

Justice Committee

Scottish Government's Draft Budget 2015-16

Written submission from the Scottish Court Service

Background

1. The Scottish Court Service (SCS) is a Non-Ministerial Department established on 1 April 2010 by the Judiciary and Courts (Scotland) Act 2008. The purpose of the SCS is 'supporting justice'. The SCS fulfils this purpose by providing the people, buildings and services needed for the work of Scotland's courts, members of the judiciary, and the Office of the Public Guardian and Accountant of Court. In delivering its purpose, the SCS must take account of the needs of the judiciary, of the people involved in court proceedings and the wider public.

2. Governance of the SCS is provided by the SCS Board. The Board is chaired by the Lord President, has a judicial majority and oversees the administrative arrangements that support the judiciary in the delivery of justice, specifically the provision of resources to support:

- the Scottish courts and the judiciary of those courts.
- the Lord President or his delegates in respect of his functions as Head of the Judiciary.
- the sheriffs principal in respect of their functions under the relevant provisions of the Sheriff Courts (Scotland) Act 1971.
- the Office of the Public Guardian and Accountant of Court.
- the Court of Session, criminal courts and the Scottish Civil Justice Council.¹

3. On 1 April 2015 the Scottish Court Service will merge with the Scottish Tribunal Service, creating the Scottish Courts and Tribunals Service (SCTS). This will be a new body, fully independent of Government, with a Board chaired by the Lord President as head of courts and tribunals judiciary. The merger will ensure that all of Scotland's Courts and Tribunals continue to receive the professional, independent and specialist administration that they require – and that users of both courts and tribunals expect.

Our plans and priorities

4. Our [Corporate Plan for 2014 – 17](#)² sets out how the SCS, working with the Scottish Government and other justice organisations, will support the justice strategy by delivering effective court services alongside a visionary programme of justice reform. Our priorities are aimed at transforming the service provided to ensure that SCS:

¹ Sections 61 & 62 of the Judiciary and Courts (Scotland) Act 2008

² http://www.scotcourts.gov.uk/docs/default-source/corporate-scs-library/scottish-court-services-interactive_corporate-plan.pdf?sfvrsn=2

- realises the full benefits from reforms to the justice system under way or planned.
- continually improves its services to victims, witnesses and all court users through improvements to facilities and digital innovation.
- is well managed and affordable in the long term.

Our approach is shared beyond the SCS to ensure a synergy with the Scottish Government, justice organisations and representative groups.

5. The scale and pace of change and reform across the justice system remains significant. The introduction of the civil court reforms enabled by the Courts Reform Bill will lead to the most significant changes to Scotland's civil justice system in generations. The merger of courts and tribunals administration is a welcome development, requiring significant effort to ensure the full benefits are realised and that transition is effectively managed. A number of other reforms to processes and procedures are either under way or planned, with significant focus on using digital technology to transform services.

6. Through its leadership of the Effective Courts and Tribunals Programme (part of the Scottish Government's Making Justice Work Programme) the SCS is responsible for implementation of a range of significant reforms that will deliver a modern, proportionate and cost effective court structure in which cases and appeals are heard by the right court, reserving the highest courts for the most serious and complex cases. The recent passage of the Courts Reform Bill means that implementation of a number of these reforms will commence in 2015-16.

Our long term vision

7. Our vision in relation to future court structures was set out in the [Shaping Scotland's Court Services](#)³ recommendations – including High Court cases being heard predominately in three dedicated centres, the closure of a number of sheriff and justice of the peace courts (on a phased basis ending in January 2015) and a move toward 16 specialist jury centres over a 10 year period. As a result of this work the court estate will be consolidated allowing targeted investment of resources.

8. As part of that long-term vision we believe that delivery of the best possible accommodation solution for court services is critical. In a number of areas across Scotland the optimal future model is for purpose built justice centres in key strategic population areas, providing the best environment and facilities for victims, witnesses, professional court users and support services. A justice centre comprising a full court complex with services and facilities for criminal justice partners including COPFS, Social Work, Witness Service, Victim Support and Police Scotland would require significant capital investment.

9. The Scottish Government supports this view and has identified potential funding through the NPD model of up to £60m over the next 4-5 years for the development of up to 3 justice centres, subject to successful feasibility studies and

³ http://www.scotcourts.gov.uk/docs/default-source/scs-consultation-court-structures/response_to_the_consultation_and_recommendationspdf.pdf

the availability of adequate revenue funding to effectively manage their delivery. Development of proposals in relation to potential justice centres is at an early stage, although we envisage that these centres would replace existing court locations and that further court closures would not be a consequence of their introduction.

10. In addition to having the right structures and processes in place a key focus is allowing court users to interact with SCS electronically where this is appropriate. SCS has played a significant role in the development of the Justice Digital Strategy and will continue to develop services that are 'digital by design'. These include:

- Creating a state of the art ICT infrastructure, providing the platform for digital delivery.
- Introducing new case management systems, moving away from paper based processes, allowing business to be transacted electronically.
- Using web based technology, with wireless connectivity, for evidence presentation and an extensive provision of video links.
- Ensuring that future changes in rules and procedures are made in a way that allows technology to be engaged in the process wherever it can add value.

11. The SCS Board has considered a longer-term view of what the organisation will look like if our objectives are successfully delivered. In successfully delivering our objectives, the SCS will be an organisation that has:

- Embedded the justice reforms programme.
- A track record in digital innovation.
- Invested in its skills, governance and management.
- Developed a stable financial platform.
- A clear focus on delivering customer improvement outcomes.
- Achieved high levels of public confidence and user satisfaction.

Budgetary information requested by the Committee

2014-2015 Budget allocation and specified savings

12. In common with the wider public sector the SCS continues to experience pressure on spending plans. However the need to continue to invest in the physical and technical infrastructure of Scotland's courts was recognised in the 2013 spending review with the grant of additional capital baseline funding of £3.0m.

13. The majority of the SCS annual running costs are met by voted funds from the Scottish Government, along with a substantial contribution from fee and retained fines income. The total net budget for 2014-15 was £72.3m, with the recognition that this would increase to £72.7m following the inclusion of a further allocation of £0.4m to meet the costs of part time sheriffs to cover judicial vacancies.

14. During the first half of 2014-15, further in-year funding has been agreed with the Scottish Government as follows:

- £1m to provide additional staff and judicial resource to support the increase in road traffic, domestic abuse and sexual offence cases, reflecting the proactive approach taken by the police and prosecutors.
- £1.2m to cover transitional costs associated with the merger of the Courts and Tribunals Service.

15. A full breakdown of the restated SCS budget, including agreed additional funding for 2014-15 (totalling £74.96m) is shown in table 1, overleaf.

16. Savings from 2013-14 expenditure levels, totalling £2.3m, were built-in to the 2014-15 budget submission and included: savings achieved through the initial phases of the court restructuring programme (£0.6m); the relinquishment of 1A Parliament Square (£0.6m); reductions in carbon emissions (£0.1m); and procurement efficiencies (£0.2m). Energy budgets were also reduced (£0.8m) to reflect stabilised energy costs and efficiency savings.

17. The Court closure programme also delivered £3m of cost avoidance in respect of backlog maintenance to the buildings vacated.

**Table 1 – Scottish Court Service
Budget 2014-2015**

Funding Allocation	Budget 2014-15		
	Revenue £000's	Capital £000's	Total £000's
Sheriff Court and Justice of the Peace Court	30,830		30,830
High Court and Court of Session	5,871		5,871
Office of the Public Guardian	2,178		2,178
Operations Policy and Development	2,116		2,116
Judicial Office	2,773		2,773
Part Time Judicial Fees	3,040		3,040
Juror Costs, Medical and Specialist Court Reports	6,452		6,452
Corporate Services	4,289	30	4,319
Information Communications and Technology	4,927	3,700	8,627
Estates and Property Services	26,196	4,070	30,266
Additional in-year SG Funding (para 14 refers)	2,200		2,200
Total Operational Running Costs	90,871	7,800	98,671
Receipts	(35,493)		(35,493)
Depreciation	11,780		11,780
Total Expenditure	67,158	7,800	74,958

2015-2016 Budget allocation and specified savings

18. Our funding for 2015-16 is set within the context of our strategy over the last two years to ensure we can deliver the justice reforms, target investment in our services and technology and ensure the organisation is affordable in the long term. The difficult decisions made in previous years have enabled us to maintain staff numbers, fully resource the significant justice reform programme and move investment to ICT to make sure we can substantially upgrade our infrastructure, develop new case management systems and digital evidence presentation in courts, while upgrading our video link capability to meet the needs of vulnerable witnesses.

19. The Scottish Government's draft budget for the SCTS has been set at £87.4m for 2015-16. This is an increase of £15.1m on the original 2014-15 budget of £72.3m, excluding the additional in-year funding. The majority of the increase relates to the transfer of operating costs arising as a result of the merger of the courts and tribunals administration. Implementation of the justice reform programme and increased investment in our technology will also be priorities over the coming year. £2.6m of the increase relates to additional non-cash funding to cover increased depreciation costs.

20. Projected budget allocations for 2015-16 are shown at table 2.

21. Savings have been built-in to the 2015-16 projection, based on previous costs. These total £1m and include savings from the Court Closure programme mentioned above (£0.4m) and efficiencies in corporate support (£0.6m). These savings will help meet additional cost pressures including a rise in employer Pension contributions and inflation.

**Table 2 – Scottish Courts & Tribunals Service
Budget 2015-2016**

Funding Allocation	Projections 2015-2016		
	Revenue £000's	Capital £000's	Total £000's
Sheriff Court and Justice of the Peace Court	32,131		32,131
High Court and Court of Session	6,135		6,135
Office of the Public Guardian	2,279		2,279
Operations Policy and Development	2,257		2,257
Judicial Office	2,861		2,861
Part Time Judicial Fees (see note)	2,641		2,641
Juror Costs, Medical and Specialist Court Reports	6,522		6,522
Corporate Services	4,218		4,218
Information Communications and Technology	5,501	5,050	10,551
Estates and Property Services	25,052	3,000	28,052
Scottish Tribunal Service	10,898		10,898
Total Operational Running Costs	100,495	8,050	108,545
Receipts	(35,599)		(35,599)
Depreciation	14,415		14,415
Total Expenditure	79,311	8,050	87,361

Note – As in prior years the in-year recharge to the Scottish Consolidated Fund, in respect of judicial vacancies arising throughout the year that require to be filled by part-time judicial resource, will increase this budget by £400K.

Significant factors which limit the SCS's flexibility in managing relevant budgets

22. There are a range of factors which effectively limit the flexibility with which our budgets can be managed. The organisation exists principally to provide the facilities, people and systems to deliver effective court and tribunal services. That being the case the vast majority of our budget is committed to maintaining staffing levels and buildings. In addition there are a number of factors limiting flexibility:

- SCS responds to demand led activity, within high fixed costs. It has no control over the number of cases to be heard.
- SCS has limited control over its operational costs - Jury costs, medical and other specialist court reports – as these vary depending on case volumes and types. These amounted to £6.4m in 2014-15 (7% of total operational running costs).
- SCS has very limited control over the level of receipts retained in any given year. Receipts consist largely of fee income, which is dependent on the level of civil business dealt with by the courts and retained fine income, which is also dependent on business levels. Receipts for 2014-15 are projected at £35.5m – some 39% of total operational running costs.
- SCS has a historic and costly to maintain court estate. Whilst outstanding backlog maintenance has reduced from £60m to £43m since 2012 it remains a relentless future funding pressure.
- The Tribunal Service has limited control over its judicial operational costs which are driven by members' fees and expenses (around 48% of tribunal expenditure).
- The Tribunal Service is committed to accommodating legislative changes from 2016-17 to implement the Tribunals (Scotland) Act 2014 which creates two new tribunals: the First Tier Tribunal and the Upper Tribunal. Over time the tribunals listed in Schedule 1 to the Act will be transferred into one or other of the new tribunals.
- Operating costs will increase as the Tribunal Service will also bring new tribunals into this structure. The transfer of these additional tribunals will be accompanied by additional funding from sponsoring departments but SCS will need to ensure that sufficient cover is provided for these additional responsibilities.

Potential ways of achieving savings that have been rejected

23. In developing the budget for 2015-16 a careful balance had to be struck between delivering priorities whilst remaining within budget. A number of potential savings were identified in order to help meet priorities, as set out above. Other ways of achieving savings were considered but rejected. These included:

- Delaying the implementation of our digital innovation programme. This was considered, but ruled out as it would run counter to other initiatives such as implementation of Vulnerable Witnesses legislation, delivery of the Court Reform agenda and the Justice Digital Strategy.
- Closure of additional courts. We do not consider this would be in the interests of delivering effective local justice – our vision for the future court estate remains that set out in the “Shaping Scotland’s Courts” report.
- Restrict planned property maintenance – this would carry significant risk to the operation of our courts, increasing the potential for business disruption and accidents or injuries to court users.

- Introduction of additional fees for Tribunals. This is not considered to be in the interests of justice as it could restrict access to tribunal hearings to those with an inability to pay.

Our work on Carbon Reduction

24. The SCS is committed to reduce its CO2 emissions by 25% between 2009-10 and 2014-15, and is making good on this having already achieved a 19% reduction by the beginning of this financial year. Reductions in emissions have been achieved by investing in new energy efficient services, including:

- fluorescent and LED lighting.
- energy saving inverter drive electric motors.
- high efficiency heating boilers double and secondary glazing.
- lighting that automatically switches off in corridors and court rooms.
- programmed systems that control heating and ventilation.
- investment in more fuel efficient vehicles.

Our work on Equality

25. The SCS has continued to progress its equalities agenda and the commitments made to mainstream equality in its [Equality Statement Outcomes and Guidance](#)⁴. As required under the Equality Act (2010) and associated regulations, the SCS has published a [Mainstreaming Equality Report](#)⁵ which details our equality objectives and outlines the considerable progress that has been made in this area. The SCS external Equality Advisory Group meets regularly to progress work in relation to the organisation's equality action plan.

Scottish Court Service
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⁴ http://www.scotcourts.gov.uk/docs/default-source/aboutscs/equality_statement_outcomes_and_guidance.pdf?sfvrsn=2

⁵ <http://www.scotcourts.gov.uk/docs/default-source/equality/mainstream-equality-report.doc?sfvrsn=0>