 month
Annabel Burns (until 3 November 2023)	19 August 2019	To retirement	3 months
Jerome Glass	9 January 2024	To retirement	3 months

#### Notes:

1. Paul Harris left HMCTS 1 April 2024
2. Andrew Baigent left HMCTS 3 June 2024
3. Gemma Hewison left HMCTS on 25 May 2023
4. Annabel Burns moved from the MoJ to take up the role of HMCTS Strategy, Analysis and Planning Director on 6 November 2023
5. Judicial members do not operate under contracts

## Pension benefits

**Table 6 - HMCTS Board members' pension benefits and the cash equivalent transfer value (CETV) of those benefits during and at the end of the financial year**

Accrued pension benefits for directors are not included in this table for 2023-24 due to an exceptional delay in the calculation of these figures following the application of the public service pension remedy ([www.gov.uk/government/collections/how-the-public-service-pension-remedy-affects-your-pension](http://www.gov.uk/government/collections/how-the-public-service-pension-remedy-affects-your-pension)).

Name	Accrued pension at pension age as at 31 March 2024 and related lump sum £'000	Real increase in pension and related lump sum at pension age £'000	CETV at 31 March 2024 £'000	CETV at 31 March 2023 £'000	Real increase in CETV £'000
Sir Richard Broadbent Independent Chair ( <i>from 1 May 2023</i> )	N/A	N/A	N/A	N/A	N/A
Victoria Cochrane Interim Independent Chair ( <i>until 1 May 2023</i> ) Non-executive Director ( <i>until 5 November 2023</i> )	N/A	N/A	N/A	N/A	N/A
Nick Goodwin Chief Executive	N/A	N/A	N/A	N/A	N/A
Paul Harris CBE Operations Director and Deputy Chief Executive ( <i>until 1 April 2024</i> )	N/A	N/A	N/A	N/A	N/A
Daniel Flury Operations Director ( <i>from 25 March 2024</i> )	N/A	N/A	N/A	N/A	N/A
Andrew Baigent Chief Financial Officer	N/A	N/A	N/A	N/A	N/A
Louise Alexander CBE HR Director	N/A	N/A	N/A	N/A	N/A
Gemma Hewison Strategy and Change Director ( <i>until 25 May 2023</i> )	N/A	N/A	N/A	N/A	N/A
Lakh Jemmett Non-executive Director	N/A	N/A	N/A	N/A	N/A
Nicky Wilden Non-executive Director	N/A	N/A	N/A	N/A	N/A
Nick Fishwick ( <i>from 2 January 2024</i> )	N/A	N/A	N/A	N/A	N/A
Annabel Burns Non-executive Director ( <i>until 3 November 2023</i> )	N/A	N/A	N/A	N/A	N/A

**Note:** 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, 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 4 sections: 3 providing benefits on a final salary basis (classic, premium or classic plus) with a normal pension age of 60; and 1 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 switched into alpha sometime between 1 June 2015 and 1 February 2022. Because the government plans to remove discrimination identified by the courts in the way that the 2015 pension reforms were introduced for some members, it's expected that in due course, eligible members with relevant service between 1 April 2015 and 31 March 2022 may be entitled to different pension benefits in relation to that period (and this may affect the CETV shown below in this report). All members who switched 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 individual has benefits in both the PCSPS and alpha, the figure quoted is the combined value of their benefits in the 2 schemes. Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a defined contribution (money purchase) 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 3 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 their 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 an occupational defined contribution pension arrangement which is part of the Legal and General Mastertrust. The employer makes a basic contribution of between 8% and 14.75% depending on the age of the member. 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. This is 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 2 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/](http://www.civilservicepensionscheme.org.uk/).

### Cash equivalent transfer values

A Cash Equivalent Transfer Value (CETV) is the actuarially assessed capitalised value of the pension scheme benefits accrued by a member at a particular point in time. The benefits valued are the member's accrued benefits and any contingent spouse's pension payable from the scheme. 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 Scheme (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.

CETV figures are calculated using the guidance on discount rates for calculating unfunded public service pension contribution rates that was extant at 31 March 2024. HMT published updated guidance on 27 April 2023; this guidance will be used in the calculation of 2023-24 CETV figures.

### 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 People report

Our people report includes staff engagement, how we promote equality, diversity and inclusion, as well as disclosures on our workforce composition, employee costs, sick absence and staff turnover.

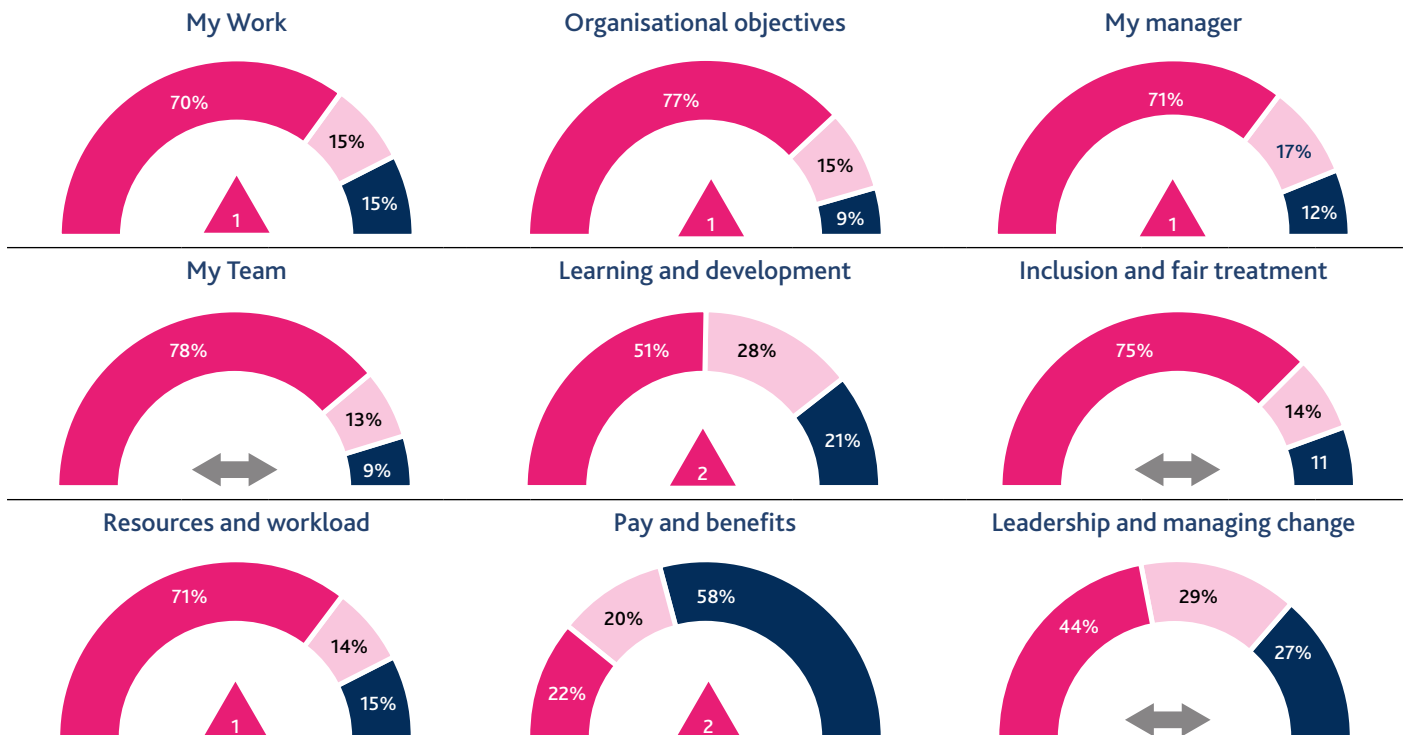
### Staff engagement

The annual People Survey was held from 19 September to 23 October 2023. It is an opportunity for our people to have their say on a variety of topics which affect them. It provides valuable insight on how they feel about working for our organisation.

Our response rate was 55% (2022: 60%) and our Employee Engagement Index (EEI) was 57% (2022: 57%). The EEI is the average positive responses to 5 key questions around people's personal attachment to HMCTS, striving in the work they do, and speaking positively about working here. The results by the 9 core themes are below. Due to the rounding of figures, there may be a difference of 1 percentage point when comparing year on year. You can find the mean scores by organisation for each question in the published Annual Civil Service People Survey Benchmark Results at [www.gov.uk/government/collections/civil-service-people-surveys](http://www.gov.uk/government/collections/civil-service-people-surveys).

#### Civil Service People Survey results 2023

**Key:** ■ Favourable ■ Neutral ■ Unfavourable  
 Compared to 2022: ▲ Percentage point increase ▼ Percentage point decrease ↔ No change



There were no decreases in our scores, compared to 2022. The results for 6 of the 9 core themes increased and 3 remained the same. Leadership and managing change was our priority theme for action during 2023 and beyond. The secondary areas were around Pay and benefits, Wellbeing, and Learning and development. We will continue to focus on the same themes during 2024, in line with our organisational priorities. We plan to run targeted surveys during the year to understand in more detail our people's experience of work, based on the analysis of the people survey results.

We also review the survey data to identify our priority areas for action around increasing diversity and inclusion, and reducing discrimination, bullying, harassment, and victimisation.

## Equality, diversity and inclusion

We are aligned to the Civil Service Diversity and Inclusion Strategy 2022-25. The strategy sets a new standard for diversity and inclusion, championing a diversity of backgrounds and opinions to better promote fairness and performance. One of the ambitions in our People and Culture Strategy 2021-24 is to promote diversity in our recruitment, development, talent and succession planning, to make sure our workforce is reflective of the communities we serve. Civil Service Statistics are published annually showing a breakdown of the UK Civil Service workforce, including information on staff diversity. Data as at 31 March 2024 is available at [www.gov.uk/government/collections/civil-service-statistics](http://www.gov.uk/government/collections/civil-service-statistics).

We are accredited as a Disability Confidence Leader. This demonstrates we are an organisation where our staff with a disability or long-term illness have equal opportunity and access to support, including workplace adjustments to make sure they reach their full potential.

Our policies support people with disabilities. Health and safety and risk assessment guidance is in place, under which all employees are required to complete workstation assessments periodically. This ensures they are working in a safe environment and it is reviewed when their personal circumstances change. From November 2022 we started rolling out across our organisation, a new online display screen equipment training and risk assessment tool called Cardinus Healthy Working system. Rollout was completed by the end of March 2024. Support and guidance can be accessed by all employees through the health and wellbeing pages of our intranet, which are regularly updated. The Civil Service Workplace Adjustment Team provide additional support and advice about disability and how to get help, including workplace passports. Our Personal Impact Development scheme also enables us to put tailored interventions in place so that everyone has an opportunity to discuss their unique development, needs and career aspirations.

We have a Diversity and Inclusion Forum, chaired by our Operations Director and Deputy Chief Executive, that holds our organisation to account in improving diversity and inclusion.

We promote 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/](http://www.hmctsjobs.co.uk/).

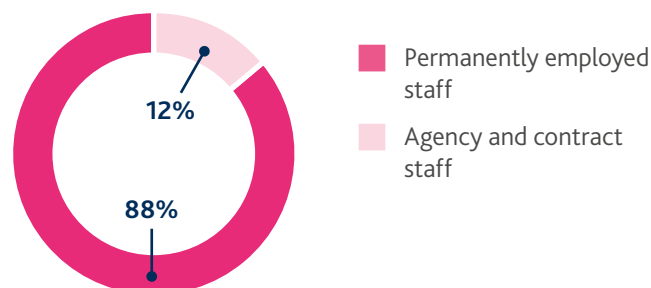
## Staff costs, numbers and composition

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 full time equivalent (FTE) employees paid during the year was 16,422 compared to 16,767 in 2022-23.

During 2023-24, 90% of our workforce were operational frontline staff and the remaining 10% were HQ based.



	2019-20	2020-21	2021-22	2022-23	2023-24
Permanently employed staff	14,041	14,495	14,935	14,544	14,489
Agency and contract staff	2,223	2,218	2,381	2,223	1,933
<b>Total</b>	<b>16,264</b>	<b>16,713</b>	<b>17,316</b>	<b>16,767</b>	<b>16,422</b>

## Our employee costs

	2023-24	2022-23
Wages and salaries	462,988	418,367
Social security costs	45,555	41,837
Employer pension contributions	112,644	107,806
Agency staff costs	78,911	86,425
Voluntary early departures	(6)	2,052
	<b>700,092</b>	<b>656,487</b>
Add: inwards secondments	1,337	907
	<b>701,429</b>	<b>657,394</b>
Less: recoveries in respect of outward secondments	(521)	(458)
<b>Total staff costs</b>	<b>700,908</b>	<b>656,936</b>

## Workforce composition

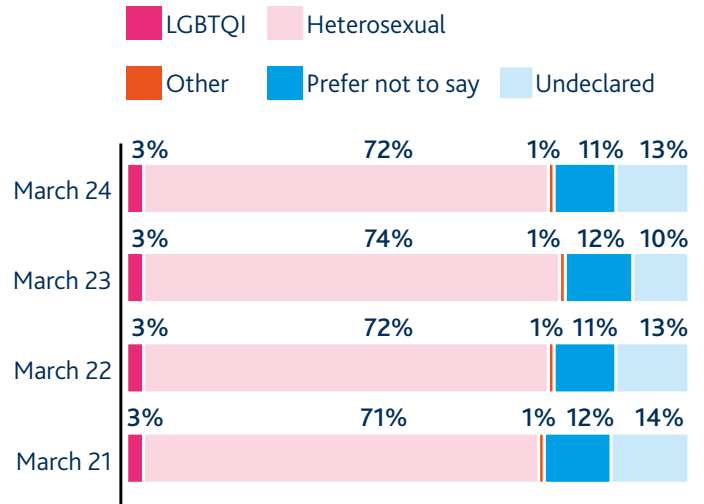
The following statistics provide a snapshot of our workforce. They help us understand how representative we are and where we need to focus our attention, as we continue to build a fair and inclusive work environment and a workforce that at every level, reflects the diverse communities we service.

The tables and charts below show the breakdown of our employees as at 31 March 2024. Details on the roles, grades, salaries and regional location of our staff are published bi-annually as part of the MoJ Organogram of Staff Roles and Salaries at [www.data.gov.uk/dataset/a90a9f70-e28c-4a95-a7a7-f79d12fbe219/organogram-of-staff-roles-salaries](http://www.data.gov.uk/dataset/a90a9f70-e28c-4a95-a7a7-f79d12fbe219/organogram-of-staff-roles-salaries).

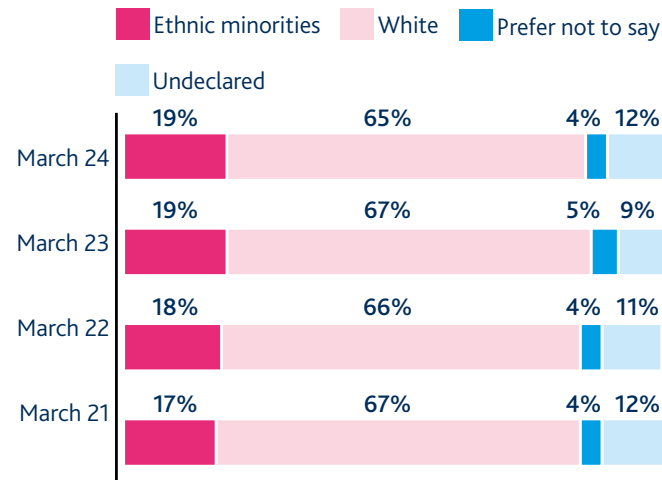
### Breakdown of employees by gender

2020-21		2021-22		2022-23		2023-24	
<b>Executive and Non-executive Board members</b>							
Male	Female	Male	Female	Male	Female	Male	Female
56%	44%	56%	44%	57%	43%	78%	22%
<b>Senior managers (senior civil servants (SCS))</b>							
Male	Female	Male	Female	Male	Female	Male	Female
43%	57%	44%	56%	42%	58%	48%	52%
<b>Other employees (non SCS)</b>							
Male	Female	Male	Female	Male	Female	Male	Female
29%	71%	29%	71%	30%	70%	30%	70%

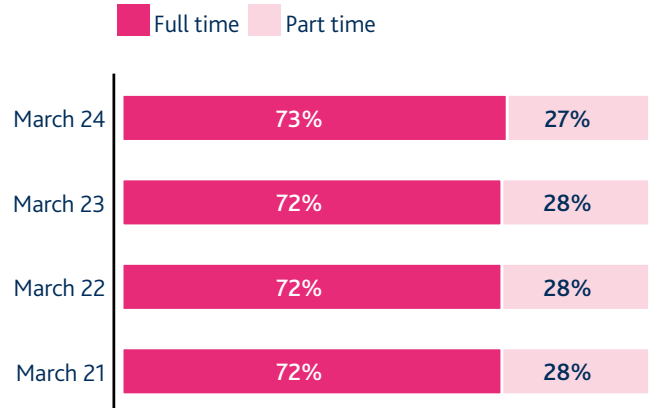
### Breakdown of employees by sexual orientation



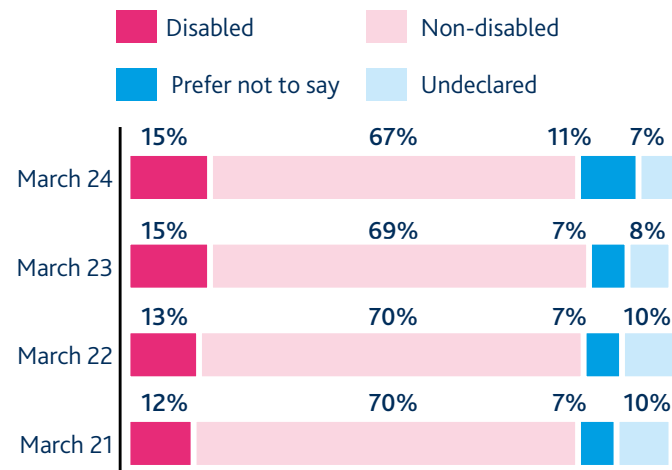
### Breakdown of employees by ethnicity



### Breakdown of employees by full-time and part-time



### Breakdown of employees by disability



Breakdown of employees by religion

	March 2021	March 2022	March 2023	March 2024
Buddhist	0%	0%	0%	0%
Christian	39%	38%	38%	37%
Hindu	2%	2%	2%	2%
Jewish	0%	0%	0%	0%
Muslim	4%	5%	6%	6%
Sikh	1%	1%	2%	2%
Other religion or belief	2%	2%	2%	2%
No religion or belief	22%	23%	25%	25%
Prefer not to say	14%	13%	13%	12%
Not known/undeclared	14%	14%	11%	13%

Note: Numbers have been rounded to nearest percentage point

Number of Senior Civil Service employees

Our executive directors are all senior civil servants (SCS). As at 31 March 2024, there were 74 SCS in HMCTS (2023: 76).

	2023-24	2022-23
£70,000 to £79,999	6	38
£80,000 to £89,999	36	14
£90,000 to £99,999	13	14
£100,000 to £109,999	7	3
£110,000 to £119,999	5	3
£120,000 to £129,999	3	2
£130,000 to £139,999	2	2
£140,000 to £149,999	1	-
£150,000 to £159,999	-	-
£160,000 to £169,999	1	-
<b>Total</b>	<b>74</b>	<b>76</b>

Off-payroll engagement

During 2023-24, we reviewed off-payroll engagements where we are required to consider intermediaries (IR35) legislation using HMRC’s guidance and online status indicator. We advised our contracting body of the outcome of the status determinations so that, where appropriate, tax deductions are made at the source from payments made in respect of the engagement with us. Further details about off-payroll engagements are shown in the off-payroll tables in the MoJ Annual Report and Accounts 2023-24.

Pension scheme

PCSPS and alpha are unfunded multi-employer defined benefit schemes. We are unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the PCSPS at 31 March 2020. You can find details in the resource accounts of the Cabinet Office: Civil Superannuation at [www.civilservicepensionscheme.org.uk/knowledge-centre/resources/resource-accounts/](http://www.civilservicepensionscheme.org.uk/knowledge-centre/resources/resource-accounts/).

For 2023-24, employer contributions of £112.6 million were payable to PCSPS (2022-23: £107.8 million) at one of the 4 rates in the range of 26.6% to 30.3% of pensionable earnings, based on salary bands. The Scheme Actuary reviews employer contributions usually every 4 years following a full scheme valuation. The contributions rates are set to meet the cost of the benefits accruing during 2023-24 to be paid when the member retires, and not the benefits paid during this period to existing pensioners.

17 persons (2022-23: 14 persons) retired early on ill health grounds. The total additional accrued pension liabilities in the year amounted to £61,954 (2022-23: £18,000).

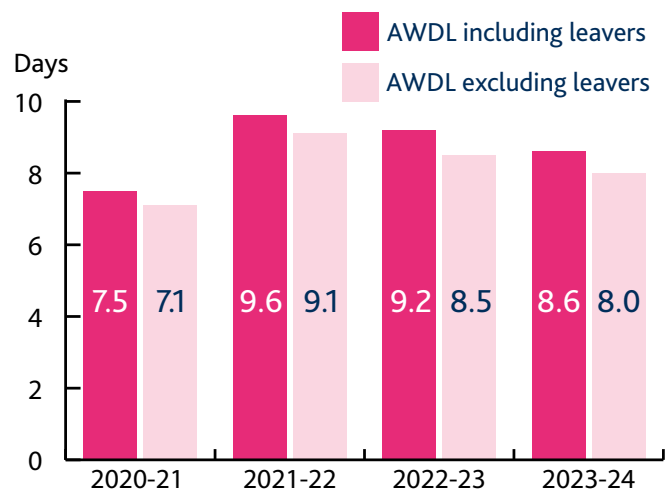
Consultancy costs

Consultancy spend is incurred when we need short-term staffing, or specialists to implement projects. 31 March 2024 figures include spend on a delivery partner to develop a model for sustainable change, business strategy consultants and the Property Directorate; spend in the year to 31 March 2023 was incurred on the Property Directorate and magistrates training. Expenditure on consultancy in 2023-24 was £0.9 million (2022-23: £0.3 million).

Sick absence

The number of average working days lost (AWDL) due to sickness has decreased this year when compared to the previous year. The chart below shows AWDL for the rolling 12 months to the end of March 2024 including and excluding leavers. 48% of our workforce had no sick absence during 2023-24 (2022-23: 42%).

Sick absence as a 4-year trend



## Staff turnover

In 2023-24, our staff turnover was 14.5% (2022-23: 12.7%) and departmental turnover was 11.4% (2022-23: 15.9%). Transfers of staff within the Civil Service are included in 'departmental turnover' and excluded from 'staff turnover'.

The turnover of our permanent staff has remained steady and the increase in overall staff turnover is due to the number of people on fixed term contracts that came to an end during 2023-24, in line with planned reform workforce changes. We continue to monitor turnover rates and support initiatives to maintain a healthy level of turnover. The annual Civil Service People Survey, coupled with other research, helps us to understand our people's experience of working in HMCTS, and take appropriate action to improve effectiveness, including where turnover becomes problematic.

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

### Subject to audit

Exit package cost	2023-24			2022-23		
	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	-	20	20	-	12	12
£10,000 - £25,000	-	10	10	1	9	10
£25,001 - £50,000	-	9	9	-	28	28
£50,001 - £100,000	-	5	5	-	23	23
£100,001 - £150,000	-	-	-	-	-	-
£150,001 - £200,000	-	-	-	-	-	-
£200,001 - £250,000	-	-	-	-	-	-
£250,001 - £300,000	-	-	-	-	-	-
Total number of exit packages by type	-	44	44	1	72	73
Total cost of exit packages by type (£000)	-	936	936	12	2,889	2,901

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 we have agreed early retirements, the additional costs are met by us 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	2023-24		2022-23	
	Number of cases	£000	Number of cases	£000
Cash losses	497	424	505	171
Claims abandoned	-	-	1	27
Administrative write-offs/(write backs)	65	(41)	63	27
Fruitless payments	9	2	5	2
Constructive losses	2	6,793	1	873
<b>Total losses</b>	<b>573</b>	<b>7,178</b>	<b>575</b>	<b>1,100</b>

In 2023-24 there were two losses over £300,000 as follows:

- Common platform – during the year a decision was taken to retain the current digital case management system used in Crown Courts rather than replace the functionality by enhancing common platform. This resulted in us not continuing with the development of that functionality in common platform, leading to a constructive loss of £5.6 million.
- Temporary modular cells – as part of the HMCTS Covid response, HMCTS contracted for the provision of temporary custodial modular cells for use at Snaresbrook Crown Court to ensure the court had sufficient holding capacity. Before the cells were completed the supplier went into liquidation and ceased trading, and the additional costs and time required to bring the asset into use was deemed not to represent value for money and was not pursued. As a result the assets have been written off, resulting in a constructive loss of £1.2 million.

Special payments	2023-24		2022-23	
	Number of cases	£000	Number of cases	£000
Compensation payment	49	604	41	587
Ex-gratia	7,816	4,314	10,112	2,229
Extra-contractual payments	91	4	116	6
Extra-statutory and extra-regulatory payments	-	-	-	-
Special severance payments	-	-	-	-
Loans	-	-	-	-
Gifts	-	-	-	-
<b>Total special payments</b>	<b>7,956</b>	<b>4,922</b>	<b>10,269</b>	<b>2,822</b>

In 2023-24 there was one special payment over £300,000, as follows:

- An ex-gratia payment of £2.2 million was made in refunding fees paid following the reversal of a Judicial decision. An initial application was made to the court in respect of 2,000 cases as one 'omnibus' claim, but the High Court directed the claimants to make individual applications, which meant in excess of £2 million in court fees being paid, rather than a single £10,000 fee. Upon appeal this decision was overturned with the Court ruling the case should have been an omnibus case and the additional court fees should be refunded by HMCTS.

## Charitable donations

We made charitable donations totalling £25,000 in 2023-24 (2022-23: £25,000). These donations were made to an organisation that provides young people with an opportunity to take part in mock trials, to build their confidence, understanding and interest in the law.

## Fee income

We are required to disclose performance results for the areas of our 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 us under the requirements of the Government Financial Reporting Manual.

We cover the following business areas: civil and family courts, tribunals and criminal courts. We collect and report upon fee charges that have been set up by MoJ policy and which appear in statutory instrument fee orders. Section 180 of the Anti-social Behaviour, Crime and Policing Act 2014 gives the Lord Chancellor, with consent of HMT, 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.

We report on both the civil and tribunal fee charging business segments. Civil business contains 2 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 2 business streams: immigration and asylum, and other fee charging special tribunals (including lands, residential property, gambling and gender recognition). The table overleaf 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 at Annex A.

On 26 July 2017, the Supreme Court handed down a judgment that quashed the Employment Tribunals and the Employment Appeal Tribunals Fees Order 2013/1893. The Lord Chancellor has committed to refunding the fees taken to those who paid them. To date we have refunded a total of £18.8 million in respect of fees and interest. During 2023-24 £99,124 of fees were refunded including interest and accruals.

In November 2017, the MoJ undertook a review of other fees for courts and tribunals proceedings charged by us. The 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 £8.4 million.

The movements in the provisions and refunds are shown separately in the table overleaf. You can find more details about income, provisions and contingent liabilities in Notes 18 and 21 to the accounts.

## Fees and charges

	Value of fee charges £000	Fees remitted £000	Income collected £000	Expenditure £000	Income charge surplus/ (deficit) £000
<b>Civil business</b>					
Family	222,119	(20,256)	201,863	(306,868)	(105,005)
Civil	595,362	(61,191)	534,171	(619,671)	(85,500)
<b>Total civil business</b>	<b>817,481</b>	<b>(81,447)</b>	<b>736,034</b>	<b>(926,539)</b>	<b>(190,505)</b>
<b>Tribunal business</b>					
Immigration and asylum	6,165	(766)	5,399	(106,844)	(101,445)
Other tribunals	1,450	(20)	1,430	(20,978)	(19,548)
<b>Total tribunals business</b>	<b>7,615</b>	<b>(786)</b>	<b>6,829</b>	<b>(127,822)</b>	<b>(120,993)</b>
Family Fee Refunds New Burden Settlement	-	-	(23)	-	(23)
Employment Tribunals refunds	-	-	(99)	-	(99)
CTLO <sup>28</sup> fee refunds and interest paid	-	-	(242)	-	(242)
Other fee refunds	-	-	(316)	-	(316)
Movement in fee refunds provision	-	-	2,845	-	2,845
<b>2023-24 total HMCTS business</b>	<b>825,096</b>	<b>(82,233)</b>	<b>745,028</b>	<b>(1,054,361)</b>	<b>(309,333)</b>
<b>2022-23 total HMCTS business</b>	<b>807,424</b>	<b>(79,958)</b>	<b>725,128</b>	<b>(988,186)</b>	<b>(263,058)</b>

**Nick Goodwin**

Chief Executive and Accounting Officer

18 July 2024





## Section 3: External scrutiny

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

#### Opinion on financial statements

I certify that I have audited the financial statements of the HM Courts and Tribunals Service (HMCTS) for the year ended 31 March 2024 under the Government Resources and Accounts Act 2000.

The financial statements comprise HMCTS's:

- Statement of Financial Position as at 31 March 2024;
- Statement of Comprehensive Net Expenditure, Statement of Cash Flows and Statement of Changes in Taxpayers' Equity for the year then ended; and
- the related notes including the significant accounting policies.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and UK adopted international accounting standards.

In my opinion, the financial statements:

- give a true and fair view of the state of HMCTS's affairs as at 31 March 2024 and its net expenditure for the year then ended; and
- have been properly prepared in accordance with the Government Resources and Accounts Act 2000 and HM Treasury directions issued thereunder.

#### 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 for opinions

I conducted my audit in accordance with International Standards on Auditing (UK) (ISAs UK), applicable law and Practice Note 10 *Audit of Financial Statements and Regularity of Public Sector Bodies in the United Kingdom (2022)*. 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 2019*. I am independent of HMCTS in accordance with the ethical requirements that are relevant to my audit of 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

In auditing the financial statements, I have concluded that HMCTS's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work I have performed, I have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on HMCTS's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

My responsibilities and the responsibilities of the Accounting Officer with respect to going concern are described in the relevant sections of this certificate.

The going concern basis of accounting for HMCTS is adopted in consideration of the requirements set out in HM Treasury's Government Financial Reporting Manual, which requires entities to adopt the going concern basis of accounting in the preparation of the financial statements where it is anticipated that the services which they provide will continue into the future.

## Other information

The other information comprises information included in the Annual Report, but does not include the financial statements and my auditor's certificate and report thereon. The Accounting Officer is responsible for the other information.

My opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in my certificate, I do not express any form of assurance conclusion thereon.

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 I identify such material inconsistencies or apparent material misstatements, I am required to determine whether this gives rise to a material misstatement in the financial statements themselves. 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 part of the Remuneration and Staff Report to be audited has been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000.

In my opinion, based on the work undertaken in the course of the audit:

- the parts of the Accountability Report subject to audit have been properly prepared in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;
- the information given in the Performance and Accountability Reports for the financial year for which the financial statements are prepared is consistent with the financial statements and is in accordance with the applicable legal requirements.

## Matters on which I report by exception

In the light of the knowledge and understanding of HMCTS and its environment obtained in the course of the audit, I have not identified material misstatements in the Performance and Accountability Reports.

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

## 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:

- maintaining proper accounting records;
- providing the C&AG with access to all information of which management is aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;

## Section 3: External scrutiny

- providing the C&AG with additional information and explanations needed for his audit;
- providing the C&AG with unrestricted access to persons within HMCTS from whom the auditor determines it necessary to obtain audit evidence;
- ensuring such internal controls are in place as deemed necessary to enable the preparation of financial statements to be free from material misstatement, whether due to fraud or error;
- preparing financial statements which give a true and fair view and are in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000;
- preparing the annual report, which includes the Remuneration and Staff Report, in accordance with HM Treasury directions issued under the Government Resources and Accounts Act 2000; and
- assessing HMCTS's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Accounting Officer anticipates that the services provided by HMCTS will not continue to be provided in the future.

### 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.

My objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a certificate that includes my opinion. 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.

### Extent to which the audit was considered capable of detecting non-compliance with laws and regulations, including fraud

I design procedures in line with my responsibilities, outlined above, to detect material misstatements in respect of non-compliance with laws and regulations, including fraud. The extent to which my procedures are capable of detecting non-compliance with laws and regulations, including fraud is detailed below.

### Identifying and assessing potential risks related to non-compliance with laws and regulations, including fraud

In identifying and assessing risks of material misstatement in respect of non-compliance with laws and regulations, including fraud, I:

- considered the nature of the sector, control environment and operational performance including the design of HMCTS's accounting policies.
- inquired of management, HMCTS's internal audit and those charged with governance, including obtaining and reviewing supporting documentation relating to HMCTS's policies and procedures on:
  - identifying, evaluating and complying with laws and regulations;
  - detecting and responding to the risks of fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance with laws and regulations including HMCTS's controls relating to HMCTS's compliance with the Government Resources and Accounts Act 2000, Managing Public Money, and relevant pieces of legislation stipulating Court and Tribunal fees;
- inquired of management, HMCTS's head of internal audit and those charged with governance whether:
  - they were aware of any instances of non-compliance with laws and regulations;
  - they had knowledge of any actual, suspected, or alleged fraud,
- discussed with the engagement team and the relevant external specialists, including property valuations where specialist expertise was engaged on the audit regarding how and where fraud might occur in the financial statements and any potential indicators of fraud.

As a result of these procedures, I considered the opportunities and incentives that may exist within HMCTS for fraud and identified the greatest potential for fraud in the following areas: revenue recognition, posting of unusual journals, complex transactions and bias in management estimates. In common with all audits under ISAs (UK), I am required to perform specific procedures to respond to the risk of management override.

I obtained an understanding of HMCTS's framework of authority and other legal and regulatory frameworks in which HMCTS operate. I focused on those laws and regulations that had a direct effect on material amounts and disclosures in the financial statements or that had a fundamental effect on the operations of HMCTS. The key laws and regulations I considered in this context included Government Resources and Accounts Act 2000, Managing Public Money, employment law and tax legislation and relevant pieces of legislation stipulating Court and Tribunal fees.

### **Audit response to identified risk**

To respond to the identified risks resulting from the above procedures:

- I reviewed the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described above as having direct effect on the financial statements;
- I enquired of management, the Audit and Risk Assurance Committee concerning actual and potential litigation and claims;
- I reviewed minutes of meetings of those charged with governance and the Board; and internal audit reports; and
- in addressing the risk of fraud through management override of controls, I tested the appropriateness of journal entries and other adjustments; assessed whether the judgements on estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

I communicated relevant identified laws and regulations and potential risks of fraud to all engagement team members and remained alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

A further description of my responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of my certificate.

### **Other auditor's responsibilities**

I am required to obtain sufficient appropriate audit evidence 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.

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 I identify during my audit.

### **Report**

I have no observations to make on these financial statements.

**Gareth Davies**

22 July 2024

**Comptroller and Auditor general**

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 year ended 31 March 2024

	Notes	2023-24 £000	2022-23 £000
Operating income	8	(807,707)	(782,685)
<b>Total operating income</b>		<b>(807,707)</b>	<b>(782,685)</b>
Staff costs	3	700,908	656,936
Judiciary costs	3.1	678,174	631,745
Purchase of goods and services	4	747,035	715,767
Depreciation and impairment charges	5	399,803	299,887
Other non-cash expenditure	6	95,941	3,293
<b>Total operating expenditure</b>		<b>2,621,861</b>	<b>2,307,628</b>
<b>Net operating expenditure</b>		<b>1,814,154</b>	<b>1,524,943</b>
Finance costs	7	25,725	16,661
<b>Net expenditure for the year</b>		<b>1,839,879</b>	<b>1,541,604</b>

#### Other comprehensive expenditure

	Notes	2023-24 £000	2022-23 £000
<b>Net costs</b>		<b>1,839,879</b>	<b>1,541,604</b>
Net (gain)/loss on revaluation of property and equipment		14,507	(237,381)
Net (gain)/loss on revaluation of intangible assets		-	(7,736)
Actuarial (gain)/ loss on pension scheme liabilities	18.2	(49)	(41)
<b>Total comprehensive expenditure</b>		<b>1,854,337</b>	<b>1,296,446</b>

The gains and 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 as the application of indices and desktop valuations.

The Notes on pages 69 to 99 form part of these accounts.

## Statement of financial position as at 31 March 2024

	Notes	2023-24 £000	2022-23 £000
<b>Non-current assets</b>			
Property and equipment	9	3,930,039	3,997,673
Right-of-use assets	12	1,022,493	1,086,012
Intangible assets	11	470,077	525,585
Trade and other receivables	14	-	170
<b>Total non-current assets</b>		<b>5,422,609</b>	<b>5,609,440</b>
<b>Current assets</b>			
Assets held for sale	10	225	-
Trade and other receivables	14	104,692	109,428
Cash and cash equivalents	15	58,731	37,646
<b>Total current assets</b>		<b>163,648</b>	<b>147,074</b>
<b>Total assets</b>		<b>5,586,257</b>	<b>5,756,514</b>
<b>Current liabilities</b>			
Trade and other payables	16	(275,398)	(293,134)
Financial liabilities	16.1	(13,520)	(9,013)
Lease liabilities	12	(80,162)	(79,242)
Provisions for liabilities and charges	18	(11,268)	(12,839)
<b>Total current liabilities</b>		<b>(380,348)</b>	<b>(394,228)</b>
<b>Total assets less current liabilities</b>		<b>5,205,909</b>	<b>5,362,286</b>
<b>Non-current liabilities</b>			
Trade and other payables	16	(18,596)	(18,898)
Financial liabilities	16.1	(49,585)	(41,904)
Lease liabilities	12	(1,040,399)	(1,086,611)
Provisions for liabilities and charges	18	(82,755)	(98,752)
<b>Total non-current liabilities</b>		<b>(1,191,335)</b>	<b>(1,246,165)</b>
<b>Total assets less total liabilities</b>		<b>4,014,574</b>	<b>4,116,121</b>
<b>Taxpayers' equity</b>			
General fund		2,690,400	2,713,239
Revaluation reserve		1,324,174	1,402,882
<b>Total taxpayers' equity</b>		<b>4,014,574</b>	<b>4,116,121</b>

The Notes on pages 69 to 99 form part of these accounts.

### Nick Goodwin

Chief Executive and Accounting Officer

18 July 2024

## Section 4: Our expenditure

### Statement of cash flows for the year ended 31 March 2024

	Notes	2023-24 £000	2022-23 £000
<b>Cash flows from operating activities</b>			
Net expenditure for the year		(1,839,879)	(1,541,604)
Adjustments for notional and non-cash costs	17	673,234	468,989
Adjustments for finance costs	7	25,725	16,661
(Increase) in trade and other receivables		(150,331)	(133,337)
Increase/(decrease) in trade and other payables		72,114	68,806
Utilisation of provisions		(6,923)	(8,923)
<b>Net cash outflow from operating activities</b>		<b>(1,226,060)</b>	<b>(1,129,408)</b>
<b>Cash flows from investing activities</b>			
Purchases of property and equipment		(130,709)	(136,580)
Proceeds from disposal of property and equipment and assets held for sale		4	2,515
Purchases of intangible assets		(63,835)	(66,941)
<b>Net cash outflow from investing activities</b>		<b>(194,540)</b>	<b>(201,006)</b>
<b>Cash flows from financing activities</b>			
Funding from the MoJ		1,555,000	1,448,000
Capital element of Private Finance Initiative (PFI) contracts		(9,858)	(8,927)
Capital element of lease liability		(79,693)	(82,672)
Repayments of local authority loans		(302)	(1,354)
Interest paid		(23,462)	(15,461)
<b>Net cash inflow from financing activities</b>		<b>1,441,685</b>	<b>1,339,586</b>
<b>Net increase/(decrease) in cash and cash equivalents in the period</b>		<b>21,085</b>	<b>9,172</b>
<b>Cash and cash equivalents as at the beginning of the period</b>		<b>37,646</b>	<b>28,474</b>
<b>Cash and cash equivalents as at the end of the period</b>		<b>58,731</b>	<b>37,646</b>

The Notes on pages 69 to 99 form part of these accounts.



## Statement of changes in taxpayers' equity for the year ended 31 March 2024

	Notes	General fund £000	Revaluation reserve £000	Total £000
<b>Balance as at 31 March 2022</b>		<b>2,557,212</b>	<b>1,204,185</b>	<b>3,761,397</b>
Cumulative catch-up adjustment on adoption of IFRS 16				
<b>Balance as at 1 April 2022</b>				
Funding from the MoJ		1,448,000	-	1,448,000
Intercompany settlement with the MoJ		(44,861)	-	(44,861)
Net operating expenditure		(1,541,604)	-	(1,541,604)
Notional expenditure				
Consolidated fund judicial salaries		165,062	-	165,062
External auditor's remuneration	17	398	-	398
Intra-departmental recharges	17	84,568	-	84,568
Revaluation of property and equipment		-	237,381	237,381
Revaluation of intangible assets		-	7,736	7,736
Reclassification from revaluation reserve		46,420	(46,420)	-
Actuarial gain/(loss) on pension scheme liabilities	18.2	41	-	41
Other transfers to reserves		(1,997)	-	(1,997)
<b>Balance as at 31 March 2023</b>		<b>2,713,239</b>	<b>1,402,882</b>	<b>4,116,121</b>
Cumulative catch-up adjustment on adoption of IFRS 16 for PFI contracts				
<b>Balance as at 1 April 2023</b>		<b>2,694,920</b>	<b>1,402,882</b>	<b>4,097,802</b>
Funding from the MoJ		1,555,000	-	1,555,000
Intercompany settlement with the MoJ		(68,382)	-	(68,382)
Net operating expenditure		(1,839,879)	-	(1,839,879)
Notional expenditure				
Consolidated fund judicial salaries		179,400	-	179,400
External auditors' remuneration	17	425	-	425
Intra-departmental recharges	17	104,666	-	104,666
Revaluation of property and equipment		-	(14,507)	(14,507)
Revaluation of intangible assets		-	-	-
Reclassification from revaluation reserve		64,201	(64,201)	-
Actuarial gain/(loss) on pension scheme liabilities	18.2	49	-	49
Other transfers to reserves		-	-	-
<b>Balance as at 31 March 2024</b>		<b>2,690,400</b>	<b>1,324,174</b>	<b>4,014,574</b>

The Notes on pages 69 to 99 form part of these accounts.

## 4.2 Notes to the accounts for year ending 31 March 2024

### 1. Statement of accounting policies

These accounts have been prepared in accordance with the Government Financial Reporting Manual (FReM) 2023-24, issued by HMT. 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 Notes 1.19). It also requires management to exercise its judgement in the process of applying the accounting policies.

These accounts have been prepared on a going concern basis. The financial reporting framework applicable to Government bodies, derived from the FReM, defines that the anticipated continued provision of the entity's services in the public sector is normally sufficient evidence of going concern. The HMCTS Board have a reasonable expectation that this will continue to be the case.

#### 1.2 Changes in accounting policies and disclosures

##### a) Changes in accounting policies and new interpretations and amended standards adopted

From 1 April 2023, Public private partnerships (PPP) liabilities, which include PFI loans, are to be measured in accordance with the IFRS 16 measurement principles. The change in accounting policy is applied using a modified retrospective approach with the cumulative impact on the liability taken to the General Fund reserve on 1 April 2023. Previous years are not restated. The measurement per IFRS 16 involves a cumulative remeasurement as at 1 April 2023 for the changes to payments for the capital element due to indexation since the PPP arrangement commenced. This remeasurement is recognised as an adjustment to the opening balance of retained earnings and prior years comparative information is not remeasured.

##### b) New standards, amendments and interpretations issued but not effective for the financial year beginning 1 April 2023 and not early adopted

IFRS 17 Insurance Contracts requires a discounted cash flow approach to accounting for insurance contracts. IFRS 17 is to be applied by entities for accounting periods beginning on or after 1 January 2023. The earliest implementation date in central government is 1 April 2025. To assess the impact of the standard, we are 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 operating income is principally comprised of fees. The majority of fees paid to us are for an application to commence the administration of a process. To a lesser extent, fees are received for a court process, or for a particular stage of the administration of the court process. The payment of a fee does not convey the right to a decision, or a particular outcome 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 hold performance obligations to individuals or organisations in relation to court and tribunal activities.

Our model of income recognition aligns our revenue recognition policy to IFRS 15 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 power to charge fees is conferred by Section 92 of The Courts Acts 2003, and Section 180 of The Anti-Social Behaviour Crime and Policing Act 2014 for enhanced fees.

This is the legislation against which we assess our performance obligations. This legislation 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 adaptation as contracts under IFRS 15, are interpreted as the performance obligations on us 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, the Agency, 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 most of our revenue until the issue of an application is completed, or any other obligations are completed that are required as part of the Statutory Instrument.

Civil fees (see page 59) make up most of our income and can be disaggregated into broad jurisdictional categories. Within each category there are 3 significant common performance recognition points: issue, hearing and enforcement.

These performance obligations are set out in the Statutory Instruments as described in Annex A.

#### 1.4 HMCTS Trust Statement

We, as an Executive Agency of the MoJ responsible for collecting fines and financial penalties imposed by the criminal justice system, prepare a separate Trust Statement.

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

Some items of notional expenditure are included in order to disclose the full cost of activities, although this expenditure is not actually incurred. Notional expenditure is credited directly to the General Fund and comprises the following:

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

#### 1.6 Operating segments

Under IFRS 8 Operating Segments, operating segments are analysed 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 Board. The standard allows aggregation of segments that have similar economic characteristics and types and class of customer. For HMCTS there are currently 2 operating segments, these being Business as Usual (BAU) and Reform.

#### 1.7 Property and equipment

##### Recognition

Property, Plant and Equipment, including subsequent expenditure on existing assets is initially recognised at cost and capitalised where:

- it's held for use in delivering services or for administrative purposes
- it's probable that future economic benefits will flow to, or service potential be provided to us
- it's expected to be used for more than 1 financial year
- the cost of the item can be measured reliably
- it individually has a cost of at least £10,000
- it forms a group of assets; those where significant purchases of individual assets which are separately beneath the capitalisation threshold arise in connection with a single project. 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. The capitalisation threshold for grouped assets is £1 million.

All thresholds include irrecoverable VAT.

Where a large asset, for example a building, includes a number of components with significantly different asset lives, for example, plant and equipment, then these components are treated as separate assets and depreciated over their own useful lives.

All other repairs and maintenance are charged to the SoCNE during the financial year in which they are incurred.

##### Subsequent expenditure

Subsequent expenditure relating to an item of property, plant and equipment is recognised as an increase in the carrying amount of the asset when it's probable that additional future economic benefits or service potential deriving from the cost incurred to replace a component of such item will flow to the enterprise and the cost of the item can be determined reliably. Where a component of an

## Section 4: Our expenditure

asset is replaced, the cost of the replacement is capitalised if it meets the criteria for recognition above. The carrying amount of the part replaced is de-recognised.

Other expenditure that does not generate additional future economic benefits or service potential, such as repairs and maintenance, is charged to the SoCNE in the period in which it's incurred.

### Valuation method

All property, plant and equipment assets are measured initially at cost, representing the costs directly attributable to acquiring or constructing the asset and bringing it to the location and condition necessary for it to be capable of operating in the manner intended by management.

Assets are measured subsequently at valuation.

- Land and Buildings (including dwellings) are recorded at fair value, as interpreted by the FReM.
- Assets which are held for their service potential and are in use (i.e. operational assets used to deliver either front line services or back office functions) are measured at their current value in existing use.
- Assets that were most recently held for their service potential but are surplus with no plan to bring them back into use 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 is 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 operation asset. Where there is a clear plan, the asset is not surplus and the current value in existing use is maintained. Otherwise, the asset is assessed as being surplus.

Revaluations of land and buildings (including dwellings) are performed based on professional valuations at least once every 5 years. In between professional valuations, carrying values are adjusted by the application of indices or through desktop valuations. This ensures that carrying values are not materially different from those that would be determined at the end of the reporting period.

Current values in existing use are determined as follows:

- land and non-specialised buildings - existing use or market value where there is an open market valuation for such properties
- specialised buildings - depreciated replacement cost on a modern equivalent asset basis

Within HMCTS, criminal courts are mostly classified as specialised buildings which cannot be sold on the open market. For specialised assets, current value in existing use is interpreted as the present value of the asset's remaining service potential, which is assumed to be at least equal to the cost of replacing that service potential. Specialised assets are therefore valued at their depreciated replacement cost (DRC) on a modern equivalent asset (MEA) basis in accordance with the FReM and the Royal Institution of Chartered Surveyors (RICS) guidance. An MEA basis assumes that the asset will be replaced with a modern asset of equivalent capacity and location requirements of the services being provided.

Professional valuations are primarily undertaken by the Valuation Office Agency (VOA) using the RICS appraisal and valuation manual, known as the 'Red Book'. For the desktop valuations and application of indices, different indices are applied, depending on the assets. For buildings, the index applied is the Building Cost Information Service Construction data tender price index that reflects price changes in the construction sector and is a good indicator of price pressure in building contracts in the UK.

Assets are revalued and depreciation commences when the assets are brought into use. IT equipment, transport equipment, furniture and fittings, and plant and machinery that are held for operational use are valued at depreciated historic cost where these assets have short useful lives or low values or both, as this is not considered to be materially different from current value in existing use.

### 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.

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.

### Estimation uncertainty

The valuation of HMCTS estate is inherently subjective due to, among other factors, build cost, functional obsolescence, changes in the Tender Price Index (TPI), prevailing market yields and comparable market transactions. As a result, the valuations HMCTS places on its estate are subject to a degree of uncertainty.

## Depreciated Replacement Cost (DRC)

The starting point for any DRC is to establish the cost of the gross replacement cost (GRC), which is considered to fit the Modern Equivalent Asset (MEA).

The costs used for the DRC valuations are costs relating to actual construction projects and as such are reliable and documented.

Adjustments are made to the costs in line with the RICs Red Book to exclude certain costs, i.e. contingencies, abnormal expenditure due to ground conditions, demolitions, etc. These costs are readily identifiable in the cost data provided.

Fees shown in the costs provided relate to the main contractor's and design fees with some fees included in individual work packages. As part of the valuation approach, additional professional fees, such as Quantity Surveyors are added to the valuation. There is considered to be potential for a small reduction of up to 1-2% in the fee additions applied.

The other key starting point is the assignation of lives to the assets, where we have used Building Cost Information Service (BCIS) research and published data obtained through feedback from the construction industry, to provide averaged assessments of typical component lives.

The VOA approach to depreciation takes a componentised approach to assign ages and remaining lives and reflect any changes incurred through expenditure of CAPEX, the level of maintenance, etc. applying physical obsolescence. The physical age of an asset is established through factual evidence, site inspection and adjustments are made to ages to reflect renewal of components, with corresponding adjustments to component remaining lives.

The final stage of the valuation is the application of functional obsolescence (FO). There is a degree of subjectivity around the application of FO and a movement of 5% either way is considered reasonable.

The table below shows the impact on the estimated values of DRC assets should there be a change in one of the key assumptions used in their valuation.

Assumptions tested	Change	New valuation £m	Variance £m	Variance %
Actual total DRC buildings value 2024		2,906		
Alternate scenarios:				
Capex changes <sup>1</sup>	50%	2,912	6	0.22
Changes in TPI <sup>2</sup>	-2 points	2,890	(16)	(0.54)
Changes in TPI <sup>2</sup>	2 points	2,921	15	0.54
Physical depreciation <sup>3</sup>	-10%	2,921	15	0.54
Changes in functional obsolescence <sup>4</sup>	2%	2,905	(1)	(0.02)
Changes in functional obsolescence <sup>4</sup>	-2%	2,905	0	0
Change in professional fees <sup>5</sup>	-1	2,896	(10)	(0.34)

## Land

Land associated with buildings valued to DRC has been assessed to Current Value, interpreted as Existing Use Value (EUV), having regard to the cost of purchasing a notional replacement site in the same locality. This land has been valued using the comparable approach, having regard to the prevailing use around the subject sites which are predominantly residential and in some scenarios office led developments. Available comparators might show a wide range depending on planning, use, size, density and location, and therefore require adjustment for these factors. These factors increase the level of valuer judgement involved.

The VOA have agreed with MoJ for each site as to whether the actual site remains appropriate for the valuation. MoJ have advised us that no alternative sites would be appropriate hence the actual sites have been valued assuming the benefit of planning permission for development for a use, or a range of uses, prevailing in the vicinity of the selected site.

The VOA has been guided by 2019 RICS Guidance Note 'Comparable evidence in Real Estate Valuation', and valuers have had regard to both direct land comparators where available, as well as market reports/ forecasts.

1 Using a reasonable alternative assumption, it has been assumed that an increase of 50% of CAPEX has been included in the valuations, note that the calculated amounts for change related to CAPEX is calculated at a high level, comparing desktop and actual figures.

2 The movement in the BCIS All In Tender Price Index, which tracks contractors construction pricing levels, is applied to the DRC valuations each year to reflect increased build costs. This estimate considers a change to TPI, where the actual TPI forecast figure is confirmed.

3 This assumption considers the application of physical depreciation, which is directly related to the remaining lives (RL). Here it has been moderated to 90% of the projection on the assumption that works undertaken across the estate have had a moderating effect on remaining lives.

4 This assumption considers the impact of FO. This is difficult to quantify as it is not readily possible to calculate an average addition, but for this test 5% is assumed as an average and this is varied by 2% either way and applied to the physical and capex valuations.

5 This assumption considers the impact of professional fee additions. This considers a 1% reduction in fee additions to the physical and CAPEX valuations.

## Section 4: Our expenditure

In terms of land evidence, the table below shows a sensitivity analysis on a land valuation (Aberystwyth Justice Centre), extrapolated across the population.

Assumptions tested	Assumption	Aberystwyth £000	Extrapolated total £000
£/hectare	5%	26	30,892
£/hectare	-5	(26)	(30,892)

A reasonable alternative assumption is to adjust the Price per hectare (£/ha). The current value of the asset could be up to +5% higher (£29,000) or by -5% lower (-£29,000), which extrapolates to +/-£30,892,000 to enter across the total population. Given the level of valuer judgement involved in land valuations, which are subjective, combined with limited numbers of comparable transactions, we are unable to quantify the potential level of uncertainty.

### Existing Use Value (EUV) – Buildings

The existing use valuation method is used for those properties where there is market-based evidence to support the use of EUV. The population this applies to is not material to these accounts.

### 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.

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, reversal or revaluation increase (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

Items of property, plant and equipment are depreciated over their remaining useful economic lives in a manner consistent with the consumption of economic or service delivery benefits.

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, plant and equipment comprises 2 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 (AUC) are valued at historical cost within property and equipment and intangible assets, and are not depreciated or amortised until completed. When an asset is brought into use, its 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 non-monetary assets without physical substance which are capable of being sold separately from the rest of the HMCTS business or which arise from contractual or other legal rights. They are recognised only where it is probable that future economic benefits will flow to us and where the cost of the asset can be measured reliably and is at least £250,000.

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

We have 2 principal types of intangible assets.

**Software developed internally or by third parties** - these are recognised as intangible assets when they meet the criteria specified in the FReM. Other expenditure that does not meet this 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.

We utilise an Agile development approach for capitalisation of assets developed by the Reform Programme. For each component, amortisation will begin when the component is brought into its intended use (for example, when the minimum viable product is launched nationally). However, if a component is entirely dependent on the completion of other elements of functionality, amortisation shall begin when both that component and the other functions upon which it is dependent are ready for their intended use.

**Purchased software licences** - purchased software licenses are recognised as assets when it's 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.

Where capital budgets are held centrally by the MoJ as the parent department, expenditure is first capitalised in the MoJ 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.

### 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

Government bodies typically lease properties used for administrative purposes for reasons of efficiency and flexibility. HMCTS also benefits from the lease of land under leases with peppercorn consideration. For other types of asset, we determine whether to lease or purchase based on value for money considerations, such as whether the underlying asset is required for its entire life or for a more limited period.

At inception of a contract, we assess whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time. This includes assets for which there is no consideration. To assess whether a contract conveys the right to control the use of an identified asset, we assess whether:

- the contract involves the use of an identified asset
- HMCTS have the right to obtain substantially all of the economic benefit from the use of the asset throughout the period of use
- HMCTS has the right to direct the use of the asset

We define the lease term as the non-cancellable period for which a lessee has the right to use an underlying asset, together with both:

- periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option
- periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option

In the event that a lease contract has expired, but we remain in occupation pending negotiations for a renewed term, the lease term has been measured as the estimated time until the new contract will be agreed.

At inception or on reassessment of a contract that contains a lease component, we assess whether it's reasonably certain to exercise break options or extension options at the lease commencement date. We reassess this if there are significant events or changes in circumstances that were not anticipated.

When making the above assessments, we exclude 2 types of leases:

- those relating to low value items, which it considers as those where the underlying asset would have a cost of less than £10,000 when new, provided those items are not highly dependent on or integrated with other items
- contracts whose term (comprising the non-cancellable period together with any extension options we are reasonably certain to exercise and any termination options we are reasonably certain not to exercise) is less than 12 months

#### HMCTS as lessee

At the commencement of a lease, we recognise a right-of-use asset and a lease liability.



## Right-of-use asset

The right-of-use asset is measured at the value of the lease liability, adjusted for:

- any lease payments made before the commencement date
- any lease incentives received
- any incremental costs of obtaining the lease
- any costs of removing the asset and restoring the site at the end of the lease

Where the lease requires nil or nominal consideration (usually referred to as a 'peppercorn' lease), the asset is measured at its existing use value, with the difference between the carrying amount of the right-of-use asset and lease liability treated as notional income.

Enhancements to leased assets, such as alterations to a leased building, are not classified within right-of-use assets but remain classified as property, plant and equipment in accordance with the FReM.

After initial recognition, the right-of-use asset is measured using the fair value model. In determining the fair value, we apply:

- the cost model (measurement by reference to the lease liability) as a reasonable proxy for fair value for non-property leases, and for property leases of less than 5 years or with regular rent reviews; or
- the revalued amount for other leases

The value of the asset is adjusted for subsequent depreciation and impairment, and for reassessments and modifications of the lease liability as described below. Where the amount of a reduction to the asset exceeds the carrying value of the asset, the excess amount is recognised in expenditure.

## Lease liability

The Lease Liability is measured at the value of the remaining lease payments discounted over the lease term either by the interest rate implicit in the lease, or where this is not readily determinable, our incremental rate of borrowing. This rate is advised annually by HMT (3.51% for those in the calendar year 2023, and 4.72% for leases recognised in 2024).

The measurement of lease payments excludes any VAT payable, and irrecoverable VAT is expensed at the point it falls due in line with IFRIC 21 Levies. If the VAT element cannot be clearly identified from lease invoices, the lease liability and right-of-use asset are measured using the gross value of invoices for remaining lease payments.

Where a lease includes variable lease payments tied to an inflation index, this is included in the measurement by inflating using HMT CPI inflation rates as published in the Public Expenditure System (PES) Papers for the relevant year. This is the approach set out in the FReM IFRS 16 Application Guidance.

After initial measurement the lease liability is adjusted for the accrual of interest, repayments, reassessments and modifications. Reassessments are reappraisals of the probability of the options given by the existing lease contract, for example where we no longer expect to exercise an option; modifications are changes to the lease contract. Reassessments and modifications are accounted for either by:

- recalculating the lease term under any new contract terms, taking account of the reasonable certainty or otherwise of exercising an option; or
- applying a new discount rate where applicable

Expenditure for each financial year includes interest on the lease liability and a straight-line depreciation charge on the right-of-use asset over the life of the lease, together with any impairment of the right-of-use asset and any change in variable lease payments, that was not included in the measurement of the lease payments during the period in which the triggering event occurred. Rental payments in respect of leases of low value items, or with a term under 12 months, are also expensed.

## HMCTS as a lessor

Where we act as a lessor, the arrangement is assessed to determine whether it constitutes a finance lease; this being where the risks and rewards incidental to ownership of an underlying asset are substantially transferred to the lessee. For these leases, the asset is derecognised, and a receivable is recognised, with accrued interest being treated as income over its life. All other leases are treated as operating leases and rental income is recognised on a straight-line basis.

### 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.

## Section 4: Our expenditure

From 1 April 2023, Public private partnerships (PPP) liabilities, which include PFI loans, are to be measured in accordance with the IFRS 16 measurement principles. The change in accounting policy is applied using a modified retrospective approach with the cumulative impact on the liability taken to the General Fund reserve on 1 April 2023. Previous years are not restated. The measurement per IFRS 16 involves a cumulative remeasurement as at 1 April 2023 for the changes to payments for the capital element due to indexation since the PPP arrangement commenced. This remeasurement is recognised as an adjustment to the opening balance of retained earnings and prior years comparative information is not remeasured.

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 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.

PFI arrangements that are within scope of the IFRS 16 measurement principles now also include an element of unwinding discount within their liability balances, which is also charged to the SoCNE.

### 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 23 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's 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 the 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, pension benefits, post-employment benefits resulting from employment and long-term benefits such as long service awards, including termination benefits (for example early departure costs) are all 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.

### 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.

### 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. 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.

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.

#### Valuation of property and equipment

Land and buildings (including dwellings) comprise mainly court facilities. Land and buildings are shown at current value in existing use, based on professional valuations performed at 31 March each year by the Valuation Office Agency, who are independent of the Department, in accordance with the Royal Institute of Chartered Surveyors Appraisal and Valuation Manual. The value of land and buildings fluctuates with changes in construction costs and the current market conditions.

Most operational buildings are specialised and are therefore valued at DRC to a modern equivalent basis. This modern equivalent is assumed to be in the same location with the same internal area as the existing property. The split of property on 31 March 2024 by value is detailed in Note 9. All other buildings are measured at fair value determined from market-based evidence. All assets other than land and buildings and assets under construction are revalued at each reporting date using the Producer Price Index prepared by the ONS.

#### Write-off

Management use their judgment to decide when to write off revenue or to provide against the probability of not being able to collect debt.

#### Provisions

The recognition and measurement of provisions rely on the application of professional judgement, historical experience, and other factors expected to influence future events. Where the likelihood of a liability crystallising is deemed probable and can be measured with reasonable certainty, a provision is recognised.

The Early Departures provision is the most significant balance within our provisions and provides for the costs of unfunded early retirement benefits of certain magistrates' court staff (Crombie compensation) and for unfunded early retirement costs of our staff in the PCSPS. In calculating this provision assumptions are made around life expectancy, the percentage of contingent benefits that are payable to spouses on death, and the discount rate and interest rate that are used in the calculation.

Other HMCTS provisions also use estimates or assumptions in their calculation.

#### Estimates and judgements when accounting for leases

In assessing the lease, we need to make estimates and judgments as follows:

- Where a lease is embedded in a contract for services, the amount to be recognised as the right-of-use asset and lease liability should be the stand-alone price of the lease component only. Where this is not readily observable, a determination will be made by reference for other observable data, such as the fair value of similar assets or price of contracts for similar non-lease components.
- The lease term has been determined by assessing the level of certainty as to whether termination or extension options will be exercised. In making these judgements, reliance has been placed on the professional judgement of estates staff, supported by information on corporate asset management plans, other business strategies, investment already made in the underlying asset, ongoing business needs and market conditions.
- The cost model has been determined as a reasonable proxy for fair value in most cases, because the rents payable are aligned to open market rates. In the case of longer leases where there are not regular rent reviews, there is a greater chance of divergence between cost and fair value, hence a professional revaluation is appropriate.
- It has been determined that, at the present time, all non-property leases which are not individually low value, are immaterial. Consequently, no non-property leases have been recognised in these accounts. Non-property leases include assets such as vehicles and IT equipment.

#### Recognition and impairment of intangible assets

Intangible assets include internally generated software and software licences. Internally generated software is initially recognised as assets under construction in the financial statements based on the cost (for example capitalised staff and consultancy costs) of creating that software, which could be a bespoke IT system or a modified existing system. When the system becomes available for use, the asset is transferred to intangible IT and an impairment review is carried out. Subsequently, these assets are revalued using indices as an estimate of the current value of these assets and amortised over the useful life of the asset as estimated by the asset owners.

## Section 4: Our expenditure

### Deferred fee income

Civil, family and hearing fees are received in advance and are deferred until the performance obligation is met to recognise the income. The year-end deferred income balance is calculated using performance data from the HMCTS Performance database. In order to calculate the deferred fee income, assumptions have been made around the average length of time that it takes to issue cases and orders. For example, in private and public law it takes on average 20 working days to issue a case.

### 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 2023-24 includes the following reportable operating segments:

- business as usual
- 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.

Reform expenditure relates to our Courts and Tribunals Reform Programme.

#### 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 (2022-23: nil). The following table presents the net expenditure for the year by reportable operating segments for the period ended 31 March 2024.

	2023-24			2022-23		
	Business as usual £000	Change and reform £000	Total £000	Business as usual £000	Change and reform £000	Total £000
Operating income	(807,707)	-	<b>(807,707)</b>	(782,625)	(60)	<b>(782,685)</b>
<b>Total operating income</b>	<b>(807,707)</b>	-	<b>(807,707)</b>	<b>(782,625)</b>	<b>(60)</b>	<b>(782,685)</b>
Staff costs	674,815	26,093	<b>700,908</b>	625,397	31,539	<b>656,936</b>
Judiciary costs	678,174	-	<b>678,174</b>	631,745	-	<b>631,745</b>
Purchase of goods and services	717,030	30,005	<b>747,035</b>	696,234	19,533	<b>715,767</b>
Depreciation and impairment charges	399,803	-	<b>399,803</b>	299,887	-	<b>299,887</b>
Other non-cash expenditure	95,896	45	<b>95,941</b>	5,816	(2,523)	<b>3,293</b>
<b>Total operating expenditure</b>	<b>2,565,718</b>	<b>56,143</b>	<b>2,621,861</b>	<b>2,259,079</b>	<b>48,549</b>	<b>2,307,628</b>
<b>Net operating expenditure</b>	<b>1,758,011</b>	<b>56,143</b>	<b>1,814,154</b>	<b>1,476,454</b>	<b>48,489</b>	<b>1,524,943</b>
Finance costs	25,725	-	<b>25,725</b>	<b>16,661</b>	-	<b>16,661</b>
<b>Net expenditure for the year</b>	<b>1,783,736</b>	<b>56,143</b>	<b>1,839,879</b>	<b>1,493,115</b>	<b>48,489</b>	<b>1,541,604</b>

### 3. Staff and judiciary costs and numbers

Staff costs comprise:

	2023-24	2022-23
	£000	£000
Wages and salaries	462,988	418,367
Social security costs	45,555	41,837
Employer's pension contributions	112,644	107,806
Agency staff costs	78,911	86,425
Voluntary early departures	(6)	2,052
	<b>700,092</b>	<b>656,487</b>
Add: inward secondments	1,337	907
	<b>701,429</b>	<b>657,394</b>
Less: recoveries in respect of outward secondments	(521)	(458)
<b>Total staff costs</b>	<b>700,908</b>	<b>656,936</b>

Further information on staff costs and numbers can be found in the "Our people" section of the annual report on pages 52 to 56.

#### 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 the MoJ. There is a provision for these payments within the MoJ accounts.

	2023-24				2022-23			
	Senior judiciary	Other judiciary	Fee paid	Total	Senior judiciary	Other judiciary	Fee paid	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Wages and salaries	158,821	120,249	144,285	<b>423,355</b>	145,757	111,357	136,711	<b>393,825</b>
Social security costs	21,447	16,338	15,099	<b>52,884</b>	20,546	15,571	14,885	<b>51,002</b>
Employer's pensions contribution	81,320	62,868	57,747	<b>201,935</b>	74,202	57,297	55,419	<b>186,918</b>
<b>Total payroll costs of the judiciary</b>	<b>261,588</b>	<b>199,455</b>	<b>217,131</b>	<b>678,174</b>	<b>240,505</b>	<b>184,225</b>	<b>207,015</b>	<b>631,745</b>

#### 3.2 Average number of judiciary

The amounts above include salary costs for an average 964 members (2022-23: 942) senior judiciary, 947 (2022-23: 915) judicial officers ("Other judiciary") and fees for 1,120 full-time equivalent fee-paid judiciary (2022-23: 1,128). The salary costs of the senior judiciary were met from the Consolidated Fund (see Note 17).

#### 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/](http://www.official-documents.co.uk/).

Under statute, certain judicial office holders' basic pension benefits (but not the annual pension increase) can only be paid out of the Consolidated Fund. For all other JPS members, the pension benefits are paid from JPS Estimates voted by Parliament. Employer pension contributions to the JPS for all JPS members have been made at a rate of 51.35%. The amount of these contributions is included in the table in Note 3.1 shown above.

## Section 4: Our expenditure

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. In addition, the Judicial Pension Scheme Regulations 2015 introduced the career average scheme for new appointees after 1 April 2015 and the Fee-paid Judicial Pension Scheme Regulations 2017 provided pension benefits for fee-paid judiciary from 1 April 2017.

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 recognise 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 do 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 MoJ 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

	2023-24	2022-23
	£000	£000
Lease / other service concession charges:		
Rental costs	14,678	11,832
PFI service charges	34,312	33,495
Other service concession charges	-	-
Accommodation, maintenance and utilities	306,605	308,312
IT services	232,323	226,790
Juror costs	36,170	31,139
Communications, office supplies and services	33,521	30,512
Contracted service costs	48,798	41,284
Consultancy costs	895	273
Non-pay staff costs	10,057	8,796
Non-pay judicial costs	11,338	8,205
Magistrates' costs	7,091	7,028
Bank charges	4,232	4,140
Other costs	6,990	3,936
Other grants	25	25
<b>Total purchase of goods and services</b>	<b>747,035</b>	<b>715,767</b>

## 5. Depreciation and impairment charges

	2023-24	2022-23
	£000	£000
Depreciation of property and equipment	165,427	150,399
Depreciation of right-of-use assets	90,777	88,348
Amortisation of intangible assets	118,460	75,639
Impairment charge on non-current assets:		
Impairment/ (reversal) of property and equipment	19,118	(14,556)
Impairment of intangible assets	4,626	262
Impairment of assets held for sale	25	(7)
Increase/ (decrease) in receivables impairment	1,370	(198)
<b>Total depreciation and impairment charges</b>	<b>399,803</b>	<b>299,887</b>

## 6. Other non-cash expenditure

	2023-24	2022-23
	£000	£000
Intra-departmental recharges	104,666	84,568
Increase/ (decrease) in provisions	(10,397)	(79,396)
Net (gain) on disposal of non-current assets	1,247	(2,277)
External auditors' remuneration	425	398
<b>Total other non-cash expenditure</b>	<b>95,941</b>	<b>3,293</b>

### Intra-departmental recharge

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

There has been an increase in the recharges in the year 2023-24 largely due to an increase in digital technology costs of £16.2 million, attributable to an increase of staff costs and infrastructure services.

### 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 £305,000 (2022-23: £285,000) for the audit of the HMCTS Annual Report and Accounts and £120,000 (2022-23: £113,000) for the audit of the HMCTS Trust Statement.

### 7. Finance costs

	2023-24	2022-23
	£000	£000
Finance charge on pension transfer deficit payable	-	-
Interest on by-analogy pension scheme liability	46	21
Unwinding of discount on provisions	2,217	1,179
Interest on lease liabilities	11,438	11,439
<b>Total non-cash finance costs</b>	<b>13,701</b>	<b>12,639</b>
Local authority loan interest	701	727
Finance charges on PFI and leased assets	11,323	3,295
<b>Total cash finance costs</b>	<b>12,024</b>	<b>4,022</b>
<b>Total finance costs</b>	<b>25,725</b>	<b>16,661</b>

Finance charges on PFI and leased asset costs have arisen due to certain PFI loans now being measured under IFRS 16 principles.

### 8. Operating income

	2023-24	2022-23
	£000	£000
Gross fee income	742,840	725,889
Movement in provisions for fee refund schemes	2,845	2,615
Refunds and interest paid under refund schemes	(657)	(3,376)
<b>Total fee income</b>	<b>745,028</b>	<b>725,128</b>
Recoveries from other government bodies	59,687	52,598
Miscellaneous income	2,992	4,959
<b>Total operating income</b>	<b>807,707</b>	<b>782,685</b>

Information on fee income can be found in the Parliamentary accountability report on page 59.

#### 8.1 Fee refund schemes

The £2.8 million movement in fee refund scheme provisions consists of:

- £0.3 million utilisation of the Council Tax Liability Order provisions
- £0.6 million utilisation of the personal injury claims (Dibbert)
- £1.9 million decrease in the personal injury claims (Dibbert) provision

£1.0 million refunds are in relation to Council Tax Liability Order fees and personal injury claims fees (Dibbert) shown above as utilisation of provisions, as well as a small number of Employment Tribunal fees. Please see Notes 18.3 and 21 for further details about the provisions and contingent liabilities for fee refund schemes.

#### 8.2 Operating income payables and receivables

	Income	Receivables	Contract assets	Deferred income
	£000	£000	£000	£000
DWP	582	-	-	-
HMRC	38,582	-	-	-

We receive funding from DWP and HMRC in respect of the operations of the First Tier Tribunal (Social Security and Child Support). In 2023-24 we received a budget transfer of £23.5 million from DWP (2022-23: £23.5 million).



### 8.3 Consolidated Fund income

Total income does not include amounts collected by us where HMCTS 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 £000	Buildings excluding dwellings £000	Dwellings £000	Information technology £000	Equipment £000	Furniture, fixtures and fittings £000	Assets under construction £000	Total £000
<b>Cost or valuation</b>								
<b>At 1 April 2023</b>	<b>719,858</b>	<b>3,000,417</b>	<b>18,491</b>	<b>129,705</b>	<b>88,198</b>	<b>17,882</b>	<b>198,870</b>	<b>4,173,421</b>
Additions	1,942	8,921	-	1,028	1,530	1	117,805	131,227
Disposals	-	-	-	(1,598)	(5,590)	(457)	(1,184)	(8,829)
Impairment	(690)	(4,593)	-	-	-	-	(245)	(5,528)
Revaluation	(53,900)	(116,972)	(176)	2,057	2,451	209	-	(166,331)
Reclassification	(47)	87,200	384	23,171	778	-	(109,520)	1,966
Transfers	(489)	(251)	-	-	-	-	-	(740)
<b>At 31 March 2024</b>	<b>666,674</b>	<b>2,974,722</b>	<b>18,699</b>	<b>154,363</b>	<b>87,367</b>	<b>17,635</b>	<b>205,726</b>	<b>4,125,186</b>
<b>Depreciation</b>								
<b>At 1 April 2023</b>	<b>1</b>	<b>(3)</b>	<b>(1)</b>	<b>(84,398)</b>	<b>(74,911)</b>	<b>(16,436)</b>	<b>-</b>	<b>(175,748)</b>
Charged in year	(641)	(140,977)	(373)	(18,595)	(4,626)	(215)	-	(165,427)
Disposals	-	6	2	1,598	5,584	460	-	7,650
Impairment	11	225	-	-	-	-	-	236
Revaluations	629	140,749	373	(1,278)	(2,162)	(169)	-	138,142
Reclassification	-	-	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
<b>At 31 March 2024</b>	<b>-</b>	<b>-</b>	<b>1</b>	<b>(102,673)</b>	<b>(76,115)</b>	<b>(16,360)</b>	<b>-</b>	<b>(195,147)</b>
<b>Carrying amount at 31 March 2024</b>	<b>666,674</b>	<b>2,974,722</b>	<b>18,700</b>	<b>51,690</b>	<b>11,252</b>	<b>1,275</b>	<b>205,726</b>	<b>3,930,039</b>
<b>Carrying amount at 31 March 2023</b>	<b>719,859</b>	<b>3,000,414</b>	<b>18,490</b>	<b>45,307</b>	<b>13,287</b>	<b>1,446</b>	<b>198,870</b>	<b>3,997,673</b>
<b>Asset financing:</b>								
Owned	645,174	2,756,966	18,700	51,690	11,252	1,275	205,726	3,690,783
On-balance sheet PFI contracts	21,500	217,756	-	-	-	-	-	239,256
<b>Carrying amount at 31 March 2024</b>	<b>666,674</b>	<b>2,974,722</b>	<b>18,700</b>	<b>51,690</b>	<b>11,252</b>	<b>1,275</b>	<b>205,726</b>	<b>3,930,039</b>

## Section 4: Our expenditure

### 9. Property and equipment (continued)

	Land excluding dwellings £000	Buildings excluding dwellings £000	Dwellings £000	Information technology £000	Equipment £000	Furniture, fixtures and fittings £000	Assets under construction £000	Total £000
<b>Cost or valuation</b>								
<b>At 1 April 2022</b>	<b>710,138</b>	<b>2,797,056</b>	<b>17,872</b>	<b>122,897</b>	<b>76,300</b>	<b>16,243</b>	<b>201,570</b>	<b>3,942,076</b>
Additions	1,200	21,446	-	(67)	1,518	1	87,507	<b>111,605</b>
Disposals	-	-	-	(501)	(1,034)	(81)	13	<b>(1,603)</b>
Impairment	-	-	-	-	-	-	-	-
Revaluation	13,523	87,011	(20)	4,114	12,032	1,719	-	<b>118,379</b>
Reclassification	(5,003)	94,904	639	3,262	(618)	-	(90,220)	<b>2,964</b>
Transfers	-	-	-	-	-	-	-	-
<b>At 31 March 2023</b>	<b>719,858</b>	<b>3,000,417</b>	<b>18,491</b>	<b>129,705</b>	<b>88,198</b>	<b>17,882</b>	<b>198,870</b>	<b>4,173,421</b>
<b>Depreciation</b>								
<b>At 1 April 2022</b>	<b>-</b>	<b>(10)</b>	<b>1</b>	<b>(68,642)</b>	<b>(61,834)</b>	<b>(14,670)</b>	<b>-</b>	<b>(145,155)</b>
Charged in year	(528)	(131,764)	(348)	(13,690)	(3,821)	(248)	-	<b>(150,399)</b>
Disposals	-	-	-	459	1,017	67	-	<b>1,543</b>
Impairment	-	-	-	-	-	-	-	-
Revaluations	528	131,772	346	(2,525)	(10,273)	(1,585)	-	<b>118,263</b>
Reclassification	1	(1)	-	-	-	-	-	-
Transfers	-	-	-	-	-	-	-	-
<b>At 31 March 2023</b>	<b>1</b>	<b>(3)</b>	<b>(1)</b>	<b>(84,398)</b>	<b>(74,911)</b>	<b>(16,436)</b>	<b>-</b>	<b>(175,748)</b>
<b>Carrying amount at 31 March 2023</b>	<b>719,859</b>	<b>3,000,414</b>	<b>18,490</b>	<b>45,307</b>	<b>13,287</b>	<b>1,446</b>	<b>198,870</b>	<b>3,997,673</b>
<b>Carrying amount at 31 March 2022</b>	<b>710,138</b>	<b>2,797,046</b>	<b>17,873</b>	<b>54,255</b>	<b>14,466</b>	<b>1,573</b>	<b>201,570</b>	<b>3,796,921</b>
<b>Asset financing:</b>								
Owned	698,356	2,779,729	18,490	45,307	13,287	1,446	198,870	<b>3,755,485</b>
On-balance sheet PFI contracts	21,503	220,685	-	-	-	-	-	<b>242,188</b>
<b>Carrying amount at 31 March 2023</b>	<b>719,859</b>	<b>3,000,414</b>	<b>18,490</b>	<b>45,307</b>	<b>13,287</b>	<b>1,446</b>	<b>198,870</b>	<b>3,997,673</b>

Land excluding dwellings and buildings excluding dwellings includes surplus assets with a net book value of £5.3 million (2022-23: £5.8 million).

Per Note 1.19 the split of property value at 31 March 2024, by valuation basis is demonstrated in the table below.

<b>HMCTS property values at 31 March 2024</b>	<b>£000's</b>
Property values at depreciated replacement cost	2,811,413
Property values at existing use value	637,798
Leasehold improvements (not professionally valued)	124,810
Land attached to building assets reported in AUC	59,800
Surplus assets (not professionally valued)	5,323
Other assets not professionally valued	20,951
<b>Total</b>	<b>3,660,095</b>

<b>Cost included within Note 9 balances:</b>	<b>£000's</b>
Land excluding dwellings	666,674
Buildings excluding dwelling	2,974,722
Dwellings	18,699
<b>Total</b>	<b>3,660,095</b>

## 10. Assets held for sale

	<b>Notes</b>	<b>2023-24</b> £000	<b>2022-23</b> £000
<b>As at 1 April 2023</b>		-	<b>291</b>
Assets reclassified to held for sale from Property and equipment	9	250	-
Increase/ (Decrease) in fair value of assets held for sale	5	(25)	7
Disposals	5	-	(298)
<b>As at 31 March 2024</b>		<b>225</b>	<b>-</b>

A net profit on disposal of assets held for sale of £0 (2022-23: £24,000) 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

	<b>Information technology</b> £000	<b>Software licences</b> £000	<b>Assets under construction</b> £000	<b>Total</b> £000
<b>Cost or valuation</b>				
<b>At 1 April 2023</b>	<b>760,639</b>	<b>14,413</b>	<b>95,959</b>	<b>871,011</b>
Additions	-	-	63,835	<b>63,835</b>
Disposals	(12,557)	-	(28)	<b>(12,585)</b>
Impairment	-	-	(4,626)	<b>(4,626)</b>
Revaluation	11,436	166	-	<b>11,602</b>
Reclassifications	68,653	-	(70,869)	<b>(2,216)</b>
Transfers	-	-	-	-
<b>At 31 March 2024</b>	<b>828,171</b>	<b>14,579</b>	<b>84,271</b>	<b>927,021</b>

## Section 4: Our expenditure

	Information technology £000	Software licences £000	Assets under construction £000	Total £000
Amortisation				
<b>At 1 April 2023</b>	<b>(333,851)</b>	<b>(11,575)</b>	-	<b>(345,426)</b>
Charged in year	(116,154)	(2,306)	-	<b>(118,460)</b>
Disposals	-	-	-	-
Revaluation	12,548	-	-	<b>12,548</b>
Reclassification	(5,446)	(160)	-	<b>(5,606)</b>
Transfers	-	-	-	-
<b>At 31 March 2024</b>	<b>(442,903)</b>	<b>(14,041)</b>	-	<b>(456,944)</b>
<b>Carrying amount at 31 March 2024</b>	<b>385,268</b>	<b>538</b>	<b>84,271</b>	<b>470,077</b>
<b>Carrying amount at 31 March 2023</b>	<b>426,788</b>	<b>2,838</b>	<b>95,959</b>	<b>525,585</b>

All intangible assets are owned by us. The largest 5 assets under construction added in year Civil Money Claims (£12.8 million), Private Law (£9 million), Common Platform (£21.4 million), Libra Green on Black (£6.8 million), DARTS (£10 million).

	Information technology £000	Software licences £000	Assets under construction £000	Total £000
<b>Cost or valuation</b>				
<b>At 1 April 2022</b>	<b>627,556</b>	<b>13,929</b>	<b>135,010</b>	<b>776,495</b>
Additions	3,093	(19)	63,867	<b>66,941</b>
Disposals	-	-	-	-
Impairment	-	-	(262)	<b>(262)</b>
Revaluation	16,461	394	-	<b>16,855</b>
Reclassifications	113,529	109	(113,642)	<b>(4)</b>
Transfers	-	-	10,986	<b>10,986</b>
<b>At 31 March 2023</b>	<b>760,639</b>	<b>14,413</b>	<b>95,959</b>	<b>871,011</b>
<b>Amortisation</b>				
<b>At 1 April 2022</b>	<b>(251,979)</b>	<b>(8,689)</b>	-	<b>(260,668)</b>
Charged in year	(73,070)	(2,569)	-	<b>(75,639)</b>
Disposals	-	-	-	-
Revaluation	(8,802)	(317)	-	<b>(9,119)</b>
Reclassification	-	-	-	-
Transfers	-	-	-	-
<b>At 31 March 2023</b>	<b>(333,851)</b>	<b>(11,575)</b>	-	<b>(345,426)</b>
<b>Carrying amount at 31 March 2023</b>	<b>426,788</b>	<b>2,838</b>	<b>95,959</b>	<b>525,585</b>
<b>Carrying amount at 31 March 2022</b>	<b>375,577</b>	<b>5,240</b>	<b>135,010</b>	<b>515,827</b>

## 12. Leases

Our lease contracts comprise of leases of land and buildings. The most significant leases are the Rolls Building (ROU asset value £259 million) and Manchester Civil Justice Centre (ROU asset value £205.5 million) as at 31 March 2024.

### Right-of-use lease assets

	Land and Buildings £000	Total £000
<b>Cost or valuation</b>		
<b>At 1 April 2023</b>	<b>1,246,280</b>	<b>1,246,280</b>
<b>Additions</b>	33,361	<b>33,361</b>
Derecognition	(4,557)	<b>(4,557)</b>
Remeasurement	-	
Revaluations	(10,584)	<b>(10,584)</b>
Impairment	-	-
Reclassifications	-	-
Transfer	(2,318)	<b>(2,318)</b>
<b>At 31 March 2024</b>	<b>1,262,182</b>	<b>1,262,182</b>
<b>Depreciation</b>		
<b>At 1 April 2023</b>	(160,268)	<b>(160,268)</b>
Charged in year	(90,777)	<b>(90,777)</b>
Recognition	-	-
Derecognition	4,557	<b>4,557</b>
Revaluation	4,482	<b>4,482</b>
Reclassification	-	-
Transfer	2,317	<b>2,317</b>
<b>At 31 March 2024</b>	<b>(239,689)</b>	<b>(239,689)</b>
<b>Carrying amount at 31 March 2024</b>	<b>1,022,493</b>	<b>1,022,493</b>
<b>Carrying amount at 31 March 2023</b>	<b>1,086,012</b>	<b>1,086,012</b>

## Section 4: Our expenditure

### Right of use lease assets

	Land and Buildings £000	Total £000
<b>Cost or valuation</b>		
<b>At 1 April 2022</b>	<b>1,207,527</b>	<b>1,207,527</b>
Additions	34,016	34,016
Derecognition	(925)	(925)
Remeasurement	-	-
Revaluations	8,622	8,622
Impairment	-	-
Reclassifications	(2,960)	(2,960)
<b>At 31 March 2023</b>	<b>1,246,280</b>	<b>1,246,280</b>
<b>Depreciation</b>		
<b>At 1 April 2022</b>	<b>(79,374)</b>	<b>(79,374)</b>
Charged in year	(88,348)	(88,348)
Recognition	-	-
Derecognition	781	781
Revaluation	6,673	6,673
Reclassification	-	-
<b>At 31 March 2023</b>	<b>(160,268)</b>	<b>(160,268)</b>
<b>Carrying amount at 31 March 2023</b>	<b>1,086,012</b>	<b>1,086,012</b>
<b>Carrying amount at 1 April 2022</b>	<b>1,128,153</b>	<b>1,128,153</b>

Right of use (RoU) lease assets comprise:

	£000
Assets valued at net present value of future lease payments	922,479
Assets valued at depreciated replacement cost (DRC)	27,892
Assets valued at existing use value (EUV)	72,122
<b>Total</b>	<b>1,022,493</b>

The RoU assets valued at DRC or EUV relate primarily to peppercorn leases. Where lease rentals reflect market rates, these are valued using the cost methodology.

## Lease liabilities

A maturity analysis of contractual undiscounted cash flows relating to lease liabilities is presented below. The cash flows and balances are presented net of VAT.

### Amounts falling due

Not later than 1 year	91,494
Later than 1 year and not later than 5 years	309,965
Later than 5 years	816,328
Less interest element	(97,226)
<b>Balance as at 31 March 2024</b>	<b>1,120,561</b>

	2023-24	2022-23
	£000	£000
Current	80,162	79,242
Non-current	1,040,399	1,086,611
<b>Total lease liabilities</b>	<b>1,120,561</b>	<b>1,165,853</b>

### Amounts recognised in the Statement of Comprehensive Net Expenditure

	2023-24	2022-23
	£000	£000
Depreciation	90,777	88,348
Interest expense	11,438	11,439
Low value and short-term leases	1,086	5,885
Irrecoverable VAT on right-of-use leases	15,315	11,965
<b>Total</b>	<b>118,616</b>	<b>117,637</b>

### Amounts recognised in the Statement of Cash Flows

	2023-24	2022-23
	£000	£000
Interest expense	11,438	11,439
Repayments of principal on leases	79,693	82,672
<b>Total</b>	<b>91,131</b>	<b>94,111</b>

### 13. 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 the MoJ, we are 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. Our financial assets and liabilities arise from day-to-day operational activities and are not held to hedge risks arising from these activities. We enter into lease contracts based on value for money and affordability grounds and as such, there is minimal risk of being unable to meet our lease payment obligations in the future. 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 we are exposed to is the carrying value of our financial assets within the SoFP.

#### Fair values

The fair values of our financial assets and liabilities as at 31 March 2024 and 31 March 2023 approximate their book values.

### 14. Trade and other receivables

#### Amounts falling due within 1 year

	2023-24	2022-23
	£000	£000
Trade receivables	18,276	23,354
<b>Other receivables</b>		
VAT recoverable	4,736	6,474
Intra-departmental receivables	56,743	58,092
Prepayments and accrued income	19,592	15,301
Other receivables	5,345	6,207
<b>Total amounts falling due within 1 year</b>	<b>104,692</b>	<b>109,428</b>

#### Amounts falling due after more than one year

	2023-24	2022-23
	£000	£000
Other receivables	-	170
Prepayments	-	-
<b>Total amounts falling due after more than 1 year</b>	<b>-</b>	<b>170</b>



## 15. 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 3 months or less, and bank overdrafts.

	2023-24	2022-23
	£000	£000
As of the beginning of the period	37,646	28,474
Net increase/(decrease) in cash balances	21,085	9,172
<b>As at the end of the period</b>	<b>58,731</b>	<b>37,646</b>

### The following balances as at 31 March held at:

Government Banking Service	58,668	37,589
Cash in hand	61	55
Imprests	2	2
<b>Total cash and cash equivalents</b>	<b>58,731</b>	<b>37,646</b>

## 16. Trade and other payables

### Amounts falling due within 1 year

	2023-24	2022-23
	£000	£000
Taxation and social security	19,244	18,852
Trade payables	17,965	15,752
Other payables	27,442	27,263
Intra-departmental payables	59,490	67,334
Accruals and deferred income	116,943	131,901
Deferred fee income	34,314	32,032
<b>Total amounts falling due within 1 year</b>	<b>275,398</b>	<b>293,134</b>

### Amounts falling due after more than 1 year

	2023-24	2022-23
	£000	£000
Local Authority loan balances	18,596	18,898
Payable for pension transfer deficit	-	-
<b>Total amounts falling due after more than 1 year</b>	<b>18,596</b>	<b>18,898</b>

### 16.1 Financial liabilities

#### Amounts falling due within 1 year

	2023-24	2022-23
	£000	£000
Lease incentive payable	87	87
Current part of finance leases	-	-
Imputed finance lease element of on balance sheet PFI contracts	13,433	8,926
<b>Total amounts falling due within one year</b>	<b>13,520</b>	<b>9,013</b>

#### Amounts falling due after more than 1 year

	2023-24	2022-23
	£000	£000
Lease incentive payable	-	-
Finance leases	-	-
Imputed finance lease element of on balance sheet PFI contracts	49,585	41,904
<b>Total amounts falling due after more than 1 year</b>	<b>49,585</b>	<b>41,904</b>

Following the adoption of IFRS 16 with effect from 1 April 2021, finance leases are recognised on-balance sheet as right-of-use assets and lease liabilities as shown in Notes 12 and 17.

### 17. Notes to the statement of cash flows

Summary of notional and non-cash costs are as follows

	2023-24	2022-23
	£000	£000
<b>Notional costs</b>		
Consolidated Fund judicial salaries - wages and salaries	157,904	144,516
Consolidated Fund judicial salaries - social security costs	21,447	20,546
External auditor's remuneration	425	398
Departmental recharge	104,666	84,568
<b>Total notional costs</b>	<b>284,442</b>	<b>250,028</b>
<b>Non-cash costs</b>		
(Profit) on disposal of property and equipment	1,247	(2,277)
Reduction in fair value of property and equipment	13,826	(14,556)
Impairment of property and equipment	5,292	-
Impairment of intangible assets	4,626	262
Reduction in fair value of Assets Held for Sale	25	(7)
Straight-lining of operating lease payments	-	-
Movement in provisions	(12,258)	(78,649)
Movement in receivables impairment	1,370	(198)
Depreciation	256,204	238,747
Amortisation	118,460	75,639
<b>Total non-cash costs</b>	<b>388,792</b>	<b>218,961</b>
<b>Total notional and non-cash costs</b>	<b>673,234</b>	<b>468,989</b>

### 17.1 Reconciliation of property and equipment

	2023-24	2022-23
	£000	£000
Additions		
Property and equipment	130,851	111,605
Plus:		
Movement in capital accrual	(142)	24,975
<b>Total purchases per statement of cash flows</b>	<b>130,709</b>	<b>136,580</b>

### 17.2 Reconciliation of liabilities arising from financing activities 2023-24

	Notes	2022-23	Cash flows	IFRS 16 lease	Closing balance
		£000	2023-24	adjustments	2023-24
			£000	2023-24	£000
				£000	£000
Repayments of local authority loans	16	18,898	(302)	-	18,596
Lease liabilities		1,165,853	(91,131)	45,839	1,120,561
PFI liabilities		50,830	(9,858)	22,046	63,018
<b>Total amounts falling due</b>		<b>1,235,581</b>	<b>(101,291)</b>	<b>67,885</b>	<b>1,202,175</b>

## 18. Provision for liabilities and charges

	Early departure costs	By-analogy pension scheme	Dilapidations	Other provisions	Fee refunds	2023-24	2022-23
	£000	£000	£000	£000	£000	Total	Total
						£000	£000
Balance at 1 April 2023	57,794	1,208	24,157	20,053	8,379	111,591	198,274
Provided in the year	-	-	(3,702)	526	23	(3,153)	1,974
Provisions not required written back	(1,451)	-	(127)	(6,244)	(1,884)	(9,706)	(80,893)
Provisions utilised in the year	(4,584)	(159)	(642)	(553)	(985)	(6,923)	(8,923)
Unwinding of discount	2,217	(3)	-	-	-	2,214	1,159
<b>Balance at 31 March 2024</b>	<b>53,976</b>	<b>1,046</b>	<b>19,686</b>	<b>13,782</b>	<b>5,533</b>	<b>94,023</b>	<b>111,591</b>
<b>Analysis of expected timings of discounted flows</b>							
Not later than 1 year	4,427	212	3,879	644	2,106	11,268	12,839
Later than 1 year but not later than 5 years	15,266	261	4,184	5,837	3,427	28,975	30,537
Later than 5 years	34,283	573	11,623	7,301	-	53,780	68,215
<b>Balance at 31 March 2024</b>	<b>53,976</b>	<b>1,046</b>	<b>19,686</b>	<b>13,782</b>	<b>5,533</b>	<b>94,023</b>	<b>111,591</b>

### 18.1 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.

An interest rate, set by HMT, of 2.55% (2022-23: 2.40%) has been used to assess the interest costs of the scheme liability and future estimated payments have been discounted at a rate of 2.45% (2022-23: 1.70%).

The provision was valued by the Government Actuary's Department (GAD) as at 31st March 2024.

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

### 18.2 By-analogy pension scheme

The by-analogy pension scheme provision relates to 3 pension schemes for the Criminal Injuries Compensation (CIC) Tribunal, the Immigration and Asylum Chamber (IAC) and the Residential Property Tribunal (RPT). These schemes have 1 member, 9 members and 12 members respectively.

The schemes' liabilities were valued by GAD as at 31 March 2024 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 gain on the scheme liabilities in 2023-24 was £49,000 (2022-23: £41,000).

### 18.3 Fee refunds

Throughout the year we have 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, we have continued to process these refunds. We identified £32.2 million in fees paid and to date have refunded £18.8 million including interest. We are not able to reliably estimate the probability that the remaining fees will be claimed and refunded; we have not created a provision but have recognised a contingent liability of £14 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 the MoJ in January 2020.

The CTLO liability remains as a provision due to uncertainty of timing to discharge the liability to each recipient. In 2023-24 we refunded £0.3 million (2022-23: £2 million).

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 resulted in an overcharge of £16.4 million for which a refund scheme was launched in October 2020.

The refund provisions for Personal injury and other claims (COP, Insolvency, RCJ and other fees) at 31 March 2024 were estimated at £2.1 million (2022-23: £4.6 million), and we continue to accept the liability for all claims until the end of the qualifying period. The value of the provision has been reduced in order to reflect the expected utilisation of the provision. The balance of the liability is shown as a contingent liability as there is significant uncertainty that we would refund this amount.

The above are included in the accounts as follows.

Refund scheme	2023-24 Provision	2023-24 Contingent liability	Total estimate of refund included in the 2023-24 accounts
	£000	£000	£000
Employment Tribunal	-	13,724	<b>13,724</b>
The Court of Protection, Civil Proceedings and Magistrates Courts Fees Order 2018:			
CLTOs	3,422	-	<b>3,422</b>
Other (COP, Insolvency, RCJ and other fees)	-	9,296	<b>9,296</b>
Personal injury claims (Dibbert)	2,111	11,659	<b>13,770</b>
<b>Total</b>	<b>5,533</b>	<b>34,679</b>	<b>40,212</b>

#### 18.4 Other provisions

The 'other' category contains provisions totalling £5.5 million for claims against us, and a provision for an onerous lease of undeveloped land of £8.2 million. The decrease of £6 million relates to a change in the discount rate used to calculate the onerous lease provision.

#### 18.5 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, which is determined by the value of the dilapidation compared to the settlement value agreed.

### 19. Capital commitments

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

	2023-24	2022-23
	£000	£000
Property developments	57,853	33,763
Intangible assets	5,779	11,240
<b>Total capital commitments</b>	<b>63,632</b>	<b>45,003</b>

## 20. Private Finance Initiative (PFI)

We entered into 8 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	32	On	20.1	Provision of a courthouse comprising 4 criminal courts, 1 civil court and 4 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 5 criminal courtrooms; Cambridge consists of 3 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	27	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 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 5 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	28	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 10 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 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 and Somerset Probation HQ and Training Centre, both at Worle. The contract term can be extended by mutual agreement by up to 5 years. At the end of the contract term the buildings shall revert to us at no cost.

## 20.1 On balance sheet contracts

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

	2023-24	2022-23
	£000	£000
Rentals due not later than 1 year	16,778	11,685
Rentals due later than 1 year and not later than 5 years	47,207	32,129
Rentals due later than 5 years	18,621	18,903
<b>Minimum future lease payments</b>	<b>82,606</b>	<b>62,717</b>
Future unwinding discount	(6,242)	-
Future interest expense	(13,346)	(11,887)
<b>Present value of minimum lease payments</b>	<b>63,018</b>	<b>50,830</b>

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

	2023-24	2022-23
	£000	£000
Service charge due within 1 year	34,311	33,495
Service charge due later than 1 year and not later than 5 years	75,617	92,844
Service charge due later than 5 years	42,996	53,439
<b>Total</b>	<b>152,924</b>	<b>179,778</b>

## 20.2 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 £34.3 million (2022-23: £33.5 million).

## 20.3 Reconciliation of remeasurement balances

Lease contracts that are now accounted for under IFRS 16 principles have resulted in a cumulative catch up in General Fund reserves. A reconciliation of the elements that make up this balance are within the table below.

	Closing 2023 balance	Current liability of finance lease	Non-Current liability of finance lease	Interest payable	Remeasurement charge	Service charge	Discount	Opening 2024 balance
	£000	£000	£000	£000	£000	£000	£000	£000
Manchester	4,097	1,321	8,118	(561)	(1,675)	1,883	(689)	12,494
Exeter	7,915	697	3,527	(234)	(1,481)	931	(647)	10,708
Kidderminster	805	302	324	(43)	(101)	345	(57)	1,575
Redditch	396	149	160	(21)	(50)	170	(28)	776
Worcester	898	337	361	(47)	(112)	385	(64)	1,758
Hereford	630	237	253	(33)	(79)	270	(45)	1,233
Derby	3,750	721	1,886	(157)	(804)	878	(321)	5,953
Chesterfield	2,579	496	1,297	(108)	(553)	602	(220)	4,093
Sheffield	1,593	248	681	(55)	(248)	302	(129)	2,392
Cambridge	3,201	-	-	-	-	-	-	3,201
Ipswich	5,067	-	-	-	-	-	-	5,067
Avon and Somerset	2,590	-	-	-	-	-	-	2,590
Bristol	11,736	-	-	-	-	-	-	11,736
North Somerset	3,572	-	-	-	-	-	-	3,572
Beverley	1,186	-	-	-	-	-	-	1,186
Bridlington	279	-	-	-	-	-	-	279
Hull & Holderness	536	-	-	-	-	-	-	536
<b>Total</b>	<b>50,830</b>	<b>4,508</b>	<b>16,607</b>	<b>(1,259)</b>	<b>(5,103)</b>	<b>5,766</b>	<b>(2,200)</b>	<b>69,149</b>

### 21. Contingent liabilities

#### Judicial claims

Following a legal challenge, the MoJ has conceded the current policies for sitting in retirement (where a judge may retire and draw a pension from their salaried office, and then sit in a fee-paid office), do not apply equally to fee-paid judges. We intend to consult on changes to rectify this. In the interim, there is potential for affected judges to bring compensation claims in respect of this and in the longer-term for pension benefits to become payable earlier, increasing the actuarial value of the pension liability. This effect cannot currently be estimated and, should there be a change to the pattern of retirement, will be reflected in the ongoing regular valuations process.

There are also a number of other legal claims in relation to discrimination between fee-paid and salaried judges, which may give rise to further pension claims. At present we are unable to provide a reliable estimate of the potential liability until the appeals process has been completed.

#### Fee refunds

Our current estimate of the total value of the refunds due is £40.2 million, of which £5.5 million has been provided for; the balance of £34.7 million is held as a contingent liability. Note 18.3 provides an analysis of both the provisions and contingent liability by refund scheme.

#### 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 £0.4 million (2022-23: £0.8 million).

### 22. Related party transactions

We are an Executive Agency of the MoJ, which is regarded as a related party. During the year, we have had material transactions with the MoJ and other entities for which the 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 judgments 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 (2022-23: £0.6 million) with a total debtor balance due to us as at 31 March 2024 of £0.2 million (2022-23: £0.0 million).

No Board Members or related parties have undertaken any material transactions with us during 2023-24 and 2022-23.

We also have a number of arrangements with the 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.

### 23. 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 2024 these amounted to £47.5 million (2022-23: £73.4 million) and have not been recognised in the accounts in accordance with FReM requirements.

### 24. 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.

There have been no adjusting events.





# Annex A - Fees and charges legislation

The most current fees orders are listed below and can also be viewed at [www.legislation.gov.uk/](http://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, 2019/1063, 2020/720, 2021/462, 2021/588 2021/985, 2022/540, 2023/1094 and 2024/476
- 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, 2019/1063, 2021/985, 2020/720, 2022/54, 2022/540 and 2024/476
- The Magistrates' Courts Fees Order 2008 (S.I. 2008/1052) Relevant amendments are S.I. 2010/731, 2014/875, 2016/807, 2018/812, 2019/1063, 2020/720, 2021/985 and 2024/476
- The Court of Protection Fees Order 2007 (S.I. 2007/1745) Relevant amendments are S.I. 2009/513, 2018/812, 2019/1063 and 2021/985
- The Gender Recognition (Application Fees) Order 2006 (S.I. 2006/758). Relevant amendments are S.I. 2021/462
- The Non-Contentious Probate Fees Order 2004 (S.I. 2004/3120) Relevant amendments are Schedule 11(1) paragraph 1(2) of the Constitutional Reform Act 2005 and S.I. 2007/2174, 2011/588, 2014/876, 2019/1063, 2020/720 and 2021/1451
- 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), subsequently amended by S.I. 2014/590, 2016/211, 2017/422, 2021/985 and 2023/1094

- 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 and 2018/330. The remissions schedule applicable for in-country applications was inserted by S.I. 2020/314 and subsequently amended by 2021/985.

# Annex B - Our Greening Government Commitments

We contribute to the MoJ's delivery of UN sustainable development goals 5 (gender equality) and 16 (peace, justice and strong institutions) under the priority outcome called Strengthening the justice system and delivering swift access to justice. This is set out in the MoJ Outcome Delivery Plan.

## Performance scope, exclusions and limitations

The tables overleaf showcase our performance for the period January 2023 to December 2023 against the 2017-18 baseline (unless otherwise stated). We do not report utility data on shared occupations, including Nightingale courts, due to data limitations. This is consistent with wider government practice and our previous reporting. We do not consider that the exclusion of these areas has a material impact on sustainability reporting.

Our data is gathered and validated by a third party (Rio ESG Limited) employed to manage our Greening Government Commitment (GGC) data returns. Further checks are undertaken by the British Research Establishment on behalf of the Department for Environment, Food and Rural Affairs. This report is prepared in accordance with guidelines laid down in the HMT's Sustainability Reporting Guidance 2023-24.

We reported an update to our 2017-18 baseline GGC performance data in our 2022-23 annual report and a review of our sustainability data continued during 2023-24. The review identified an issue with historical incorrect allocation of sites within the organisation. As a result of this, the GGC baseline has been updated and was accepted by Defra in February 2024, and the revised figures are reflected in this annual report. The correct data does not materially impact our performance trajectory.

## Mitigating climate change: working towards Net Zero by 2050 2021-25 GGCs

### Greenhouse gases and financial costs

Greenhouse gas (GHG) emissions from buildings and travel		Restated 2017-18 baseline	2020-21	2021-22	Restated for 2022-23	Jan-Dec 2023
<b>Non-financial indicators (tonnes CO2e)</b>	Total Gross Scope 1 (Direct) GHG emissions	32,365	29,048	32,234	29,638	26,231
	Total Gross Scope 2 (Energy indirect) emissions	40,178	21,932	21,655	21,471	21,780
	Total Gross Scope 3 (Official business travel) emissions	1,539	11,045	167	206	58
	<b>Total emissions</b>	<b>74,082</b>	<b>62,025</b>	<b>54,056</b>	<b>51,315</b>	<b>48,069</b>
<b>Non-financial indicators (kWh)</b>	Electricity	114,117,331	94,076,727	100,414,729	106,339,950	104,716,606
	Electricity: renewable	-	N/A	231,697	581,948	830,973
	Gas	169,724,933	157,464,078	175,988,625	162,692,149	143,877,180
	Other energy resources	486,000	0	1,955,317	4,832,973	5,784,292
	<b>Total energy consumption</b>	<b>284,328,265</b>	<b>251,540,805</b>	<b>278,590,368</b>	<b>274,447,020</b>	<b>255,209,052</b>
<b>Financial indicators (£m)</b>	Expenditure on energy	24.1	23.0	25.5	33.4	51.9
	Expenditure on official business travel	4.0	0.2	0.7	1.9	2.9
	<b>Total expenditure on energy and business travel</b>	<b>28.1</b>	<b>23.2</b>	<b>26.2</b>	<b>35.3</b>	<b>54.8</b>

#### Notes:

The renewable energy figure reported is our known renewable energy generation from roof-mounted solar electric panels at 53 sites. We have 4 sites that are not currently reporting solar generation data remotely; projects are being explored to install required technology to include for future reporting.

The MoJ manages the ownership, hiring or leasing of car fleets across the department, including HMCTS.

Any anomalies or incorrect estimates are adjusted after financial year-end and will be reflected in the MoJ annual accounts.

### HMCTS air travel emissions

Air travel	2017-18 baseline	2020-21	2021-22	Restated for 2022-23	Jan-Dec 2023
Domestic flights (km)	884,485	13,564	47,645	131,663	97,727
Domestic flights emissions (tCO2e)	125	2	6	17	14
	119,572	61,454	2,665	212,491	12,608
International flights (tCO2e)	13	5	<1	66	3

Note: the baseline for International flights has been restated

## Reducing our water use

### Water consumption and financial costs

Water		Restated 2017-18 baseline	2020-21	2021-22	Restated for 2022-23	Jan-Dec 2023
Non-financial indicators (m <sup>3</sup> 000)	Total water consumption	570,922	453,501	644,175	751,748	611,841
Financial indicators (£m)	Total water supply costs	2.8	2.8	0.9	2.4	3

We are committed to managing our water more sustainably across our estate and targeting wasted water consumption. We installed smart metering on 29 additional water meters this financial year, enabling us to track water consumption remotely and investigate unusual consumption promptly. We appointed a new water supplier in January 2024 and have established a water reduction improvement plan for delivery from April 2024.

## Minimising waste and promoting resource efficiency

### Waste production

Waste		2017-18 baseline	2020-21	2021-22	Restated for 2022-23	Jan-Dec 2023
Non-financial indicators (tonnes)	Landfill	1,306	132	117	81	68
	Recycled/reused	5,794	3,868	2,167	1,689	2,590
	ICT waste recycled/reused/recovered (externally)	-	-	-	-	4,117
	Composted/food waste from 2022	-	-	10	9	28
	Incinerated with energy recovery	1,352	826	1,329	927	1,132
	Incinerated without energy recovery	-	-	0	32	84
	<b>Total waste</b>	<b>8,452</b>	<b>4,826</b>	<b>3,623</b>	<b>2,738</b>	<b>3,902</b>
Financial indicators (£m)	<b>Total disposal cost</b>	<b>3.0</b>	<b>0.7</b>	<b>0.8</b>	<b>1.0</b>	<b>1.4</b>

We are committed to minimising unnecessary waste created by our organisation. We introduced a new policy requiring all caterers, contracted to provide food services within our buildings, to segregate their food waste. We launched an 'opt in' scheme this year to provide food waste segregation facilities for our staff and intend to expand the scheme to all feasible sites over the next year. We are providing new equipment in our buildings across Wales to enable staff to segregate and recycle more waste items; this is in line with new Welsh Recycling Reforms being introduced from April 2024.

## ICT equipment

We have targeted the reduction of the number of laptops, desktops and print devices across our organisation, by promoting with our staff the return of low use or unused devices. We have returned over 4,800 laptops and desktops for reuse or recycling.

Modernising our print fleet was an opportunity to rationalise the number of printers in our estate. There has been a reduction of around 16% in our print volumes year on year since 2021-22, and an 18% reduction in the number of printers during 2023-24.

	Number re-used	Number recycled	Number waiting re-use
Laptop	514	253	2,057
Desktop	119	77	1,870
Printer	0	1,483	0
Wireless Access Points	0	39	190
Network Switches	0	31	0
<b>Total</b>	<b>633</b>	<b>1,883</b>	<b>4,117</b>

## Consumer of single use plastics

We are committed, and working towards, reducing and removing single-use plastics across our estate, which are avoidable and/or which have viable and sustainable market alternatives. We are working with our workplace supplies contractor to ban certain single-use plastic items including polystyrene cups, plastic stirrers and plastic spoons, and restrict options for our staff to purchase other consumer single-use plastic items where sustainable alternatives are available; this work will continue over the next year.

The MoJ single use plastics policy is published at [www.gov.uk/government/publications/ministry-of-justice-single-use-plastics-policy](http://www.gov.uk/government/publications/ministry-of-justice-single-use-plastics-policy).

## Paper use

We reduced paper use by 65% compared with our 2017-18 baseline. In addition to reducing consumption of reams of paper, we are exploring wider opportunities to reduce paper use across the business. We delivered a project this year to replace all post and email channels with judicial office holders, with a secure, fully encrypted service, allowing judiciary to engage with HMRC digitally for the first time; this is thought to have saved about 156,000 envelopes, stamps and paper forms, and up to 300,000 pieces of mail annually.

## Nature recovery and biodiversity action planning

As part of the MoJ, we are committed to nature recovery and biodiversity. We support delivery of the MoJ Nature Recovery Plan and 9 nature recovery principles, ranging from themes including increasing areas for pollinators (such as bees), to finding ways to increase connection with nature. The MoJ Senior Sustainability Board will oversee implementation of the plan and evaluate our progress to achieve our nature recovery goals.

At Snaresbrook Crown Court, which borders a Site of Special Scientific Interest, we have established an ecology management plan to outline ways of working to manage the site sensitively, to protect and enhance biodiversity and ecology within the grounds. In addition, 4 of our sites received trees as part of the MoJ tree planting programme.

## Procuring sustainable products and services

We adhere to the MoJ's Sustainable Procurement Policy to incorporate sustainability into all procurement activities as part of our goal to achieve long-term value for money. MoJ contracts require that suppliers meet the Government Buying Standards. The MoJ Commercial and Contract Directorate review sustainability performance indicators in all contracts and the pipeline of upcoming tenders.

## Adapting to climate change

This year, we started delivery of our Climate Change Adaptation Action Plan. Climate risk data has been embedded in our investment and strategy models to inform estate decision making. We are developing a cost model to understand the cost to HMCTS of flooding and overheating events to inform future investment decisions. We have initiated a programme of on-site flood risk assessments at our highest risk properties and further studies will be commissioned where affordable. We are working with our business continuity and resilience team to develop our business continuity and contingency plans in the event of a flood, overheating scenario or wildfire on or near our grounds. We have started work to adapt our organisation-wide risk management processes to include reference to sustainability and climate-related risk; this work will continue next year.

## Rural proofing

We remain committed to providing the best possible service to rural users. We follow Defra guidance and conduct rural proofing tests where appropriate. We continued to build on the lessons learned through the pandemic which demonstrated that greater remote access was possible, and this is particularly beneficial for our users in rural areas, where travel to court can be lengthier. The digital services being delivered by the Reform Programme will continue to enable easier access to services and 70% of our courtrooms allow parties to join remotely when deemed appropriate by the judiciary.

## Sustainable construction

We adhere to the MoJ's Building Research Establishment Environmental Assessment Method (BREEAM) policy and applicable major refurbishments and new builds are assessed to a standard of 'very good' for refurbishments and 'excellent' for new builds. We proactively review and apply BREEAM for all our major refurbishment projects wherever viable. We initiated BREEAM accreditation for 3 projects this financial year.

## Reducing environmental impacts from ICT and digital

We are committed to reducing the environmental impact from our ICT and digital services, and adhering to the Greening Government ICT and digital services strategy published at [www.gov.uk/government/publications/greening-government-ict-and-digital-services-strategy-2020-2025/greening-government-ict-and-digital-services-strategy-2020-2025](https://www.gov.uk/government/publications/greening-government-ict-and-digital-services-strategy-2020-2025/greening-government-ict-and-digital-services-strategy-2020-2025).

# Annex C: Glossary and notes

You can find further information below on terms, concepts and definitions published in the HMCTS annual report and accounts.

**Civil justice and tribunals:** [www.gov.uk/government/statistics/guide-to-civil-and-administrative-justice-statistics](http://www.gov.uk/government/statistics/guide-to-civil-and-administrative-justice-statistics)

**Family:** [www.gov.uk/government/publications/a-guide-to-family-court-statistics](http://www.gov.uk/government/publications/a-guide-to-family-court-statistics)

**Criminal courts:** [www.gov.uk/government/publications/a-guide-to-criminal-court-statistics](http://www.gov.uk/government/publications/a-guide-to-criminal-court-statistics)

**Published management information:** [www.gov.uk/government/organisations/hm-courts-and-tribunals-service/about/statistics](http://www.gov.uk/government/organisations/hm-courts-and-tribunals-service/about/statistics)

<b>ARAC</b>	Audit and Risk Assurance Committee	<b>MI</b>	Management information
<b>CETV</b>	Cash equivalent transfer value	<b>MoJ</b>	Ministry of Justice
<b>CPS</b>	Crown Prosecution Service	<b>NAO</b>	National Audit Office
<b>DLRM</b>	Decommissioning and Legacy Risk Mitigation (Programme)	<b>PHSO</b>	Parliamentary and Health Service Ombudsman
<b>DPO</b>	Data Protection Officer	<b>SCS</b>	Senior civil servants
<b>DWP</b>	Department for Work and Pensions	<b>SMT</b>	Senior management team
<b>FReM</b>	His Majesty's Treasury Financial Reporting Manual	<b>SoCNE</b>	Statement of comprehensive net expenditure
<b>GGC</b>	Greening Government Commitments	<b>SoFP</b>	Statement of financial position
<b>HMCTS</b>	His Majesty's Courts and Tribunals Service	<b>SSCS</b>	Social Security and Child Support (Tribunal)
<b>HMRC</b>	His Majesty's Revenue and Customs		
<b>HMT</b>	His Majesty's Treasury		
<b>ICO</b>	Information Commissioner's Office		







# HM Courts & Tribunals Service

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