



SCOTTISH COURTS AND TRIBUNALS SERVICE

Annual Report
and Accounts
2016-17

SCOTTISH COURTS AND TRIBUNALS SERVICE

Saughton House
Broomhouse Drive
Edinburgh
EH11 3XD

Scottish Courts
and Tribunals Service





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20 September 2017



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Foreword

Rt. Hon. Lord Carloway
Lord President
Chairman of the SCTS Board

Scotland's courts and tribunals continue to be held in high regard. The expertise of those who preside over cases and of those who support the system is something of which we can be justly proud. Supporting justice is the purpose of the Scottish Courts and Tribunals Service (SCTS). It is a purpose that we take very seriously and provide to a high standard on a daily basis. Our courts and tribunals are the places where justice is delivered. It is in this context I am pleased to present the Annual Report and Accounts of the SCTS for 2016-17, which sets out the significant progress we have made over the past 12 months.

In addition to managing the daily business of our courts, devolved tribunals and the Office of the Public Guardian, the SCTS is responsible for developing and improving services. In a changing society we need to move with the times. People expect the justice system to meet their needs and expectations. In recent years we have managed substantial change; ensuring that we are indeed moving with the times. Over the course of this year that change has continued apace.

The process of taking civil actions to court has been made more straightforward in cases valued at under £5,000 through the introduction of the new simple procedure. Scotland's devolved tribunals began their transfer into the new, consolidated chamber structure. The SCTS continued to lead discussions about the next chapter of change, involving fundamental improvement of summary criminal business, through the Evidence and Procedure Review. All of these efforts have been managed alongside the processing of tens of thousands of cases over the course of the year.

Any system needs its constituent parts to work together effectively. We will continue working with the Scottish Government and other justice agencies to ensure that our courts and tribunals provide access to justice and support the development of our society.

The role of chairman of the SCTS Board has been made much easier by the expertise and support of my fellow Board members. Their commitment, guidance, and insight have been essential and are much valued. In a similar vein, our ambitious agenda can only be realised through the continuing diligence, expertise and skill of the staff working across the SCTS. I thank them all for their ongoing commitment and understanding.

Rt. Hon. Lord Carloway
Lord President
Chairman of the SCTS Board



1. Performance Report

1.1 Overview



1.1.1 Chief Executive's Statement

Eric McQueen
Chief Executive
Scottish Courts & Tribunals Service

The purpose of the performance report is to provide an overview of the SCTS and its performance during 2016-17. This section of the Annual Report and Accounts sets out the purpose, activities and functions of the organisation, summarises our performance over the course of year (both financial and operational) and describes the key issues, risks and future trends which influence our work.

Scotland's courts and tribunals play a crucial role in supporting a safe, just and resilient society. It can be easy to take that role for granted in a nation like ours. However, the experience of some jurisdictions over the past year underlines the importance of judicial independence and of providing effective support to the judiciary. It is only through the separation of powers that justice can be done and be seen to be done – without undue interference or delay.

In one sense, therefore, the SCTS occupies a unique role – providing administrative support to Scotland's judiciary in order that they can discharge that function. The SCTS is also a public service – accountable to its Board and to the Scottish Parliament. We work as part of the broader justice system and are trusted with public funds to discharge our role efficiently, effectively and with a focus on continuous improvement. This report sets out how we have achieved those goals in 2016-17.

Running the day-to-day operations of Scotland's courts, devolved tribunals and the OPG is our key focus – one that we have managed well over the past 12 months. Waiting periods in relation to our highest volume court business types have continued to fall. Service standards for victims and witnesses have been maintained. Partnership working at both national and local levels has led to developments in policy and improvements in practice. And sound stewardship of the resources with which we are trusted has allowed us to balance the books, reduce levels of historic backlog maintenance on our estate and further build on our already impressive record of carbon reduction.

In concluding the final year of our 2014-17 Corporate Plan we can reflect on what has been a significant period of development and reform. Several changes long in the planning have been achieved, with this year marking: the first full year of operation for the new Sheriff Appeal Court and National Personal Injury Court; the first transfer of devolved tribunals into the new chamber structure; significant upgrades to our technical infrastructure including roll out of Wi-Fi across our estate; and the ground works commencing for what will be a ground-breaking facility – the new Inverness Justice Centre. We achieved all this alongside record Customer Service Excellence ratings and the highest staff engagement scores of any devolved Scottish body in the Civil Service People Survey. Our success is only possible thanks to the commitment and expertise of our skilled and dedicated staff. As they continue to develop the system we will continue to invest in their development and support.

We know that considerable challenges and opportunities lie ahead. We have captured these in our new Corporate Plan. Making the best use of technology will be crucial if we are to continue to develop and improve. We took the first steps in rolling-out a new case management system during 2016-17 that will facilitate online case submission in future. That development has not been without its challenges – which we will learn from as we improve our systems further. By leading the thinking around future reform through the Evidence and Procedure Review we continue to work with partners to identify change that will have a positive impact on the future – building efficiency, effectiveness and confidence in our justice system, through our vision of building a stronger SCTS.

1.1.2 Purpose and Activities of the SCTS

The Scottish Courts and Tribunals Service (SCTS) was established on 1 April 2015, following the merger of the Scottish Court Service (a Non-Ministerial Department established on 1 April 2010 by the Judiciary and Courts (Scotland) Act 2008) with the Scottish Tribunals Service (previously a delivery arm of the Scottish Government)¹.

The SCTS Board has a judicial majority and oversees the administrative arrangements that support the judiciary in the delivery of justice.

The function of the SCTS is to provide or ensure the provision of the resources to support:

- the Scottish courts, tribunals and their judiciary
- 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 Scottish Sentencing Council, Scottish Civil Justice Council and the

Criminal Courts Rules Council²

A three-year Corporate Plan for the then Scottish Court Service was published in April 2014. For each year of that Corporate Plan an annual business plan was produced detailing the specific activities that the organisation planned to undertake. The SCTS annual Business Plan for 2016-17 was published in April 2016.

This Annual Report details how the SCTS carried out its functions in 2016-17, as required by section 67 of the Judiciary and Courts (Scotland) Act 2008 and section 22(5) of the Public Finance and Accountability (Scotland) Act 2000.

Purpose, Vision & Values

The purpose of the SCTS is **supporting justice**. The SCTS fulfils this purpose by providing the people, buildings and services required for the work of Scotland's courts and tribunals, members of the judiciary, and the Office of the Public Guardian and Accountant of Court.

In delivering its purpose, the SCTS must take account of the needs of the judiciary, of the people involved in court proceedings and the wider public.³

Our **vision** is to **build a stronger Courts and Tribunals Service** – focused on improving access to justice, reducing delay and cost within the justice system and maximising the use of technology to improve our services.

The core **values** that we observed and sought to promote in others throughout 2016-17 were:

- Commitment and professionalism
- Providing a high quality service
- Integrity and impartiality
- Working to improve the justice system
- Using resources effectively

Alongside these responsibilities, the SCTS strives for continuous learning and improvement in its operations and applies best value and efficiency principles in the delivery of its functions and use of public funds.

Our purpose and strategic priorities are illustrated in our strategy map (overleaf).

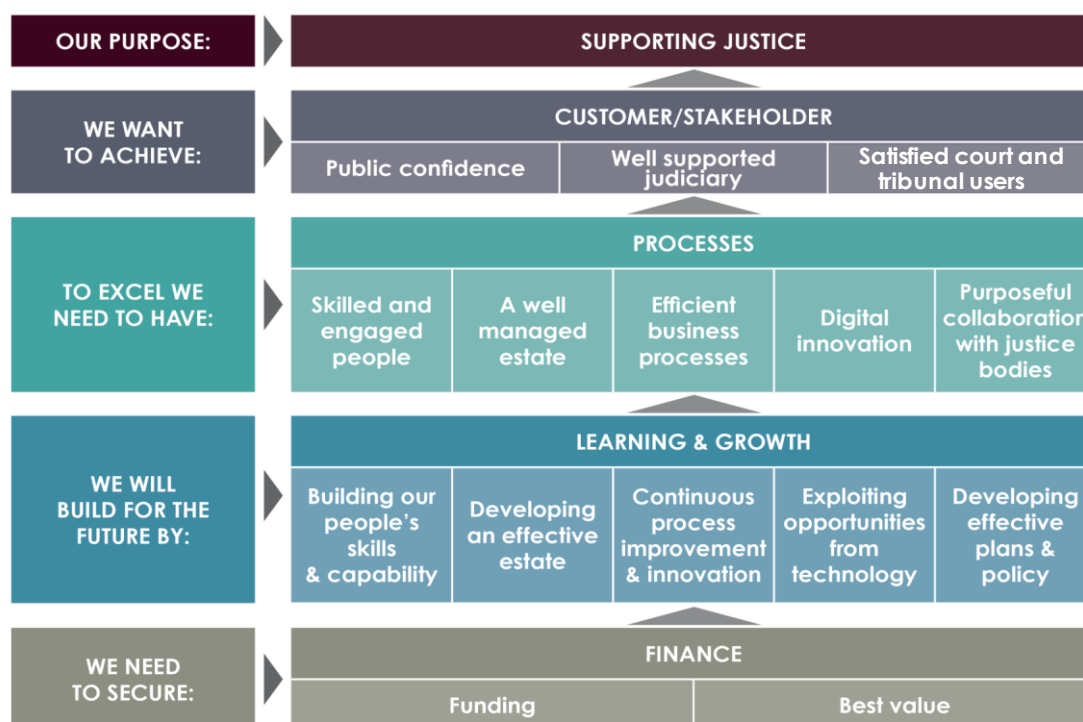
This map sets out how the priorities are aligned to the delivery of our purpose

¹ Section 130 of the Courts Reform (S) Act 2014 facilitated the merger by extending the functions of the Scottish Court Service established under the Judiciary and Courts (Scotland) Act 2008 to include the administration of devolved tribunals. As such the 2008 Act remains the founding legislation for the SCTS.

² Sections 61 & 62 of the Judiciary and Courts (Scotland) Act 2008.

³ Section 61(2) of the Judiciary and Courts (Scotland) Act 2008.

SCTS Strategy Map



1.1.3 Performance Summary

Performance Summary

Throughout 2016-17 the SCTS has played a key role in Scotland's justice system, delivering professional, high-quality courts and tribunals' services, working closely with justice partners and the broader justice community.

Under the leadership of the SCTS Board the organisation worked towards concluding delivery of the objectives set in its 2014-17 Corporate Plan. It achieved this by focusing on the outcomes in its 2016-17 Business Plan⁴. Those outcomes were set to ensure that progress was made in

relation to each of the following **strategic priorities**:

- a well supported judiciary
- satisfied courts and tribunals users
- skilled, engaged and motivated people
- a well-managed estate
- efficient business processes
- digital innovation
- purposeful collaboration with justice organisations
- funding and best value

Over the course of the year⁵ a number of significant changes have been managed and new initiatives rolled-out to ensure that these priorities were met. Whilst the creation of SCTS (bringing together the administration of Scotland's

courts and devolved tribunals) took place in 2015-16 this year saw the long-term vision for the delivery of tribunal business become a reality, as the **First-Tier Tribunal for Scotland** and the **Upper Tribunal for Scotland** – came into being, with the Housing and Property Chamber established as the first element of what will become a consolidated structure over the coming years.

This was not the only legislative change managed by the courts and tribunals this year – the introduction of the new **Civil Simple Procedure** for small claims and a range of summary cause actions realised one of the key policy objectives of the Courts Reform Act 2014 – introducing court rules and processes that are easier to understand and

⁴ The SCTS Corporate and Business Plans can be accessed on the Reports and Data page of the SCTS Website: <http://www.scotcourts.gov.uk/about-the-scottish-court-service/reports-data>.

⁵ More detail on the issues summarised on pages 5-6 can be found in the "Development and Performance" section of this report – from pages 14-27.

will improve access to the justice system. SCTS staff received training ahead of the introduction of the new rules and continue to support their roll-out and use.

Significant activity also took place in relation to the management of criminal jury cases in Scotland's Sheriff Courts. Ahead of legislation passed to improve the operation of solemn criminal cases a **practice note** issued by the Lord Justice Clerk has reduced the number of solemn trial diets adjourned with no evidence being led by almost a quarter, leading to a reduction in the number of victims, witnesses and professional court users attending court – only to find out that their case cannot proceed.

Whilst implementing new policy initiatives is important we must never lose sight of the fact that our key role is to provide the best possible service to those using Scotland's Courts and tribunals on a daily basis. We were pleased to retain **Customer Service Excellence** accreditation with the best ratings the organisation has achieved since its introduction in 2012.

User feedback and insight is crucial to improving service delivery – to that extent we piloted the first ever **user satisfaction surveys** in two of Scotland's devolved tribunals and will use the output from both to improve services and develop a broader approach to measuring tribunal user feedback over the coming years. A review of the first full

year of the operation of our **Service Standards for Victims and Witnesses** has also offered insights on the uptake of "special measures" and areas where we can improve services further.

Our 1,700 staff are at the core of everything we do – we can only provide a high quality service if they have the skills and motivation to do their job well. SCTS achieved the **highest engagement ratings** of any devolved Scottish organisation covered by the civil service annual people survey. Those results were achieved through effective team working, a clear programme of staff engagement and the development of new systems and tools to support our people – such as our new **virtual learning environment** – the "POD".

As a national organisation with a local presence across Scotland, management of our 71 facilities across the country is always a priority – over the course of 2016-17 we have managed to reduce the level of historic backlog maintenance on the estate, invested in new courtrooms to manage business pressures and exceed our carbon reduction targets for the year. Work has also commenced preparing the site for the new **Inverness Justice Centre** – a major construction project which will create a purpose built facility to support justice in the Highlands from 2019.

We have continued to invest in our digital infrastructure over the year, rolling out **WiFi** across our facilities, introducing

improved remote access for the judiciary and staff and through the launch of our **new Integrated Case Management System (ICMS)** for civil cases in the Sheriff Courts. ICMS establishes a new platform for the development of future case management systems and its introduction has been a major undertaking for the SCTS. A review of the approach taken to date has been undertaken to ensure it provides a sound basis for introducing online case submission and updating other case management systems in the future.

We continue to work in partnership with the distinct agencies making up Scotland's justice system – and we continue to lead the search for ways in which we can improve and transform that system through the work of the **Evidence and Procedure Review** which proposes significant reform with the potential to modernise and improve the summary criminal justice system and ensure that child and vulnerable witnesses can provide quality evidence with the minimum of trauma.

Alongside these high-profile initiatives SCTS has continued to process its core business well – over 118,000 criminal cases, 70,000 civil cases, 5,500 devolved tribunal cases and 54,000 Power of Attorney and Guardianship Order cases were registered in 2016-17. Each of these numbers reflects an individual – it is in processing, managing and resolving the business of those people that the SCTS delivers its purpose of **supporting justice**.

Financial Performance

Gross DEL expenditure for the year was £145.3m. When offset by income of £38.0m, the net DEL outturn was £107.3m. This represented an increase of £15m on the preceding year's outturn driven by an increase in expenditure due to continued expansion of Tribunal operations and the transfer of Judicial Pensions to the SCTS.

The net DEL outturn is £0.5m (0.6%) above budgeted outturn. Scottish Government Finance and Justice were notified of the overspend and are content.

Total non-current assets at the year-end increased from £432m to £443m.

A notional charge of £89k is recognised for external audit services.

During the year SCTS purchased non-audit services from its appointed external auditor totalling £23k. At the request of SCTS, Scott-Moncrieff assisted in the preparation of two business cases related to estates projects. The work consisted of reviewing the reasonableness and completeness of business case assumptions.

SCTS observed the principles of the Government-backed Better Payment Practice Group, www.payontime.co.uk. In line with Treasury guidance the SCTS policy was to pay all invoices not in dispute within 10 days or on the agreed contractual terms if otherwise specified. For the year to 31 March 2017, 97.4% (2015-16: 97.5%) of invoices were paid within 10 days of the presentation of a valid invoice.

Financial Performance Summary

	2016-17		2015-16
	Budget £'000	Outturn £'000	Outturn £'000
Capital - DEL	14,386	14,249	9,233
Revenue - DEL	92,394	93,017	83,082
Net outturn before exceptional costs	106,780	107,266	92,315
Exceptional costs	-	-	-
Net outturn after exceptional costs	106,780	107,266	92,315
Auditors remuneration	-	89	82
	106,780	107,355	92,397
Capital - AME	-	-	-
Revenue - AME	230	743	498
Total	107,010	108,098	92,895

Note:

1. The overspend on the Revenue DEL budget is as a result of misstated income which when adjusted resulted in an overspend.
2. The overspend on the Revenue AME budget is as a result of increased provisions for dilapidations on leased buildings.

1.1.4 Key Issues, Risks and Future Trends

The work of the SCTS takes place at the centre of Scotland's justice system – which relies on a number of independent agencies working together to deliver services that, collectively, build a safer society and provide people with access to redress and remedies where necessary. The system can be complex, fast paced and subject to considerable public and media scrutiny.

Understanding these dynamics, and how they impact upon the way we plan and manage is central to our risk, performance and change management systems. The SCTS Board, supported by its Audit and Risk Committee and the Executive Team considers the **key risk areas that must be successfully managed** in order to maintain stable and effective delivery of our services day-to-day, whilst developing our future approach and meeting the standards expected in terms of good governance.

Corporate risks are reviewed approximately 6-weekly by the SCTS Executive Team and at least quarterly by the SCTS Audit and Risk Committee. The SCTS Board sets the overall approach to risk, holding an annual workshop that considers the strategic risk categories and major corporate risks facing the organisation. That workshop involves all members of the Audit and Risk Committee and the Executive Team. The most recent workshop took place in February 2017 – and

a summary of the strategic risks identified and ranked as a result is provided on page 10.

Whilst much of the work of the courts and tribunals is demand-led, **predicting business volumes** is important in balancing our capacity to respond flexibly to demand with effective resource management. Projections are carried out as part of our Business Planning process and used to ensure that resources are matched to need.

Levels of business across Scotland's courts and tribunals remain high, with summary criminal cases continuing to represent the highest caseload volume. Whilst the overall trend in offending has been downward in recent years the number of indictments registered in the High Court has remained stable. The **increasing complexity of criminal trials** characterised by an increasing proportion of cases involving sexual offences in the High Court, has led to an increase in overall workload – with a greater proportion of cases proceeding to trial and some cases taking longer.

Workloads in the **Office of the Public Guardian** also remain high, as people increasingly recognise the importance of registering a Power of Attorney and the age profile of Scotland's population moves to a higher proportion of elderly people.

Operational performance is kept under review both by local management and through the organisational KPIs reviewed by the SCTS Board. This helps to ensure that timescales for key hearings and processes are kept within ranges considered to be optimal wherever possible.

In providing oversight to the work of the organisation over the course of the year and in considering future plans the SCTS Board has identified a number of issues and trends that will have a bearing on the **future performance** of the SCTS.

1. The level of **policy and legislative change** faced by Scotland's justice system remains significant as the reform agenda continues apace. Further changes to solemn criminal procedure (cases involving a jury) are in the process of being introduced and the potential of longer term transformation to improve the operation of the system was acknowledged in the recently published **Evidence and Procedure Review - A New Model For Summary Criminal Court Procedure**⁶.
2. Scotland's devolved tribunals will continue to

⁶ Available at: http://www.scotcourts.gov.uk/docs/default-source/aboutscs/reports-and-data/reports-data/epr_a-new-model-for-summary-criminal-court-procedure_28-feb-2017.pdf?sfvrsn=2

transfer into the new **First and Upper Tier Tribunal structure**, whilst detailed planning required to facilitate **devolution of reserved tribunals** (as proposed in the report of the Smith Commission) has commenced, as administration of these tribunals looks set to become a function of SCTS in the coming years.

3. **Budgetary constraint** looks set to continue, increasing the challenge of delivering day-to-day business effectively whilst preserving sufficient levels of resource to focus on the delivery of **future innovation and change**.

SCTS continues to deliver a significant change programme aimed at improving the service offered to users whilst modernising the system as a whole. SCTS is more exposed to variations in its budget than most public sector organisations, with over 25% of income derived from retained **fees and fines**, levels of which can fluctuate from year to year.

4. The impacts of **Brexit** and its associated financial and constitutional consequences will require to be factored into our work. There are a number of areas where SCTS may need to change its procedures to ensure that services are maintained and developed effectively following the conclusion of article 50 negotiations. Whilst the detail of these is largely yet to emerge

Brexit has been recognised as a corporate risk, in order to maintain continued oversight and joint planning work has taken place with justice partners to assess the likely impact of Brexit and the steps that may need to be taken to respond effectively.

5. The drive to deliver further **innovations through technology** in order to meet the demands of a modern society will pose both opportunities and risks for the organisation. SCTS has invested significantly in upgrading its core digital infrastructure over the past 3 years and is in the process of rolling-out new systems, including our Integrated Case Management System that will facilitate online case submission and management. These developments have the potential to transform how we do our work, but need to be managed effectively, with an understanding of the associated risks, including the growing threat of cybercrime.

6. Given the nature of our business, continuing to invest in and develop our **people** is always a key issue for the organisation. The SCTS Board has established a dedicated committee to maintain oversight of people issues.

The issues, risks and trends outlined above are identified through both our risk management processes and through the annual and three-yearly planning processes. Our planning is carried out in collaboration with partner organisations across the justice system, ensuring that our work aligns with the overall Justice Strategy for Scotland⁷.

Further information on the trends, challenges and opportunities facing the organisation can be found in our new **Corporate Plan for 2017-20** and Business Plan 2017-18⁸.



Our Annual Business Plan sets out priorities, business projections & the organisation's budget for the year.

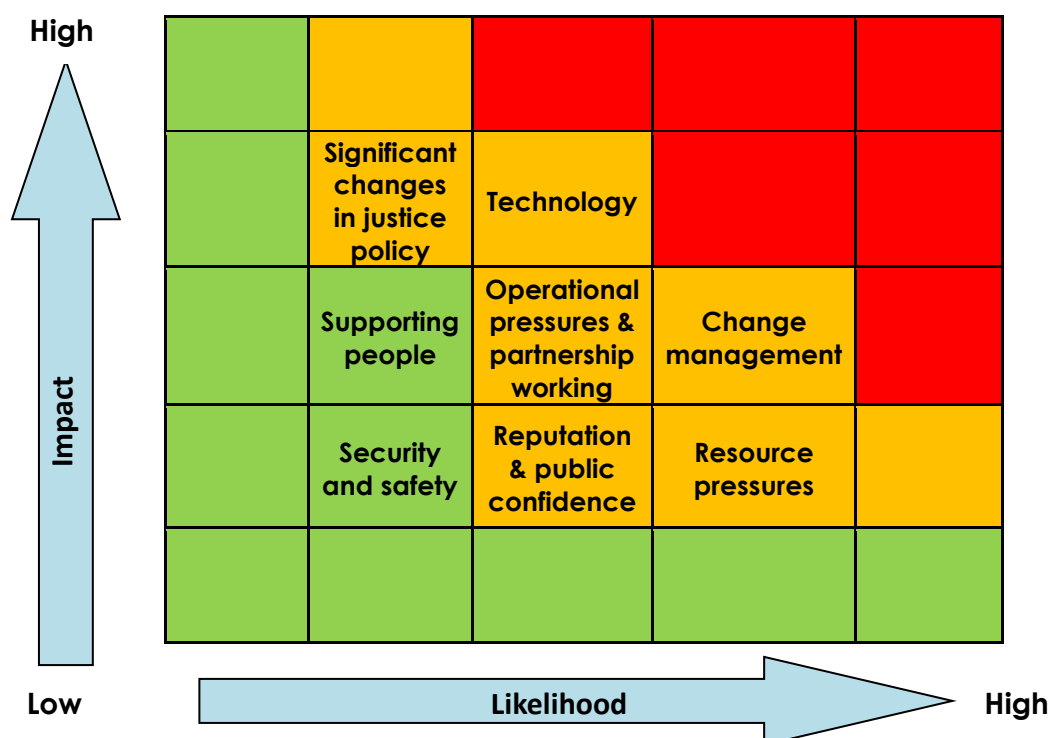
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<http://www.gov.scot/Publications/2012/09/5924/0>

⁸ These documents are available on the Reports and Data page of the SCTS Website:

<http://www.scotcourts.gov.uk/about-the-scottish-court-service/reports-data>

Strategic Risk Categories – Identified and Mapped by the SCTS Board (February 2017)



Strategic Risk Category	Corporate Risk(s) monitored by SCTS Board and Audit & Risk Committee
1. Change Management	Scale and pace of change exceeds capacity to deliver Ability to effectively deliver business and/or reform fails due to budget constraint Operational and delivery structures do not adapt to realise full benefits of reform UK exit from the EU impacts on SCTS’ ability to deliver core business or reform programme
2. Technology	Loss of business due to failure of ICT /breach in cyber-security arrangements New IT infrastructure and/or systems do not allow full realisation of benefits from planned justice system reform
3. Resourcing	Ability to effectively deliver business and/or reform falls due to budget constraint Failure to maintain right level of skilled and knowledgeable staff to deliver SCTS business UK exit from the EU impacts on SCTS’ ability to deliver core business or reform programme
4. Operational Pressures and Partnership Work	Essential business and services compromised due to staff/building shortages Failure of information management controls leading to data loss Loss of business due to failure of ICT Partnership working fails to maximise system efficiency or realise full benefits of reform
5. Supporting People	Failure to maintain right level of skilled and knowledgeable staff to deliver SCTS business Lack of staff engagement
6. Significant Changes in Justice Policy	Scale and pace of change exceeds capacity to deliver New IT infrastructure/systems do not allow full realisation of benefits from planned reform UK exit from the EU impacts on SCTS’ ability to deliver core business or reform programme
7. Reputation and Public Confidence	Loss of business due to failure of ICT/cyber-security Essential business and services compromised due to staff/building shortages Scale and pace of change exceeds capacity to deliver
8. Security and Safety	Significant health and safety or security breach

1.2 Performance Analysis

1.2.1 Performance Measures – Business Plan Outcomes & KPIs

Throughout the year the SCTS Board monitored on-going delivery of the **2016-17 SCTS Business Plan⁹ outcomes**. There were 36 outcomes set out in that plan, of which 27 were fully completed (including four ongoing activities that continue on track). Five remain on track to be completed, with a further four re-profiled due to business pressures or the impacts from dependencies on other organisations or areas of work. More detailed information on a number of these outcomes is provided in the development and performance section of this report¹⁰.

In addition to reviewing performance against delivery of these outcomes, the Board appraises the organisation's broader operational performance using its **key performance indicators (KPIs)** scorecard, which is updated and reviewed quarterly. A summary of the KPI measures can be found overleaf, and the scorecard for 2016-17 is published on the SCTS website¹¹.

The scorecard allows Board members to review how well the organisation manages its key operational and corporate processes. The majority of scorecard indicators reported green through the course of the year, with the two main exceptions relating to:

1. The proportion of cases disposed of through the summary justice system as a whole within 26 weeks. This target covers the period between police caution and charge, through prosecution, to the court verdict. The target remained at red, although SCTS has ensured that the target period for the court process (between a summary case first calling in court and the date of the trial diet) of under 17 weeks is being achieved.

Achieving the 26 week cross-system target was recognised as a major challenge by Audit Scotland¹², as cases become more complex. This is one of the drivers behind the propositions of the Evidence & Procedure Review¹³

2. The average period between a High Court preliminary hearing and the conclusion of the trial – which has exceeded the 21 week target, due to pressure on High Court capacity caused by an increasing proportion of cases proceeding to trial and several long-running trials. Remedial action has been taken to address this – principally through the opening of two new High Court rooms in Glasgow. These are beginning to have a positive impact on the overall waiting period.

A WELL SUPPORTED JUDICIARY

SATISFIED COURTS & TRIBUNALS USERS

SKILLED ENGAGED & MOTIVATED PEOPLE

A WELL MANAGED ESTATE

EFFICIENT BUSINESS PROCESSES

DIGITAL INNOVATION

PURPOSEFUL COLLABORATION

FUNDING & BEST VALUE

⁹ SCTS Business Plan 2016-17 – available at:

<http://www.scotcourts.gov.uk/docs/default-source/aboutscs/reports-and-data/publications/scts-business-plan-2016-17.pdf?sfvrsn=2>

¹⁰ The SCTS Business Plan Delivery Report, which provides a summary of progress against all the 2016-17 Business Plan objectives as at the end of the reporting year is available on the SCTS Board page of the SCTS website:

<http://www.scotcourts.gov.uk/about-the-scottish-court-service/the-scottish-court-service-board>

¹¹ The SCTS Board Scorecard for 2016-17 can also be accessed at the SCTS Board

page of the SCTS website (web link included in the preceding footnote)

A document providing full descriptions and definitions of the scorecard KPIs can be accessed at:

<http://www.scotcourts.gov.uk/docs/default-source/scs-board/scts-board-scorecard-measures-for-2014-17.pdf?sfvrsn=2>

¹² Report available at:

<http://www.audit-scotland.gov.uk/news/pressures-are-mounting-on-scotland-s-sheriff-court-system>

¹³ More information on the work of the Evidence & Procedure Review, which is exploring fundamental redesign of Scotland's summary justice system, can be found on page 23 of this report

Summary of SCTS Key Performance Indicators

Performance against the KPI measures is monitored quarterly by the SCTS Board, using its Performance Scorecard, which assesses a range of measures relating to delivery of the SCTS Strategic Priorities. These are summarised below.

1. A WELL SUPPORTED JUDICIARY

1a Judicial satisfaction levels (assessment of most recent judicial attitudes survey plus qualitative assessment by SCTS Executive Team).

2. SATISFIED COURTS & TRIBUNALS USERS

2a User satisfaction levels (based on SCTS Court User Survey Data and ratings provided in independent Customer Service Excellence analysis).

2b Percentage of summary criminal cases disposed of within 26 weeks (based on official justice system statistics).

3. SKILLED ENGAGED AND MOTIVATED PEOPLE

3a Employee engagement levels (indicator based around staff turnover, absence levels and survey data).

3b Delivery of staff development (indicator based around skills assessment tool and index rating).

4. A WELL MANAGED ESTATE

4a Investment in the Estate (assessment of investment levels to ensure that backlog maintenance is being managed effectively).

5. EFFICIENT BUSINESS PROCESSES

5a Sheriff summary criminal waiting periods (assessment of the length of time between pleading and trial diets, based on court system data).

5b JP summary criminal waiting periods (assessment of the length of time between pleading and trial diets, based on court system data).

5c Summary trials adjourned with no evidence led (proportion of trials called where the substantive business cannot proceed, based on court system data).

5d Court business waiting times (non-summary). An analysis of 12 key waiting indicators across a broad range of court business, assessing whether waiting times in relation to that business remain within optimal levels.

5e Effective Tribunals Operations – an assessment of 14 key administrative targets monitored by Tribunals Operations Directorate, to ensure that tribunals are effectively administered.

6. DIGITAL INNOVATION

6a Proportion of applicable transactions carried out on-line (measure to assess and drive greater use of on-line systems, such as online fines payment).



6b IT system availability (% of time that core systems are available for use).

7. PURPOSEFUL COLLABORATION WITH JUSTICE BODIES

7a Assessment of collaboration with other justice bodies and through the Justice Board for Scotland.

8. FUNDING & BEST VALUE

8a Managing expenditure (comparison of actual expenditure with profiled expenditure to ensure robust budgeting).

8b Managing income (comparison of actual fines and fees income with profiled income to ensure robust profiling).

9a Programme and Project Delivery (assessment of delivery of business change activity).

The Board Scorecard can be accessed from the SCTS Board page of the SCTS website:
<http://www.scotcourts.gov.uk/about-the-scottish-court-service/the-scottish-court-service-board>

1.2.2 Development and Performance – 2016-17

A WELL SUPPORTED JUDICIARY STRATEGIC PRIORITY 1

We aim to ensure that the right technology, systems and processes will be in place to assist the judiciary to implement the justice reforms including the move to judicial specialism and case management, with high quality staff directly supporting the judiciary.

The reform agenda continued at pace over the course of 2016-17, leading to a number of changes in the way in which Scotland's judiciary work – supported by the people, systems and facilities provided by the SCTS.

Civil courts reform progressed in 2016-17 with the ongoing implementation of the significant changes enabled through the Courts Reform (Scotland) Act 2014¹⁴. Civil Simple Procedure was introduced on 28 November 2016, providing a simplified application process for small claims and a range of actions previously managed under the summary cause rules – backed up with comprehensive and clear rules¹⁵ to aid parties in successfully progressing and resolving a claim.

Improvements in the management of solemn criminal business have continued over the course of the year, based on the

¹⁴ <http://origin-www.legislation.gov.uk/asp/2014/18/contents>

¹⁵ Simple Procedure rules available at: <http://www.scotcourts.gov.uk/rules-and-practice/rules-of-court/sheriff-court---civil-procedure-rules/simple-procedure-rules>

introduction of the **Lord Justice Clerk's Practice Note**¹⁶ that required both the Crown and defence to engage early to encourage identification and resolution of issues. This recognised that judicial control over the use of court time is an important part of the entitlement to a fair and public hearing within a reasonable time and promoted greater efficiency and the better use of available resources.



Supporting the judiciary - at the heart of SCTS' work

To date, the Practice Note has contributed to reductions in the level of "churn". The proportion of solemn trial diets where the case had to be adjourned to a further trial diet with no evidence led has

¹⁶ <http://www.scotcourts.gov.uk/docs/default-source/rules-and-practice/practice-notes/criminal-courts/criminal-courts-pn-no3-of-2015.pdf?sfvrsn=18>

reduced from 49% in 2015-16 to 37% in 2016-17. This is a pre-cursor to the reforms which will be brought into law by the **Criminal Justice (Scotland) Act 2016** over the course of 2017. A Steering Group has been working throughout the year to develop guidance on court programming for Sheriff Clerks under the new regime, which will be informed by reports which track the progress of solemn business

Following their introduction in 2016 further appointments have been made to the office of **Summary Sheriff** – helping to ensure that cases are heard at the right level within the court system. 35 appointments were made to the office in 2016-17. SCTS has developed a bespoke programme of blended induction training for those new to the role through the work of the **Judicial Institute** – with a range of learning and support resources made available on the **Judicial Hub**. The Hub has provided judicial office holders with an increasingly comprehensive suite of online resources that support them in the exercise of their duties.



Tribunals (Scotland) Act 2014

The **Tribunals (Scotland) Act 2014**¹⁷ created a new, simplified statutory framework for tribunals that brings together existing jurisdictions, and provides a structure for new ones. The Act created two new tribunals: the First-tier Tribunal for Scotland and the Upper Tribunal for Scotland – with the intention that existing devolved tribunals would migrate into the new structure over a period of several years. 2016-17 was the second year that SCTS had responsibility for providing administrative support to the devolved tribunals.

Maintaining the distinctive character and operating practice of tribunals is a significant responsibility – allowing tribunals to maintain their unique, flexible and relatively informal approach to dispute resolution, whilst creating opportunities to realise the benefits and efficiencies that operating within a consolidated structure can confer.

The **Housing and Property Chamber**¹⁸ of the First-tier Tribunal for Scotland became the first jurisdiction to enter into the new structure in December 2016, taking over the work of the former Private Rented Housing Panel and the Homeowner Housing Panel – dealing with property issues. It will hear disputes on rents, repairs and access for landlords to their properties as well as helping to resolve disputes that arise between homeowners and property factors.



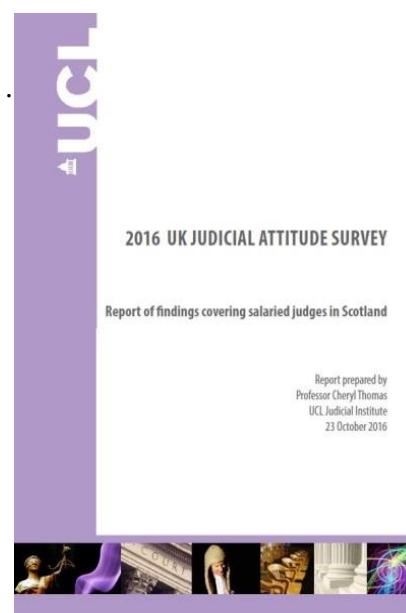
The new chamber ensures an integrated approach to housing & property disputes

In addition to the transfer itself the Chamber and its staff moved to new office accommodation in Glasgow to coincide with the launch. Significant planning also took place over the course of the year to prepare for the introduction of the **First-tier Tribunal for Scotland (Tax Chamber)** which was established in April 2017 to decide appeals relating to Land and Buildings Transaction Tax and Scottish Landfill Tax.

The second-tier of the new structure – the Upper Tribunal for Scotland – acts as the appeal body for decisions made by the Chambers, rather than such appeals being heard in the courts.

The Upper Tribunal was formally established in December 2016.

Ensuring that the judiciary are well supported on a daily basis is one of the core functions of the SCTS – be that through training, management and organisation of court programmes or clerking of the courts and tribunals themselves. The support provided by the staff of the SCTS was recognised in the results of the independent **Judicial Attitudes Survey 2016**¹⁹ which reported that 90% of judges feel valued by court staff, with a majority rating as Good or Excellent the quality of administrative support they receive.



79% of all salaried judges in Scotland took part in the 2016 Judicial Attitudes Survey

17

<http://www.legislation.gov.uk/asp/2014/10/contents>

18

<https://www.housingandpropertychamber.scot/>

¹⁹ <http://www.scotland-judiciary.org.uk/Upload/Documents/JudicialAttitudeSurvey2016Scotland23October2016.pdf>

SATISFIED COURTS & TRIBUNALS USERS

STRATEGIC PRIORITY 2

We aim to provide the best possible service to all court and tribunal users, seeking views on the quality and effectiveness of the services we provide, and using feedback to inform improvements to our future service delivery.

To provide the best possible service to all our users we need to understand their needs and how best we can support them. Our principal tool for understanding user need and driving improvement is our three-year rolling programme of **Customer Service Excellence (CSE)**²⁰ accreditation. A thorough assessment process was conducted – appraising key documentation, observing business in action, and speaking to both customers and staff to review our working practices and build insight on our different user groups' needs and expectations. The assessment report focuses on five key themes: customer insight, culture of the organisation, information and access, delivery, timeliness, and quality of service.

CSE measures & helps us understand customers' expectations



The result of the 2016 process represents a further improvement in service built upon a solid track record. The results are the strongest achieved by SCTS since CSE was introduced in 2012, with assessors praising the “commitment, caring,

knowledge and hard work”²¹, of SCTS staff. From a total of 57 elements grouped under the five key themes, 11 were assessed at the highest possible rating of compliance plus, up from eight in 2015, recognising staff efforts in identifying and meeting disadvantaged peoples' needs. 42 of the elements were rated as fully compliant, with only 4 rated partially compliant, down from seven when the assessment process was introduced. The assessors commended the “professionalism and humanity” of SCTS staff; having observed them assist users, often in difficult situations.

As the responsibilities of the organisation have grown it has been necessary to ensure that we seek views and feedback from our more diverse customer base. The **Tribunals Operations** business unit completed a CSE preparation assessment in 2016, which will allow tribunal business to be subject to the full assessment process in 2017. And for the first time in 2016 a customer **satisfaction survey** was piloted in two tribunal jurisdictions – the Private Rented Housing and Homeowner Housing Panels – to assess the views of those who use tribunal services.

Overall satisfaction ratings were high at 84% and 90% respectively. The survey findings will be used to support future improvements, and the lessons learned from the pilot will be used to introduce a broader approach to gauging customer satisfaction and feedback from tribunal users over the coming years. Our biennial court users' survey which provides an overview of satisfaction levels across the courts is scheduled to take place towards the end of 2017.

Promoting and fulfilling our equality duties is a key concern for the SCTS. Internally we work to mainstream equality and diversity across the business, and externally we promote equality by providing accessible services that are responsive to user needs.

Our **Equalities Outcomes**²² report identified that access to jury service for those with protected characteristics should be a focus through the current reporting year. A working group chaired by a senior judge and supported by SCTS officials has been established to investigate the changes that could be made to court rules and primary legislation to facilitate greater participation, particularly for

20

<http://www.customerserviceexcellence.uk.com/aboutTheStandardCSE.html>

21

<http://www.scotcourts.gov.uk/docs/default-source/aboutscs/reports-and-data/publications/cse-2016.pdf?sfvrsn=2>, pg. 2

22

<http://www.scotcourts.gov.uk/docs/default-source/aboutscs/reports-and-data/equalities-outcomes-2015-pdf.pdf?sfvrsn=4>

those with hearing or sight impairment. This has the potential to provide access to citizens who have previously found it difficult to fulfil their civic duty of serving on a jury.

SCTS provides a range of special measures to **victims and witnesses** to allow them to provide the best quality of evidence whilst minimising trauma and inconvenience. The Victims and Witnesses (Scotland) Act 2014²³ extended the range of people entitled to claim such measures from September 2015, with 2016-17 being the first full year of operation for the new standards.

Standards of Service for Victims and Witnesses

Annual Report on Performance
2016 – 2017

The report provides an update on performance, experience & learning

In April 2016 the first **Standards of Service** for Victims and Witnesses Annual Report²⁴ was published, reviewing the effectiveness of the arrangements and noting that applications for special measures had increased significantly since commencement of the Act. An annual report on performance against the

standards for 2016-17²⁵ has also been published, detailing the increased levels of uptake and explaining the steps we have taken to ensure delivery of the individual standards set.

We continue to work with justice partners to explore how services and support can best be delivered to those who find themselves giving evidence in court – maintaining our connections with organisations such as Victim Support Scotland, with whom we developed training for court staff to ensure that they understand the perspective of victims and witnesses.

The day in court can be an unfamiliar and stressful experience. In December 2016 Edinburgh Sheriff and Justice of the Peace Court launched a **Listening Service** – only the second of its kind in the UK – which provides an independent resource for those who feel the need to talk to someone. Run by 18 volunteers from Edinburgh's Multi-Faith Chaplaincy Service, the service is also available for families and friends of those attending court, offering a non-judgemental listening ear.



The vote to leave the European Union has

²⁵ 2017-17 Annual report available at: <http://www.scotcourts.gov.uk/docs/default-source/aboutscs/reports-and-data/standards-of-service-annual-report-2016-17-final.pdf?sfvrsn=4>

introduced a degree of uncertainty around future constitutional arrangements and our participation in European Conventions. Scotland's courts continue to play a crucial and impartial role, ensuring that **human rights** enshrined in law are observed. These include:

- The right to recognition as a person before the law;
- The right to be treated as equal before the law;
- The right to an effective remedy for acts violating a person's human rights;
- The right to a fair and public hearing before an independent and impartial tribunal; and
- The right to be presumed innocent until proven guilty in a public trial.

Convention for the Protection of Human Rights and Fundamental Freedoms

Rome, 4.XI.1950

Our courts uphold fundamental rights for all citizens.

SCTS supports the courts in upholding the rights currently set out in the European Convention – including **Article 6** – the right to a fair and public hearing within a reasonable time, in a place open to the public. Ensuring that justice is done and can be seen to be done remains central to our purpose. We continue to invest in accessible buildings and modern services, so that Scotland's citizens can exercise those rights, in an environment reflecting our society and their needs.

²³ The act as passed is available at: <http://www.legislation.gov.uk/asp/2014/1/contents>

²⁴ Standards available at <https://www.scotcourts.gov.uk/docs/default-source/aboutscs/reports-and-data/standards->

2015-16 Annual report available at: <http://www.scotcourts.gov.uk/docs/default-source/aboutscs/reports-and-data/reports-data/standards-of-service-annual-report.pdf?sfvrsn=2>

SKILLED ENGAGED AND MOTIVATED PEOPLE STRATEGIC PRIORITY 3

We aim to maintain a skilled, engaged and motivated workforce supporting the judiciary and providing excellent customer service across the courts, Office of the Public Guardian (OPG) and the tribunals.

The UK Cabinet Office **annual people survey**²⁶ for 2016 reported an overall staff engagement index score for SCTS of 64% - placing the organisation within **UK Civil Service High Performers**, with the highest engagement score of all organisations within the Scottish Government group. This is a 2% rise on our previous year's results and reflects the commitment, hard-work and willingness of our people across Scotland to deliver a high-quality service in the face of change and financial constraint. The results will be used to inform and prioritise further areas of focus, to sustain and build on the good levels of engagement we have.

the country staff had the opportunity to meet directly with a member of the senior team for an open and frank discussion on issues of importance to them; from day-to-day business to future developments.



SCTS Leaders & Influencers event 2016

Planning and engagement events continued throughout the year, including our **Leaders and Influencers Event** in June 2016, which provided a forum for over 100 managers from across the country to consider the future of the organisation and how best we can work together to manage change and improve services. Discussions focused on the future of the summary criminal justice system, our new case management system (ICMS) and staff well-being.

Consultation and development of a new **People Strategy** progressed over the course of the year, with autumn staff engagement events used to ensure that all staff had the opportunity to make their views known on what should feature in the new strategy.

Its publication has been delayed and will take place in 2017. A more immediate output from that consultation was the development of *new values and behaviours for the organisation that feature in our new Corporate Plan*. These are: **respect, service and excellence**²⁷.

The launch of our new Integrated Case Management System, supporting the management of civil cases in the sheriff court, provided an opportunity to review the way in which we provide training and skills development. The **ICMS online hub** – a precursor to our new virtual learning environment – was launched in August 2016. This allowed staff to access a range of digital resources including video-clips, guides and a training version of the system itself. The system worked effectively and feedback from a number of areas suggested it could be strengthened with the provision of a broader range of learning opportunities and formats.

Building on that experience a training package to prepare staff for the introduction of civil **Simple Procedure** in November 2016 was developed, adopting a blended approach of online resources and local training



Civil Service High Performers

Members of the SCTS Executive Team completed a comprehensive schedule of **summer tours** throughout 2016. During each of the 88 sessions across every SCTS location in

²⁶ Civil Service People survey results: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/569034/civil_servcie_people_survey_2016_all_organisation_scores.xlsx

²⁷ Page 4 of the Corporate Plan: <http://www.scotcourts.gov.uk/docs/default-source/aboutscs/reports-and-data/publications/corporate-plan-2017-20-publish.pdf?sfvrsn=4>

over a nine week period to ensure staff were prepared for the go-live of the new rules. The use of a blended learning approach is new to the organisation and we will continue to develop the approach we take based on evaluation and feedback.



SCTS' virtual learning environment
– bringing blended learning opportunities

Autumn 2016 also saw the initial launch of our new virtual learning environment **POD (Personal Online Development)** through which staff and managers can map their learning and development, book courses, access online training and develop knowledge. POD will be developed over the course of the coming year, expanding its reach with the development of further online guidance and materials. This will allow the organisation to make the most of the blended learning approach.

Over the course of 2016-17 SCTS appointed a further 6 **Modern Apprentices**, who were placed across a variety of our business units: the Office of the Public Guardian, Forfar and Perth Sheriff Courts, the Supreme Courts, the Judicial Office and the Human Resources Unit. Each apprentice had the opportunity to work towards formal qualifications and gain valuable business insights in an area of interest to them. We are delighted that some have

already moved into full-time employment, having used their experience within SCTS to develop the early stages of their careers.

Whilst SCTS is an organisation of over 1,700 people we never forget that each individual has their own talents, needs and circumstances – all of which must be borne in mind if we are to support our staff to the full and if they are to bring their best to work.

Achieving work-life balance is important, even more so for people providing care support to family members, whilst balancing work commitments. Last year we were delighted to become one of only three “Exemplary” level Carer Positive Employers in Scotland, and in March 2017 SCTS won the Carers' Scotland “**Best for Carers and Eldercare**” category at the Scottish Top Employers for Working Family Awards 2017, in recognition of our policies for supporting carers and how these are put into practice.



Supporting our people to support their families

Staff **wellbeing** has been a key area of focus throughout 2016, with the launch of an initiative aimed at ensuring the right policies, support and tools are available to help staff perform well and deal with the challenging, and sometimes traumatic, business they need

to manage professionally. Throughout the year senior managers led sessions at staff engagement events across the country and mental health awareness training was piloted in our largest operational unit in Glasgow. This initiative will continue throughout 2017 – including the introduction of a Vicarious Trauma and Support programme and an Employee well-being passport, alongside other activities.



Our well-being team meet to progress the initiative

SCTS was delighted to appoint the first female **Principal Clerk of Session and Justiciary** in Scotland's history. The senior manager in charge of the administration of Scotland's Supreme Courts, this post can trace its lineage back several hundred years – with previous post holders including Sir Walter Scott in 1806. This is a memorable moment in the administration of Scottish Justice and a trend that looks set to continue - with over 60% of SCTS staff being female.



Gillian Prentice – Principal Clerk of Session & Justiciary

A WELL MANAGED ESTATE

STRATEGIC PRIORITY 4

We aim to deliver an estate that is fit for purpose for the 21st century and supports the structure of ensuring that cases are heard at the right level in an environment that is safe, secure, sustainable and fully meets our equality obligations.

The SCTS has a presence in communities across Scotland. Our estate consists of some **71 buildings** including 15 remote video witness sites and over 50 courts: this includes the Supreme Courts in Parliament House and the Lawnmarket in Edinburgh, and two dedicated High Court centres in Glasgow and Aberdeen.

Sheriff and Justice of the Peace courts operate from 39 different locations and tribunal administration centres are based in Glasgow, Edinburgh and Hamilton. The Office of the Public Guardian (OPG) based in Falkirk completes the complement. A map showing estate locations is provided at Annex 1. In addition to these locations Scotland's devolved tribunals make use of up to a further 70 sites for hearings, often within hospital accommodation.

We manage 28 listed buildings maintaining some important elements of Scotland's **architectural heritage** including the prestigious Parliament House opened in 1639. The site of Tain Sheriff and JP Court has been in use as a court since 1603 and Glasgow Sheriff Court, opened in 1986, is the only listed post-war court building in Scotland.

The specialist nature of many court buildings means open market valuation of the SCTS estate is unsuitable, and

instead the principal valuation tool is the Depreciated Replacement Cost method. Last assessed on 31 March 2014 the total holding value was £411 million. This is formally re-evaluated every five years, with the next valuation scheduled for 2019.



The court crest on display in Glasgow High Court

Court and tribunal facilities are valuable, specialist assets. Court locations are regulated under statute and can only be changed by an order of the Scottish Parliament. Alternative uses for the estate are therefore quite limited and our focus is on ensuring that the estate is managed to a high standard – delivering safe, secure and sustainable facilities in which justice can be served whilst meeting our equality obligations. In doing so, we need to balance proportionate investment in new facilities with ongoing maintenance and improvement.

Our **Estates Strategy**²⁸ sets out how we intend to deliver on

²⁸ <http://www.scotcourts.gov.uk/docs/default-source/aboutscs/reports-and-data/publications/scts-estates-strategy-2016-26.pdf?sfvrsn=2>

these priorities over the coming 10 years in more detail. To inform our investment priorities we conducted a **strategic condition survey** in 2016 which will be used to reappraise levels of backlog maintenance for future years.

Significant improvement works were undertaken throughout 2016-17 at Glasgow High Court. Within the existing building **two additional jury court rooms** and associated facilities were built. Formally inaugurated by the Lord Justice Clerk on 3 February 2017, these are already providing much needed modern facilities supporting the increasing length and complexity of cases being heard in the High Court.



Opened in 2016, the new courtrooms are providing essential capacity

Tribunals Operations successfully relocated to new, **purpose-designed accommodation** in Atlantic Quay, Glasgow, supporting the creation the new Housing and Property Chamber with modern, centralised facilities.

Shared buildings and services work continues to realise savings and efficiencies for SCTS, the Crown Office and Procurator Fiscal Service (COPFS) and related bodies. £3.1 million was raised through the provision of accommodation and associated services to various public bodies in 2016-17, maximising benefits for organisations engaging with our services. The annual staff saving for COPFS through the use of these shared service arrangements was £180,000 with SCTS receiving £95,000 as a shared service fee.



New Tribunals Operations premises in Glasgow city centre

Tackling outstanding **backlog maintenance** remains a key priority for SCTS. Over the course of 2016-17 we have been able to reduce the assessed backlog from over £37million to £35 million. Whilst still significant this figure compares favourably with the assessed level of £60 million of outstanding backlog maintenance in 2011-12.

Our **Facilities Management Contract** was successfully retendered during the year and as part of the new contract **the Living Wage** will be implemented for all full and part time staff employed under that contract working in both SCTS and COPFS premises.

In December 2016 SCTS launched a new **Health and Safety briefing** informing staff on how to deal with potential hazards and use fire-fighting equipment appropriately, in addition to dispelling a number of health and safety myths.

In March 2016 we announced the development of **Inverness Justice Centre**, a state-of-the-art justice facility that will allow justice stakeholders to work together in a modern, integrated environment. Good progress has been made over the course of the year, with a planning application approved by the Highland Council Planning Committee in February 2017. The project had its first successful Gateway Health check in December 2016 and with demolition works underway on site, the project is currently on-track for delivery in late 2019.

Sustainability and Environmental Performance

SCTS has a strong track record in sustainability. Last year we retained our **Carbon Trust Standard Accreditation**²⁹, exceeding our year on year carbon reduction target. Against a 5% savings target we achieved an 8% saving overall – consisting of a 6% saving in electricity and a 12% saving in gas consumption. Based on the original carbon management plan baseline set in 2010-11 we have achieved a reduction of 30% in kgCO₂e – the carbon dioxide equivalent and standard unit for measuring carbon footprints.

²⁹ <https://www.carbontrust.com/client-services/certification/carbon-trust-standard/>



We remain dedicated to meeting future carbon reduction targets, ensuring SCTS continues to act as a leader in sustainability. We intend to submit an application for **Carbon Trust triple standard accreditation** for carbon, water and waste efficiencies. Having been awarded the Carbon Trust Standard in 2008 and, Water Standard in 2014, achieving the Waste Standard will officially certify SCTS as an environmentally sustainable organisation.

Now in its 10th year, **Earth Hour** is a worldwide movement that encourages us all to switch off non-essential electrical items. Glasgow Sheriff Court, our largest facility, joined thousands across Scotland and 162 countries across the world in turning off its external lighting on 25 March, marking SCTS' support for a more sustainable future.



Earth Hour 2017-18: practical sustainability

Detailed sustainability reporting for relevant Scottish public sector bodies (including SCTS) is published on the Sustainable Scotland Network website.³⁰

³⁰

<http://www.keepsotlandbeautiful.org/sustainability-climate-change/sustainable-scotland-network/climate-change-reporting/201617-reporting/>

EFFICIENT BUSINESS PROCESSES

STRATEGIC PRIORITY 5

We aim to create the right platforms for our processes and users to interact with the SCTS electronically and we will continue to develop services that are “digital by design”. Our processes will make sure that business through the courts, tribunals and OPG will be highly effective, reliable and economical to deliver.

As our work involves processing high volumes of business we continually assess the efficiency of our systems and processes to explore ways in which they can be simplified or improved. Our business can be complex and each case is of real importance to the individuals involved in it – so we approach change and development with the complementary aims of improving the service we provide whilst realising efficiencies wherever possible.

Ensuring that **jurors** are effectively cited to attend court has been an area of focus for the organisation over the past few years. Jurors provide a lay presence in the adjudication process for significant cases, playing an important part in the justice system in so doing. Over the course of the year we continued to develop the **one stage citation** process piloted in 2015-16 which streamlined citation and encouraged jurors to respond to their citation through a dedicated web portal. A national roll-out of the new process has now been implemented, which has seen 89% of jurors choosing to respond online.



A mock jury in Edinburgh

This approach has been combined with the roll-out of our **hybrid mail system** which allows court staff to issue jury related documents directly from their computer to an external mail service provider. As of March 2017 over 468,000 items had been sent via hybrid mail, realising some £400,000 in annual savings. Whilst implementation of the new systems has been deemed a success we continue to monitor their operation to ensure benefits are fully realised.

One area where customer demand has changed in recent years relates to the payment of fines. Traditionally a high proportion of fines would be paid in cash over the court counter – but the introduction of an **automated telephone** service and **online payment** facilities, via the SCTS secure website, have supported a significant shift in recent years.

In 2016-17 we committed to improving customers' choice in paying fines, and achieved this by introducing the facility to pay a range of police-issued fixed penalties online. Between 2010-11 and 2016-17 the proportion of fines payment transactions that are automated has risen from 2% to 44%. Over 215,000 transactions with a value in excess of £8m were fully automated in 2016-17.



Online fine payment is increasingly popular with our customers

Business levels in the courts remain substantial, with the **summary criminal** caseload the most significant across all court business. Over 112,000 summary criminal cases were registered in 2016-17, many of which require accused persons to appear from custody³¹. Our **courts to prison video links** project now provides the technology for 15 locations to conduct full committal hearings, with Dumfries, Lerwick, Kirkcaldy, Peterhead, Stranraer, Tain, Wick and Stornoway additionally capable of conducting custody intermediate diets. As the technology to conduct hearings of this nature remotely is installed across an increasing proportion of our estate we will continue working with partners to ensure that it is fully exploited, so that the efficiencies which can be created by reducing movement of accused persons are fully realised.

³¹ A summary of business levels across all the main jurisdictions supported by the SCTS for 2016-17 (and the 2 preceding years) is provided at annex 1.

Ensuring that waiting periods between when a trial is fixed and when it takes place are not excessive is important. The summary justice process should conclude within reasonable timescales. Through the concerted activity of the **court workload programme** this period has now returned to within the 17-week period considered optimal for summary criminal cases in quarters 3 and 4 of 2016-17. Sheriff Summary waiting periods have reported green throughout the year. In the Justice of the Peace court these returned to green in the second half of 2016-17, having exceeded their target for the preceding two years. The proportion of summary trials adjourned with no evidence led reduced to 31% by the end of the year – the lowest in the past 2 years. Whilst these figures are encouraging and demonstrate that those working in the system are doing all they can to manage cases effectively, the high level of adjournments and “churn” suggest that more fundamental reform may be required to deliver major improvement.

SCTS has taken the lead in considering the shape such reform might take through the work of the **Evidence and Procedure Review**. Throughout 2016-17 we have led the further development of proposals intended to transform the way in which our criminal justice system operates. Combining improved use of technology with a holistic assessment of the system, the work of the Review examines how best to modernise our criminal justice system – and has been developed consultatively across the justice system.

The recently published **Evidence and Procedure Review: A New Model for Summary Criminal Court Procedure**³² develops propositions intended to tackle the issues currently faced by the system. Over the spring of 2017, SCTS will lead a series of discussion events around Scotland to hear views from all interested individuals and groups on the propositions, with a view to that analysis being presented to the Scottish Government as the basis for developing the next phase of justice reform.



Technology provides opportunities for improvement

In November 2016 **Simple Procedure**³³ rules for civil cases were introduced, designed to produce a speedy, inexpensive and informal way to resolve disputes. The new rules, which were prepared by the Scottish Civil Justice Council³⁴, are designed with the party litigant in mind, using accessible language and incorporating user-friendly guidance within the rules and forms themselves – making it more straightforward to follow the

³²

<https://www.scotcourts.gov.uk/docs/default-source/SCS-Communications/epr--a-new-model-for-summary-criminal-court-procedure.pdf?sfvrsn=7>

³³

<https://www.scotcourts.gov.uk/rules-and-practice/rules-of-court/sheriff-court--civil-procedure-rules/simple-procedure-rules>

³⁴

<http://www.scottishciviljusticecouncil.gov.uk/>

litigation process and marking a shift away from technical legal language of the past.

The **transfer of administration of reserved tribunals** from Her Majesty's Courts and Tribunals Service to the SCTS was proposed in the recommendations of the Smith Commission³⁵. This looks set to be a significant undertaking over the coming years, preparations for which are already under way. We have established a programme board in order to develop a well-managed approach to any future transfer, in consultation with the relevant UK Government Departments. That Board has met throughout the year and has commenced development of a detailed feasibility study in order to provide a clear and shared understanding of how the transfer will take place. Final agreement on the terms of any transfer between the UK and Scottish Governments is awaited.

The Smith Commission

Report of the Smith Commission
for further devolution of powers
to the Scottish Parliament

27 November 2014

The proposals from the Smith Commission recommended the transfer of administration of reserved tribunals to SCTS

³⁵

http://webarchive.nationalarchives.gov.uk/20151202171017/http://www.smith-commission.scot/wp-content/uploads/2014/11/The_Smith_Commission_Report-1.pdf

DIGITAL INNOVATION STRATEGIC PRIORITY 6

We aim to place digital innovation at the centre of our service delivery, making sure that our services maximise the opportunities afforded by technology to create better processes, provide easy access and sharing of information, and provide courtrooms with the technology to minimise physical appearance and support quicker outcomes.

Over the course of 2016-17 investment in our digital infrastructure has continued, ensuring it will be able to manage increased usage, respond to cyber security risks and support new system development. That development commenced in earnest with the launch of a major new case management system.

Infrastructure Development

Throughout 2016-17 we built upon the significant upgrades of recent years. Our **Wide Area Network** has now been installed in every location (with the exception of Dunoon) allowing the estate to benefit from improved network performance and security. Having successfully installed **Wi-Fi** in several major locations in 2015-16, we implemented a national roll-out this year, providing a robust and secure guest wireless service to professional court users across Scotland. SCTS devices are configured for use on the corporate network, allowing staff to remain connected beyond their desks.

Advances in technology increase the potential for cyber-attacks. To mitigate that risk our IT Unit have continued with essential upgrade works - replacing end of life systems, improving our IT backbone and testing security against potential breaches.

We have continued our participation in the **Public Services Network**³⁶ (PSN) accreditation process, driving further improvements in security to safeguard the sensitive data we exchange with the Police, Crown and other partners.

In order to support secure remote access to our network a new **Virtual Private Network**, was rolled-out to judiciary and staff using laptops for remote or multi-location working. This provides an "in the office experience" with the ability to create a secure link to the SCTS network over most public and private WiFi networks.



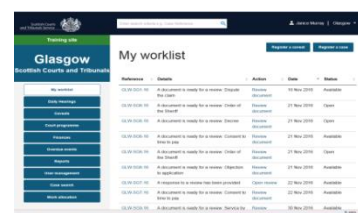
Providing network security is a priority

Technology Development

Year two of a five-year programme to deliver **upgraded courtroom technology** has delivered considerable investment. Our annual target of upgrading 20 courtrooms was exceeded by the end of the year. These upgrades facilitate greater use of online transactions, video conferencing and digital evidence presentation.

³⁶ Further info on PSN can be found at: <https://www.gov.uk/government/groups/public-services-network>

Our new **Integrated Case Management System** (ICMS) for civil cases was launched across the Sheriff Courts in October 2016. ICMS replaces an end of life system, providing a more robust, flexible, case management platform – capable of refinement as court rules and practices change. It also paves the way towards greater digital case management and evidence presentation.



The new ICMS System

The system has been operational from October 2016, with over 32,000 cases registered and 21,000 disposals processed by February 2017. Its introduction has proved to be more challenging than anticipated. A rolling programme of updates to improve functionality has been implemented and the decision was taken in-year to focus on the sheriff courts, deferring introduction of the online case submission portal and roll-out to the Court of Session. Ensuring lessons are learned from this phase is key – an evaluation was conducted in early 2017 – and a "road-map" setting out proposals for development is being produced, to ensure these are well-managed, sequenced and kept under review.

PURPOSEFUL COLLABORATION WITH JUSTICE BODIES

STRATEGIC PRIORITY 7

We aim to work with other justice bodies to keep under broad review how the justice change agenda is being managed and communicated and to work on collaborative initiatives to reduce costs and to drive improvement in the efficient delivery of justice.

Whilst the separation of powers within Scotland's justice system is essential to maintain constitutional principles – including the independence of the judiciary – it is crucial that the agencies making up that system work together effectively, managing day to day business and developing future reform that will improve the system as a whole.

SCTS works with its justice partners through participation in the Justice Board for Scotland³⁷ supporting implementation of the **Strategy for Justice in Scotland**³⁸. Over the course of this year we have been involved in work to update the strategy, which will be refreshed in the course of 2017. SCTS has also supported Sheriffs Principal in their leadership of **Local Criminal Justice Boards** across the country: providing information and analysis to support efficient joint working and system improvement.

Throughout the year preparations have been under way between justice partners to ensure effective implementation of the Community Justice (Scotland)

Act 2016. Under the terms of the Act SCTS is, from April 2017, a named statutory partner in the newly created local **Community Justice Partnerships**³⁹. The partnerships allow a range of agencies to work together to prevent and reduce reoffending and the harm it causes – by supporting and managing people to successfully reintegrate into the community. SCTS is required to participate in the planning, delivery and evaluation of community justice services but must do so only to the extent it does not conflict with our statutory duties of supporting the courts and the independent decisions of the judiciary.



The Scottish Civil Justice Council⁴⁰ (SCJC) has continued its work to implement the policy set out in the Courts Reform (Scotland) Act 2014, drafting new rules of court. The SCJC is fully supported by staff of the SCTS. In November 2016, the first phase of civil Simple Procedure, enabled by the 2014 Act, was successfully

brought into force, supported by the newly drafted **Simple Procedure Rules**⁴¹. Over time these rules will fully replace the existing Summary Cause and Small Claim rules making the civil court process more accessible.



The **Scottish Sentencing Council**⁴² (SSC) is an independent advisory body responsible for producing and preparing sentencing guidelines for the courts, publishing guideline judgments, promoting sentencing consistency, and improving awareness and understanding of sentencing across Scotland. Established in October 2015 SCTS staff support the Council in delivering its remit. Over the course of 2016-17 the Council has moved from establishment into full operation, with the publication of its first 3-year business plan⁴³ in October 2016.

³⁷ Justice Board for Scotland:
<http://www.gov.scot/Topics/Justice/justicestrategy/justice-board>

³⁸ Justice Strategy:
<http://www.gov.scot/Topics/Justice/justicestrategy>

³⁹<http://www.legislation.gov.uk/asp/2016/10/contents/enacted>

⁴⁰
www.scottishciviljusticecouncil.gov.uk/

⁴¹ <https://www.scotcourts.gov.uk/rules-and-practice/rules-of-court/sheriff-court---civil-procedure-rules/simple-procedure-rules>

⁴²
<https://www.scottishsentencingcouncil.org.uk/>

⁴³
<https://www.scottishsentencingcouncil.org.uk/media/1320/business-plan-2015-18-for-sg.pdf>

Promoting collaboration and access between justice organisations is an important function of the SCTS, but we are keen to ensure that Scotland's courts, tribunals and their work are open to the public at large. The principle of **open justice** is long-established and members of the public are free to observe court business across the country – ensuring that justice can be seen to be done. We also welcome visitors through the doors in a variety of other ways.

Thirteen court buildings around the country were opened for **Doors Open Day** events in 2016 which drew in more than 9,600 people who enjoyed a variety of experiences: from mock trials to cell visits, with a broad range of ages and nationalities taking the opportunity to learn about the history of our legal system, the courts and some of the cases that have shaped our law.



Doors Open Day is always popular in Edinburgh

Over 350 **community events** were organised across our estate in 2016 ranging from school visits to university role-play assessments, such as those organised in collaboration with Glasgow University. International interest in the Scottish system remains high – in the course of

2016 we accommodated a range of overseas visitors, including a delegation of students from Texas and a visit from a group of judges from the People's Republic of China.



Judges from China and Scotland side by side



Court visits provide students with valuable learning experiences

2016-17 marked the end of a the 2014-17 corporate planning period for SCTS and the beginning of a new three-year planning period. Throughout 2016-17 we have been developing our **Corporate Plan 2017-20**, consulting with staff, senior managers and other justice organisations to ensure that we set meaningful and well-informed priorities for the coming three years.

Development of the plan involved a majority of our staff offering their views on the strengths and weaknesses of the organisation at engagement events, an analysis of the future trends, challenges and opportunities the organisation is likely to face over the coming 10 years and the establishment of a Board working group to provide insight and direction. The new 3-year plan was completed in April 2017.



The new SCTS Corporate Plan

FUNDING & BEST VALUE

STRATEGIC PRIORITIES 8 & 9

We aim to provide a stable, efficient, proportionate financial base that will allow us to implement the justice reforms, continually improve our services and be sustainable in the long term.

The **financial statements** that make up the latter part of this report set out how we have managed our income and expenditure over the 2016-17 financial year. Public sector resources remain constrained, underpinning the need for strong governance and financial stewardship. Over the course of the year we have:

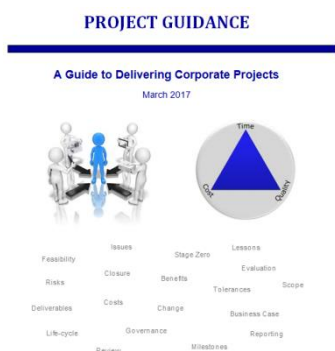
- delivered the core services in the courts, tribunals and OPG, maintaining positive customer service ratings and user feedback;
- tackled legacy issues, such as further reducing levels of outstanding backlog maintenance on the estate; and
- invested sensibly in new systems and infrastructure, including upgrades to courtroom technology and the introduction of a wireless network across our extensive estate.

Our dedicated Finance business unit has continued to implement a number of changes to the way in which it supports the work of the organisation as a whole.

Finance business partners were introduced towards the end of 2015-16 and, over the course of this year, have provided effective points of contact and dedicated

support to business areas. This has led to improved understanding of key processes and strengthened subject-matter knowledge within the finance team itself.

We continue to ensure that significant changes to the way in which we work are managed using appropriate **project management** disciplines. Over the course of the year revised project guidance has been developed, the aim of which is to increase understanding of project management and delivery, supporting those involved by developing key forms and templates that are easy to use. Oversight of key projects continued to be provided by the relevant programme boards – with the Executive Team updated on progress at their regular formal meetings.



Our new project guidance takes a proportionate approach

The greatest asset of the SCTS in terms of continuous improvement and delivering

best value is its people. Often those working with a system or process day-to-day are best placed to understand where it can be improved.



Small improvements making big differences with "TIG"

Recognising this we established the **Technology and Innovation Group** in 2015 – a staff forum for capturing ideas for development and improvements. "TIG" meets quarterly, involving staff from across the organisation, facilitated by our Business Development team. A total of 19 new ideas were submitted from across the organisation this year – 10 of which were accepted and either have been or will be developed. The forum also provides an opportunity for staff from across the organisation to network, sharing thoughts, ideas and experiences.

Eric McQueen
Chief Executive
28 August 2017



2. Accountability Report

2.1 Corporate Governance Report

2.1.1 Directors' Report

Membership of the SCTS Board

The Lord President of the Court of Session, the Rt. Hon. Lord Carloway, is Chairman of the SCTS Board. The Board includes 13 other members – 7 members selected from the judiciary and 6 non-judicial members.

Members of the SCTS Board 2016-17

Judicial Members

- The Rt. Hon. Lord Carloway, Lord President
- The Rt. Hon. Lady Dorrian – installed as Lord Justice Clerk, 26 April 2016
- The Rt. Hon. Lady Smith
- Sheriff Principal Duncan Murray
- Sheriff Grant McCulloch
- Sheriff Iona McDonald
- Mrs Johan Findlay OBE, JP
- Dr Joseph Morrow QC

Non-judicial Members

Chief Executive

Mr Eric McQueen

Advocate Member

Dr Kirsty J Hood QC

Solicitor Member

Mr Simon Catto

Members external to the justice system

Professor R Hugh MacDougall
Mr Joe Al-Gharabally
Col. David McIlroy

At the end of 2016-17 all 14 Board positions were filled.

Board Meetings & Operation

The SCTS has made Standing Orders⁴⁴ under which it conducts its business and has established Standing Committees to provide specific assurance and scrutiny of performance and advice to the full SCTS Board. Over the course of 2016-17 these committees were:

- People Committee.
- Estates, Health and Safety, Fire and Security Committee.
- Audit and Risk Committee.
- Remuneration Committee.

The SCTS Board met on 7 occasions in 2016-17. Committees met quarterly, with the exception of the Remuneration Committee which met once to review the remuneration of SCTS members who are not salaried public servants. Copies of the minutes of meetings and Committee remits can be found at www.scotcourts.gov.uk.

⁴⁴ SCTS Standing Orders – available at: <http://www.scotcourts.gov.uk/docs/default-source/scs-board/scts-standing-orders---updated-june-2017.pdf?sfvrsn=2>



The SCTS Board – 2016-17

Standing row (left to right – Eric McQueen, Dr Kirsty J Hood QC, Sheriff Principal Duncan Murray, Sheriff Grant McCulloch, Dr Joseph Morrow QC, Johan Findlay JP OBE, Col. David McIlroy, Rt. Hon Lady Dorrian

Seated row (left to right) – Professor Hugh MacDougall, Rt. Hon. Lady Smith, Rt. Hon. Lord Carloway (Chair), Sheriff Iona McDonald, Simon Catto, Joe Al-Gharabally

Board Members' Register of Interests

The following offices & interests were registered by members who served on the Board in 2016-17:

Name	Directorships	Appointments <i>ex officio</i>	Trusteeships	Other Appointments and Interests
Lord President – The Rt. Hon. Lord Carloway	None	None	Trustee, Scottish Arts Club	None
Lord Justice Clerk - The Rt. Hon. Lady Dorrian	Cranley School Ltd Glenside Court Ltd Franco - British Lawyers Society Ltd	Commissioner of the Honours of Scotland Senior Commissioner, Queen Victoria School, Dunblane	Cranley Trust Faculty of Advocates 1985 Trust Scottish Arts Club	None
Rt. Hon. Lady Smith	None	None	President and Trustee - Friends of the Music of St Giles Cathedral	Chair - Scottish Child Abuse Inquiry Honorary Bencher - Gray's Inn



Name	Directorships	Appointments ex officio	Trusteeships	Other Appointments and Interests
Sheriff Principal Duncan Murray	None	Commissioner, Northern Lighthouse Board Trustee Kibble Education and Care Centre	None	None
Sheriff Iona McDonald	None	Deputy Lieutenant for Ayrshire and Arran	None	Partner in property rental firm - IJI
Sheriff A Grant McCulloch	None	Chair West Fife Education Trust	None	Chair Relationship Scotland - Couple Counselling Fife Committee Member Cammo Residents Association Chair - Discipline Committee ICAS
Johan Findlay JP OBE	None	Honorary Sheriff Justice of the Peace	None	None
Dr Joseph Morrow QC	None	Lord Lyon King of Arms Member of Judicial Council	Trustee, Munday Trust, Dundee Trustee, Kidney Trust, Dundee Trustee, Tealing Community Hall	Legal Assessor, South Episcopal Church President, Society of Messengers at Arms President, Scottish Genealogical Society Patron, Scottish Family History Society
Dr Kirsty J Hood QC	None	None	None	Self Employed Advocate Regular ad hoc employment with the University of Edinburgh – delivering seminars on one of the LLB courses Regular ad hoc employment with the University of Glasgow - delivering

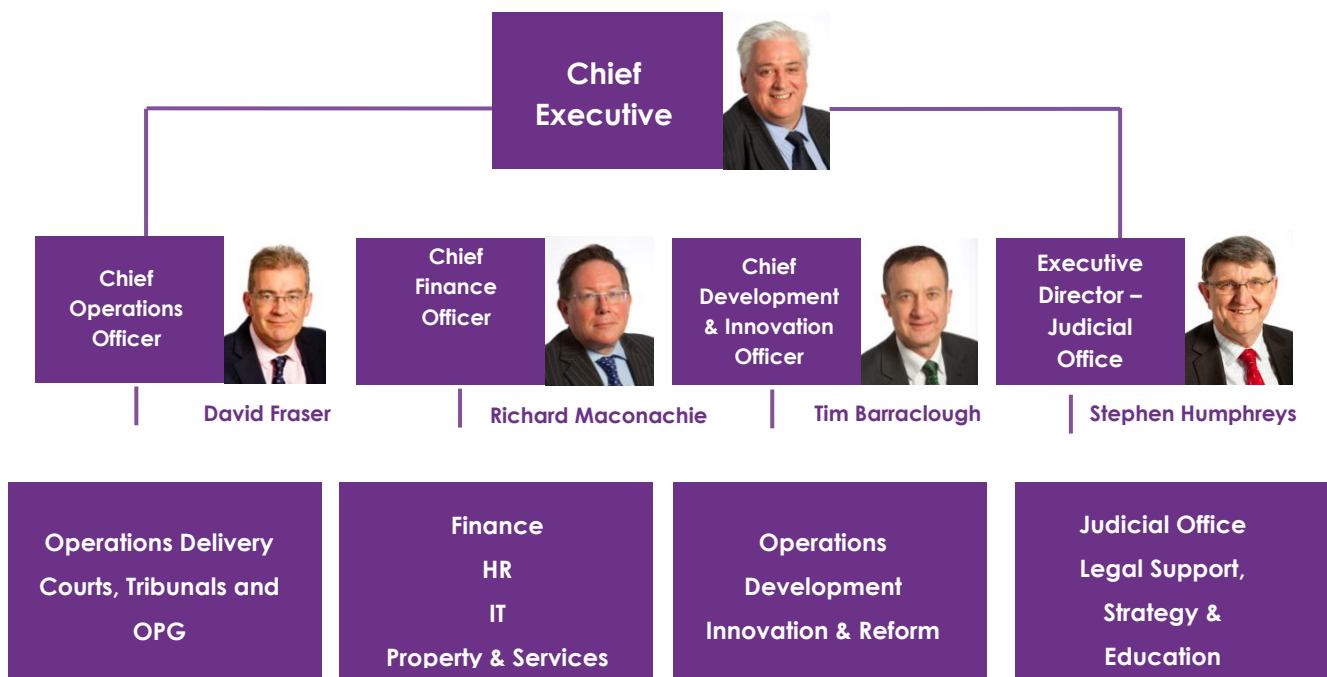


Name	Directorships	Appointments <i>ex officio</i>	Trusteeships	Other Appointments and Interests
				<p>lectures/seminars on one of the LLB courses</p> <p>Contributor of updates to "Scottish Lawyers Factbook" (W Green. Publishers)</p> <p>Clerk of Faculty - Faculty of Advocates (non-remunerated)</p> <p>Member of the Scottish Committee of Franco-British Lawyers Society (non-remunerated)</p> <p>Contributor of updates to "Scottish Family Law Service" (LexisNexis, Publishers).</p>
Simon J D Catto	None	None	None	<p>Member Gateley (Scotland) LLP: Head of Litigation</p> <p>Member of Cornerstone Exchange LLP</p> <p>Member of Cornerstone Exchange No2 LLP</p> <p>Member of Exchange Tower Property LLP</p>
Professor R Hugh MacDougall	None	None	<p>Eriska Trust</p> <p>Cunningham Trust</p> <p>Cross Trust</p> <p>St Columba's Hospice</p>	<p>Visiting Professor University of Edinburgh</p>
Joe Al-Gharabally	Ernst & Young	None	None	None
Col. David McIlroy	None	None	None	Independent Prison Monitor
Eric McQueen	None	Member of the Scottish Civil Justice Council	None	None

The SCTS Executive Team

The SCTS Board has responsibility for directing and controlling the major activities of the SCTS. Delivery of business in accordance with agreed plans is delegated to the Chief Executive and the SCTS Executive team which, in 2016-17, included Richard Maconachie (Chief Finance Officer), David Fraser (Chief Operations Officer appointed substantively on 14 April 2016), Tim Barraclough (Chief Development and Innovation Officer), and Stephen Humphreys, Executive Director, Judicial Office for Scotland – who has overall responsibility for the management of the Judicial Office for Scotland⁴⁵ and is accountable to the Lord President for the functions of that office.

SCTS Executive Team 2016-17



⁴⁵ The Judicial Office for Scotland was established to support the Lord President in fulfilling his responsibilities under Part 2 of the Judiciary and Courts (Scotland) Act 2008, as formal head of the Scottish judiciary. For more information see <http://www.scotland-judiciary.org.uk/23/0/Judicial-Office-for-Scotland>



Information Security

Information management remains a key area of focus. The risk of loss of sensitive or personal data is a key corporate risk. All courts, tribunals and business units maintain Information Asset Registers that are reviewed regularly. Assurance is sought from Directors on the effectiveness of relevant controls annually.

The SCTS has concluded discussions with National Records of Scotland (NRS) over its Records Management Plan and in April 2017 began, in partnership with NRS, a 12 month National Sheriff Court Record Survey. This project involves a dedicated NRS archivist surveying Sheriff Court record-keeping arrangements across Scotland in order to assess the arrangements and recommend improvement actions.

The risks associated with information management are mitigated through appropriate certification of key systems and regular reviews of current and emerging issues. The SCTS Executive Team receives regular updates on information management risks and any potential breaches are reported to them in early course. One data breach that may have originated within the SCTS was self-reported to the Information Commissioner's Office (ICO) during the year to March 2017, with the ICO concluding that no formal enforcement action was required. The ICO closed the outstanding investigation detailed in the 2015-16 Annual Report and Accounts in respect of a bail order posted on Facebook – concluding that there was no evidence that the paper was left unsecured or that any

staff had breached SCTS policies. The ICO also investigated to a conclusion three separate complaints made by members of the public in relation to the handling of Subject Access Requests.

The SCTS remains committed to enforcing robust standards for information management and to ensuring compliance with data protection and other legal requirements. Plans will be implemented to update training and guidance materials and improve data incident reporting processes during 2017-18 as a part of the preparations for the General Data Protection Regulation taking effect in May 2018.

Update on Data Breaches

Date	Data Incident	Information	Outcome
July 2016 ICO self-referral	Loss – at an unknown stage – of an unencrypted data stick that contained sensitive personal information	Personal information (historical case records)	ICO concluded no formal enforcement action was required: a breach had occurred and recommended the SCTS modify procedure to avoid reoccurrence



2.1.2 Statement of Accountable Officer's Responsibilities

Statement of the Disclosure of Information to Auditors

So far as the Accountable Officer is aware:

- there is no relevant audit information of which the SCTS's auditors are unaware.
- the Accountable Officer has taken all steps that he ought to have taken to make himself aware of any relevant audit information, and to establish that the entity's auditors are aware of this information.

Statement of Corporate Body's and Chief Executive's Responsibilities

Under section 19(4) of the Public Finance & Accountability (Scotland) Act 2000, the Scottish Ministers have directed the SCTS to prepare a statement of accounts for each financial year in the form and on the basis set out in the direction on page 79 at the end of these accounts.

The accounts are prepared on an accruals basis and must give a true and fair view of the SCTS's state of affairs at the year-end and of its income and expenditure, recognised gains and losses and cash flows for the financial year.

In preparing accounts the Accountable Officer is required to comply with the requirements of the Government Financial Reporting Manual and the Scottish Public Finance Manual and in particular to:

- observe the accounts direction issued by the Scottish Ministers, including the relevant accounting and disclosure requirements, and apply suitable accounting policies on a consistent basis.
- make judgements and estimates on a reasonable basis.
- state whether applicable accounting standards as set out in the Government Financial Reporting Manual have been followed, and disclose and explain any material departures in the financial statements.

- prepare the financial statements on a going concern basis.

The Accountable Officer is required to confirm that the annual report and accounts as a whole is fair, balanced and understandable and that he or she takes personal responsibility for the annual report and accounts and the judgments required for determining that it is fair, balanced and understandable.

The Principal Accountable Officer of the Scottish Administration has designated the Chief Executive of the SCTS as the Accountable Officer for the SCTS. The relevant responsibilities as Accountable Officer, including responsibility for the propriety and regularity of the public finances and for the keeping of proper records, are set out in the Accountable Officers' Memorandum issued by the Principal Accountable Officer of the Scottish Administration.



2.1.3 Governance Statement

Scope of Responsibility

As Accountable Officer, I have responsibility for maintaining a sound system of governance that supports the achievement of SCTS policies, aims and objectives, whilst safeguarding the public funds and assets for which I am personally responsible, in accordance with the responsibilities assigned to me.

The corporate body is referred to less formally as the Board of the SCTS and is chaired by the Lord President, who is also Head of the Scottish Judiciary. The SCTS is established as a part of the Scottish Administration but outside of Scottish Government.

A Framework Agreement exists between the SCTS and the Scottish Ministers. This makes clear the requirement that the SCTS is to follow the principles contained in the Scottish Public Finance Manual (SPFM).

Purpose of the Governance Framework

The governance framework comprises the systems and processes, culture and values by which the SCTS is directed and controlled. It enables the SCTS to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that framework and is designed to

manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the SCTS's policies, aims and objectives to evaluate the likelihood of those risks being realised, the impact should they be realised, and to control and manage them efficiently, effectively and economically.

The governance framework has been in place across the SCTS for the full year ending 31 March 2017 and up to the date of approval of the statement of accounts.

The Scottish Courts and Tribunals Service Governance Framework

Details of the overarching Governance arrangements can be found in the Director's Report, pages 28-33. These structures are supported by the risk and control framework in place across the organisation.

The governing board of the SCTS is the SCTS Board – further information on the operation, meetings and membership of the Board during 2016-17 can be found in the Directors' Report at pages 28-33.

Risk and Control Framework

The Executive Team reviews corporate risks at each of their

formal meetings. The Audit and Risk Committee independently reviews the appropriateness of the risk control arrangements and reports to the Board at least annually. The Board and the Audit and Risk Committee jointly review and assess corporate risks and controls annually at a workshop session (the most recent session took place in January 2017).

Further detail on key issues and risks including a summary and mapping of the corporate risk profile can be found at section 1.1.4 of the Performance Report, pages 8-10.

Risk management is embedded in our operational activities as follows:

Risk owners identify risks relating to their functions/business plan objectives and manage their risks through the use of the corporate risk management framework. Risk registers are reviewed regularly through agreed corporate processes to ensure that assessments and mitigations are current and appropriate. Part of this regular review entails identifying risks that should be escalated to corporate level.

Project and programme risks are managed through formal project management disciplines under the aegis of the SCTS Project Control Framework, which is maintained by the corporate Projects and Risk team. A key component of the framework is the assurance role carried out by the organisation's 4 programme boards, namely:

Governance Statement (cont.)

- the Effective Courts and Tribunals programme board;
- the Infrastructure Board;
- the People programme board; and
- the Innovation and Process Improvement programme board.

Review of Effectiveness

As Accountable Officer, I have responsibility for reviewing the effectiveness of the governance system. My review is informed by our:

- **Executive Directors**, who have responsibility for the development and maintenance of the governance system. They provide me with a certificate of assurance covering risk management and control, business planning, financial management, procurement, people management, security and health and safety. The issues are rated under the same categories used by internal audit (substantial, reasonable, limited or insufficient) and I am pleased to say that they provided me with overall substantial assurance that controls were operating effectively.
- **Corporate Systems**, which provide data on financial management, risk management, performance management and people management. The data from these systems has been reviewed and on the basis of the work

completed and the related management responses they provided substantial assurance in overall terms.

- **The Health and Safety and Security Works Committee**, which meets regularly and has external representation. It reviews our own assessments of risks and any specific issues that are raised – and monitors any actions required to address those issues.
- **Internal Audit**, who attend all SCTS Audit and Risk Committee meetings. They provide regular reports including the Head of Internal Audit's independent and objective opinion on the adequacy and effectiveness of the organisation's systems of internal control together with recommendations for improvement. On the basis of the work completed and the related management responses, they provided reasonable assurance in overall terms.
- **External Audit** who report to the Audit and Risk Committee on our controls through management letters and other reports.

The review, detailed above, provides substantial assurance of the effectiveness of the SCTS's system of governance and internal control arrangements and compliance with generally accepted best practice principles and relevant guidance. That guidance includes the Scottish Public Finance Manual and the

Scottish Government "On Board" guidance for Board Members of Public Bodies in Scotland – which is provided to all Board and Committee members as part of their induction and is used by the organisation to ensure that the principles of good corporate governance are observed.

Whistleblowing Arrangements

SCTS has arrangements in place that set out the way in which employees can raise any concerns they have about fraud, misconduct or wrongdoing by employees and/or management of the SCTS – and how those concerns will be dealt with. SCTS maintains a whistleblowing policy which is accessible to all staff. The policy is kept under periodic review. It was last reviewed by the SCTS Audit and Risk Committee in January 2017. An update on the content, operation and any instances of use of the policy features as a standing item on the work programme of the SCTS Audit and Risk Committee, ensuring the subject is considered at least annually.

The SCTS Board has identified a lead member with responsibility on whistleblowing – the chair of the SCTS People Committee, Johan Findlay JP, OBE. Any issues raised under the policy will be brought directly to the attention of the lead Board member, ensuring that both the SCTS Board and the SCTS Audit and Risk Committee can be updated whenever significant issues are raised. These arrangements are considered to be effective



and will be kept under review – both periodically through the SCTS Audit and Risk Committee and in response to any issues raised.

No instances of whistleblowing were reported in 2016-17.

Issues for management attention

Issues have been identified with the reconciliation processes in place for recognising fees and fines income, particularly with the implementation of ICMS. A misposting of £522k of fees income was identified and when adjusted has resulted in a DEL budget overspend of £486k. Finance continues to make improvements to key account reconciliations including secondary review of account reconciliations and journals.

There have been no other governance issues identified during the year in relation to the overall governance framework.

Data breaches reported to the Information Commissioner's Office during the year to March 2017 are detailed in the table on page 33.

As part of our ongoing work and as part of the assurance processes, we continue to identify areas where we can improve our governance and internal control frameworks.



2.2 Remuneration and Staff Report

Remuneration Report

Remuneration Policy

The remuneration of senior civil servants is set in accordance with the Civil Service Management Code (available at www.civilservice.gov.uk) and with independent advice from the Senior Salaries Review Body (SSRB)⁴⁶.

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

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

The Review Body takes account of the evidence it receives about wider economic considerations and

the affordability of its recommendations⁴⁷.

The remuneration of staff below senior civil service level is determined by the SCTS. In determining policy, account is taken of the need for pay to be set at a level which will ensure the recruitment, retention and motivation of staff. Also taken into account are the Government's policies on the Civil Service and public sector pay and the need to observe public spending controls.

Performance is managed through the Individual Performance Review (IPR) process. The process is designed to ensure an individual's objectives and behaviours are linked to those of the SCTS as a whole. Progression within the SCTS pay framework is dependent on successfully meeting the requirements of the IPR process.

Policy on the remuneration of Non-Executive Directors is set by the Scottish Ministers, taking into account their roles and responsibilities and remuneration levels for comparable public appointments. Final decisions on the remuneration of Non-Executive members of the SCTS, including those SCTS Board members and Committee members who are not otherwise salaried public

servants, are taken by the SCTS Remuneration Sub-Committee.

Service Contracts

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

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

Further information about the work of the Civil Service Commission can be found at www.civilservicecommission.org.uk

Appointments to the SCTS Board and Sub-Committees, other than for the ex officio members (the Lord President, Lord Justice Clerk, President of the Scottish Tribunals and SCTS Chief Executive) are for a time limited period, as set out within each individual's appointment letter.

⁴⁷ Further information on Senior Civil Service pay and performance can be found at <http://www.civilservice.gov.uk/recruitment/working/pay-and-reward/scs-pay>

⁴⁶ www.ome.uk.com

**Remuneration (Salary and Pension Benefits) – subject to audit**

Board Members	Salary		Pension Benefits ⁴⁸		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
	£'000	£'000	£'000	£'000	£'000	£'000
Mr Eric McQueen	95-100	100-105	20	30	115-120	130-135
Mrs Johan Findlay JP OBE	0-5	0-5	-	-	0-5	0-5
Mr Anthony McGrath (to 31 December 2015)	-	0-5	-	-	-	0-5
Professor Hugh MacDougall	0-5	0-5	-	-	0-5	0-5
Dr Kirsty J Hood	0-5	0-5	-	-	0-5	0-5
Simon J D Catto	0-5	0-5	-	-	0-5	0-5
Mr Joe Al-Gharabally	0-5	0-5	-	-	0-5	0-5
Col. David McIlroy	0-5	0-5	-	-	0-5	0-5

Executive Directors	Salary		Pension Benefits		Total	
	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
	£'000	£'000	£'000	£'000	£'000	£'000
Mr Stephen Humphreys	70-75	70-75	15	23	85-90	90-95
Mr Cliff Binning (to 29 April 2016)	10-15 (70-75 full year equivalent)	70-75 (restated)	41	23	50-55 (110-115 full year equivalent)	95-100 (restated)
Mr Richard Maconachie	65-70	65-70	27	27	95-100	95-100
Mr David Fraser	70-75	70-75	16	46	85-90	120-125
Mr Tim Barraclough (from 1 July 2016)	50-55 (70-75 full year equivalent)	-	11	-	60-65 (80-85 full year equivalent)	-

⁴⁸ The value of pension benefits accrued during the year is calculated as (the real increase in pension multiplied by 20) plus (the real increase in any lump sum) less (the contributions made by the individual). The real increases exclude increases due to inflation or any increase or decreases due to a transfer of pension rights.

Salary

Salaries in the above tables relate to SCTS employment only and do not include any other earnings from positions elsewhere in the Civil Service. Salary includes gross salary and any allowances. There were

five members of Committees out with the Board who each received remuneration of £1,236 in 2016-17 (£1,224 in 2015-16). The judicial Board members are remunerated by Scottish Government.

Bonus Payments and Benefits in Kind

No bonus payments or benefits in kind were paid during the year

	Accrued pension at pension age as at 31/03/17 and related lump sum	Real increase in pension and related lump sum at pension age	
	£'000	£'000	
Mr Eric McQueen	40-45 plus a lump sum of 125-130	0-2.5 plus a lump sum of 2.5-5	
Mr Stephen Humphreys	30 - 35 plus a lump sum of 100 - 105	0 - 2.5 plus a lump sum of 2.5 - 5	
Mr Cliff Binning	35 - 40 plus a lump sum of 110 - 115	0 - 2.5 plus a lump sum of 5 - 7.5	
Mr Richard Maconachie	0-5	0-2.5	
Mr David Fraser	30 - 35 plus a lump sum of 90 - 95	0 - 2.5 plus a lump sum of 2.5 - 5	
Mr Tim Barraclough	20 - 25 plus a lump sum of 80 - 85	0 - 2.5 plus a lump sum of 0 - 2.5	

	CETV at 31/03/17	CETV at 31/03/16	Real increase in CETV
	£'000	£'000	£'000
Mr Eric McQueen	817	767	16
Mr Stephen Humphreys	783	735	15
Mr Cliff Binning	839	777	40
Mr Richard Maconachie	67	45	16
Mr David Fraser	613	574	13
Mr Tim Barraclough	413	381	16

The Civil Service Pension Scheme

Pension benefits are provided through the Civil Service pension arrangements. From 1 April 2015 a new pension scheme for civil servants was introduced – the Civil Servants and Others Pension Scheme or **alpha**, which provides benefits on a career average basis with a normal pension age equal to the member's State Pension Age (or 65 if higher). From that date all newly appointed civil servants and the majority of those

already in service joined **alpha**. Prior to that date, civil servants participated in the Principal Civil Service Pension Scheme (PCSPS). The PCSPS has four sections: 3 providing benefits on a final salary basis (**classic**, **premium** or **classic plus**) with a normal pension age of 60; and one providing benefits on a whole career basis (**nuvos**) with a normal pension age of 65. These statutory arrangements are unfunded with the cost of

benefits met by monies voted by Parliament each year. Pensions payable under **classic**, **premium**, **classic plus**, **nuvos** and **alpha** are increased annually in line with Pensions Increase legislation. Existing members of the PCSPS who were within 10 years of their normal pension age on 1 April 2012 remained in the PCSPS after 1 April 2015. Those who were between 10 years and 13 years and 5 months from their normal

pension age on 1 April 2012 will switch into **alpha** sometime between 1 June 2015 and 1 February 2022. All members who switch to **alpha** have their PCSPS benefits 'banked', with those with earlier benefits in one of the final salary sections of the PCSPS having those benefits based on their final salary when they leave **alpha**. (The pension figures quoted for officials show pension earned in PCSPS or **alpha** – as appropriate. Where the official has benefits in both the PCSPS and **alpha** the figure quoted is the combined value of their benefits in the two schemes.) Members joining from October 2002 may opt for either the appropriate defined benefit arrangement or a 'money purchase' stakeholder pension with an employer contribution (**partnership** pension account).

Employee contributions are salary-related and range between 3% and 8.05% of pensionable earnings for members of **classic** (and members of **alpha** who were members of **classic** immediately before joining **alpha**) and between 4.6% and 8.05% for members of **premium, classic plus, nuvos** and all other members of **alpha**. Benefits in **classic** accrue at the rate of 1/80th of final pensionable earnings for each year of service. In addition, a lump sum equivalent to three years initial pension is payable on retirement. For **premium**, benefits accrue at the rate of 1/60th of final pensionable earnings for each year of service. Unlike **classic**, there is

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

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

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

The Principal Civil Service Pension Scheme (PCSPS) and the Civil Servant and Other Pension Scheme (CSOPS) – known as "alpha" are unfunded multi-employer defined benefit schemes but Scottish Courts and Tribunals Service is unable to identify its share of the underlying assets and liabilities. The scheme actuary valued the scheme as at 31 March 2012. Details can be found in the resource accounts of the Cabinet Office: Civil Superannuation here: <http://www.civilservicepensionscheme.org.uk/about-us/resource-accounts/>

For 2016-17, employers' contributions of £7,403k were payable to the PCSPS (2015-16 £7,167k) at one of four rates in the range 20.0% to 24.5% (2015-16 20.0% to 24.5%) of pensionable earnings, based on salary bands. The Scheme Actuary reviews employer contributions, usually every four years, following a full scheme valuation. The contribution rates are set to meet the cost of the benefits accruing during 2015-16 to be paid

when the member retires and not the benefits paid during this period to existing pensioners.

Employees can opt to open a partnership pension account, a stakeholder pension with an employer contribution. Employers' contributions of £98k (2015-16, £99k) were paid to one or more of the panel of three appointed stakeholder pension providers. Employer contributions are age-related

and range from 8% to 14.75% of pensionable earnings. Employers also match employee contributions up to 3% of pensionable earnings. In addition, employer contributions of £3k (2015-16 £4k) 0.5% of pensionable pay, were payable to PCSPS to cover the cost of the future provision of lump sum benefits on death in service or ill health retirement of these employees.

Cash Equivalent Transfer Values

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

The figures include the value of any pension benefit in another scheme or arrangement which the

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

Real increase in CETV

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

Fair Pay Disclosure (subject to audit)

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

The banded remuneration of the highest-paid Director in the SCTS in the financial year 2016-17 was £95,000 - £100,000 (2015-16, £100,000 - £105,000). This was 4.74 times (2015-16, 5.03) the median remuneration of the workforce, which was £20,215 (2015-16, £19,815). The median remuneration does not include any additional allowances or overtime due to data availability.



In 2016-17, remuneration (excluding the highest paid director) ranged from £16,549 to £72,404 (2015-16:

£12,637 to £71,982). In 2016-17, no employees (2015-16: nil) received remuneration in

excess of the highest paid director.

	2016-17	2015-16
Band of Highest Paid Director's Total Remuneration (£'000)	95-100	100-105
Median Total Remuneration (£)	20,215	19,815
Ratio	4.74	5.03

Staff Report

As at 31 March 2017 there were 1,727 Staff in post and 9 Non-Executive Directors. The split across grades, gender and business areas is detailed in the tables below. This information is subject to audit.

Grade	Number of Staff (Headcount)	Female	Male
CEO & Executive Directors ⁴⁹	5	-	5
Director	13	6	7
Senior Manager	43	26	17
Senior Executive Officer	125	72	53
Higher Executive Officer	172	112	60
Executive Officer	431	306	125
Administrative Officer & Clerk/Typist	597	452	145
Typists	6	6	-
Administrative Assistants & Support Grades	335	162	173
Total	1,727	1,142	585
Non-Executive Director	9	3	6
Total	1,736	1,145	591
Percentages of total		66%	34%

⁴⁹ Staff at this level are of an equivalent grade to senior civil service staff in the core civil service.



The table below details the average number of whole-time equivalent persons employed during the year ended 31 March 2017.

Area of Business	2016-17 No	(Restated) 2015-16 No
Headquarters and support units	157	156
Supreme Courts	157	163
Judicial Office	35	31
Office of the Public Guardian and Accountant of Court	73	73
Sheriff and JP Courts and Tribunals	1,111	1,089
Total	1,533	1,512

The table below shows the staffing costs for the year ended 31 March 2016 along with the prior year comparisons.

	2016-17 £'000	2015-16 £'000
Wages and salaries	37,679	36,606
Social security costs	3,338	2,423
Other pension costs	17,398	7,264
	58,415	46,293
Inward secondments	1,211	962
Agency, temporary and contract staff	1,402	914
Early departure costs	-	-
Early retirement costs	-	2
	61,028	48,171
Pension harmonisation costs provided for	-	-
Total	61,028	48,171

	2016-17 £'000	2015-16 £'000
Contributions paid to PCSPS	7,403	7,167

	2016-17 £'000	2015-16 £'000
Contributions paid to partnership pensions	98	99

	2016-17 £'000	2015-16 £'000
Contributions paid to Judicial pensions⁵⁰	9,898	-

⁵⁰ SCTS was responsible for making employer contributions to the Judicial Pension Scheme with effect from 1 April 2016

Sickness Absence Data

In 2016-17 a total of 23,396 days (2015-16: 21,963 days) were lost through absence equating to a lost time rate of 4.2% (2015-16: 3.9%).

Staff Employment Policies

The SCTS is an equal opportunities employer. Our resourcing policy and practices are consistent with the requirements of the Civil Service Commissioners and as a Disability Confident Employer we promote the guaranteed interview scheme for candidates with a disability who meet the minimum essential selection criteria for an advertised vacancy. An E-Learning package on "Unconscious Bias" is available for all recruiting managers on our new Personal Online Development (POD) learning support tool. POD was launched in March and allows our staff and managers to self-manage their learning and access resources that are aligned to career and personal development goals. During the year we have developed a Transgender Policy and we have worked in partnership with Stonewall to develop this and it will be launched in the next couple of months.

We are working towards obtaining Scottish Living Wage Accreditation and this will be publicised later in the year.

Our policies and procedures for occupational health mean that for staff with a disability we carry out workplace assessments and make reasonable and practical adjustments to enable individuals to make a full contribution at work. The SCTS has a protected characteristics staff group which ensures that staff members with a disability have a voice about issues which may affect them. During the year we launched our well-being initiative which has a key focus on supporting individuals to remain at work and address the stigma associated with mental ill-health.

In March 2017 we won the Scottish Top Employers for Working Families Special Award specifically for "The Carers Scotland best for Carers and Eldercare." This emphasises our continued support to Carers working within our organisation as for many years we have had a Carers Advisory Group in place.

The SCTS has a formal annual appraisal system

which covers all staff. This appraisal enables a discussion between manager and staff member about career development and training opportunities. It also allows discussion about organisational values and the need for staff to treat everyone with dignity and value diversity. Our new organisational values and behaviours were launched in April 2017 and are "Respect, Service and Excellence."

The SCTS selection and promotion policy stresses that selection decisions are made purely on merit and we carry out equal opportunities monitoring for all external recruitment campaigns. We also encourage all our employees to update their personal details on our on-line HR system to enable us to monitor the career development of staff with protected characteristics.

Exit packages

There were no exit packages agreed under the Civil Service Compensation Scheme in 2016-17. There was however one exit payment in the year which fell within the £5,000 to £10,000 cost banding.

2.3 Parliamentary Accountability Report

Losses and special payments

There were no losses or special payments made during the year.

Gifts

No gifts were made during the year.

Remote Contingent Liabilities

There are no remote contingent liabilities to disclose.

Fees and Charges

It is a legislative requirement for the SCTS to charge court fees at various stages of proceedings including, but not exclusively, registration, lodgement of motions, legal debates and proofs in the Court of Session and the Sheriff Court as well as Commissary lodgements.

Fees are also charged for work undertaken by the Office of the Public Guardian which includes, but not exclusively, issuing of Powers of Attorney

and Guardianship and by the Accountant of Court.

Fees are also charged by the Lands Tribunal for appeals.

Scottish Government policy is to set fees so as to move towards full cost recovery (including judicial costs).

The Fee Memorandum Trading Account shows the cost of delivering business in the Civil Courts. Full details of all chargeable fees are found at www.scotcourts.gov.uk/taking-action/court-fees.

Fees memorandum trading account

	Sheriff Courts £'000	Supreme Courts £'000	OPG £'000	2016-17 Total £'000	2015-16 Total £'000
Gross fees raised	20,133	5,371	5,981	31,486	29,188
Less: Fee exemptions	(1,627)	(952)	-	(2,579)	(2,479)
Net fee income	18,506	4,419	5,981	28,907	26,709
Total costs allocated	29,292	11,060	2,774	43,126	42,578
Less: Subsidy	(3,984)	(2,876)	(31)	(6,891)	(6,791)
Apportioned costs	25,308	8,184	2,743	36,235	35,787
Shortfall from full cost recovery	(5,175)	(2,813)	3,239	(4,749)	(6,599)
% cost recovery (gross fees raised divided by net recoverable costs)				87%	82%

Notes:

- The subsidy and exempt fees line includes an element of notional cost of capital charges attributable to civil business that are currently not intended to be recovered through court fees.
- The costs include notional costs for insurance.
- The 2016/17 costs include Judicial pensions costs attributable to civil business now payable by SCTS. This came into effect on 1st April 2016. Prior to this date, Judicial Pensions were met from the Scottish Government consolidated fund. Had SCTS been responsible for these costs in 2015/16, the recovery rate would have been 77%.



Eric McQueen
Chief Executive
28 August 2017

2.4 Independent Auditor's Report to the Scottish Courts and Tribunals Service, the Auditor General for Scotland and the Scottish Parliament

This report is made solely to the parties to whom it is addressed in accordance with the Public Finance and Accountability (Scotland) Act 2000 and for no other purpose. In accordance with paragraph 120 of the Code of Audit Practice approved by the Auditor General for Scotland, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.

Report on the audit of the financial statements

Opinion on financial statements

We have audited the financial statements in the annual report and accounts of the Scottish Courts and Tribunals Service for the year ended 31 March 2017 under the Public Finance and Accountability (Scotland) Act 2000. The financial statements comprise the statement of comprehensive net expenditure, the statement of financial position, the cash flow statement, the statement of changes in taxpayers' equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union, and as interpreted and adapted by the 2016/17 Government Financial Reporting Manual (the 2016/17 FReM).

In our opinion the accompanying financial statements:

- give a true and fair view in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers of the state of the body's affairs as at 31 March 2017 and of its net expenditure for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union, as interpreted and adapted by the 2016/17 FReM; and
- have been prepared in accordance with the requirements of the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

Basis of opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing in the UK and Ireland (ISAs (UK&I)). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the body in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK including the Financial Reporting Council's Ethical Standards for Auditors, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and

appropriate to provide a basis for our opinion.

Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of Accountable Officer's Responsibilities, the Accountable Officer is responsible for the preparation of financial statements that give a true and fair view in accordance with the financial reporting framework, and for such internal control as the Accountable Officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibilities for the audit of the financial statements

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable legal requirements and ISAs (UK&I) as required by the Code of Audit Practice approved by the Auditor General for Scotland. Those standards require us to comply with the Financial Reporting Council's Ethical Standards for Auditors. An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the body's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant

accounting estimates made by the Accountable Officer; and the overall presentation of the financial statements.

Our objectives are to achieve reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK&I) 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.

Other information in the annual report and accounts

The Accountable Officer is responsible for the other information in the annual report and accounts. The other information comprises the information other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except on matters prescribed by the Auditor General for Scotland to the extent explicitly stated later in this report.

In connection with our audit of the financial statements in accordance with ISAs (UK&I), our responsibility is to read all the financial and non-financial

information in the annual report and accounts to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Report on regularity of expenditure and income

Opinion on regularity

In our opinion in all material respects:

- the expenditure and income in the financial statements were incurred or applied in accordance with any applicable enactments and guidance issued by the Scottish Ministers, the Budget (Scotland) Act covering the financial year and sections 4 to 7 of the Public Finance and Accountability (Scotland) Act 2000; and
- the sums paid out of the Scottish Consolidated Fund for the purpose of meeting the expenditure shown in the financial statements were applied in accordance with section 65 of the Scotland Act 1998.

Responsibilities for regularity

The Accountable Officer is responsible for ensuring the regularity of expenditure and income. We are responsible for expressing an opinion on the regularity of expenditure and income in accordance with the Public Finance and

Accountability (Scotland) Act 2000.

Report on other requirements

Opinions on other prescribed matters

We are required by the Auditor General for Scotland to express an opinion on the following matters.

In our opinion, the auditable part of the Remuneration and Staff Report has been properly prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.

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

- the information given in the Performance Report for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers; and
- the information given in the Governance Statement for the financial year for which the financial statements are prepared is consistent with the financial statements and that report has been prepared in accordance with the Public Finance and Accountability (Scotland) Act 2000 and directions made thereunder by the Scottish Ministers.



Matters on which we are required to report by exception

We are required by the Auditor General for Scotland to report to you if, in our opinion:

- adequate accounting records have not been kept; or
- the financial statements and the auditable part of the Remuneration and Staff Report are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Gary Devlin, for and on behalf of Scott-Moncrieff
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL



3. Financial Statements

The Statements of Comprehensive Net Expenditure, Financial Position, Cash Flows and Changes in Taxpayers Equity, as well as details of accounting policies and supporting notes.

The outturn against the DEL and AME budget is shown at page 7.

**Statement of comprehensive net expenditure for the year ended 31 March 2017**

	Note	2016-17 £'000	2015-16 £'000
Expenditure			
Staff costs		61,028	48,171
Other administration costs	4	38,359	40,162
Depreciation and amortisation	6,7	13,877	12,921
Operational costs	4	18,622	19,419
Total Expenditure		131,886	120,673
Income			
Operating income	5	(3,214)	(3,100)
Income from fees and retained fines	5	(34,823)	(33,911)
Total Income		38,037	(37,011)
Net Outturn		93,849	83,662
Items that will not be reclassified to profit or loss			
(Loss)/Gains on property revaluation	6	10,430	6,130
		10,430	6,130
Other comprehensive income for the year, net of tax		10,430	6,130

The notes on pages 56 to 71 form part of these accounts.

Statement of financial position as at 31 March 2017

	Note	2017 £'000	2016 £'000
Non-current assets			
Property, plant and equipment	6	435,116	425,806
Intangible assets	7	7,404	5,911
Trade and other receivables falling due after one year	8	59	72
Total non-current assets		442,579	431,789
Current assets			
Trade receivables and other current assets	8	7,636	3,918
Cash and cash equivalents	9	6,616	2,066
Assets classified as held for sale	6C	-	-
Total current assets		14,252	5,984
Total assets		456,831	437,773
Current liabilities			
Payables and other current liabilities	10	(8,575)	(6,796)
Provisions for liabilities and charges due within one year	11	(861)	(104)
Total current liabilities		(9,436)	(6,900)
Total assets less current liabilities		447,395	430,873
Non-current liabilities			
Payables and other liabilities	10	(267)	(281)
Provisions for liabilities and charges due in more than one year	11	(1,922)	(1,966)
Total non-current liabilities		(2,189)	(2,247)
Assets less liabilities		445,206	428,626
Taxpayers' equity			
General fund	SOCTE	339,062	331,440
Revaluation reserve	SOCTE	106,144	97,186
Total taxpayers' equity		445,206	428,626



Eric McQueen
Chief Executive

The Accountable Officer authorised these financial statements for issue on 28 August 2017.
The notes on pages 56 to 71 form part of these accounts.

**Cash flow statement for the year ended 31 March 2017**

	Note	2017 £'000	2016 £'000
Cash flows from operating activities			
Net outturn	<u>SCNE</u>	(93,849)	(83,662)
<i>Adjustments for non-cash transactions</i>			
Depreciation and amortisation	<u>SCNE</u>	13,877	12,921
Notional audit fee	<u>4</u>	89	82
Loss/(Profit) on disposal of property, plant and equipment	<u>4,5</u>	(95)	(8)
<i>Movements in working capital</i>			
(Increase)/decrease in receivables and other current assets		(3,705)	(612)
Increase/(decrease) in trade and other payables		1,501	2,358
Increase/(decrease) in provisions		713	449
Net cash flow from operating activities		(81,469)	(68,472)
<i>Cash flows from investment activities</i>			
Purchase of property, plant and equipment	<u>6</u>	(11,469)	(6,465)
Purchase of intangible assets	<u>7</u>	(2,517)	(2,503)
Proceeds of disposal of property, plant and equipment	<u>4,5,6</u>	44	4
Proceeds of disposal of assets held for sale	<u>6c</u>	51	54
Net cash flow from investment activities		(13,891)	(8,910)
Cash flows from financing activities			
From Scottish Consolidated Fund	<u>SOCTE</u>	99,910	78,507
Cash flows from financing activities		99,910	78,507
Net increase in cash and cash equivalents		4,550	1,125
Cash and cash equivalents at beginning of period	<u>9</u>	2,066	939
Transfer in from Scottish Tribunal Service		-	2
Cash and cash equivalents at beginning of period	<u>9</u>	2,066	941
Net increase on cash and cash equivalents		4,550	1,125
Cash and cash equivalents at end of period	<u>9</u>	6,616	2,066

The notes on pages 56 to 71 form part of these accounts.

**Statement of changes in taxpayers' equity for the year ended 31 March 2017**

	Note	General Fund £'000	Revaluation Reserve £'000	Total £'000
Balance at 1 April 2016		331,440	97,186	428,626
Total comprehensive expenditure for the year ended 31 March 2016		(93,849)	10,430	(83,419)
Total non-cash charges – auditor's remuneration	4	89	-	89
Transfers between reserves		1,472	(1,472)	-
Net parliamentary funding drawn down		99,910	-	99,910
Balance at 31 March 2017		339,062	106,144	445,206
Net increase/(decrease) during the year		7,622	8,958	16,580

The notes on pages 56 to 71 form part of these accounts.

Statement of changes in taxpayers' equity for the year ended 31 March 2016

	Note	General Fund £'000	Revaluation Reserve £'000	Total £'000
Balance at 1 April 2015		335,397	92,393	427,790
Transfer in from Scottish Tribunal Service		(286)	65	(221)
Balance at 1 April 2015		335,111	92,458	427,569
Total comprehensive expenditure for the year ended 31 March 2016		(83,662)	6,130	(77,532)
Total non-cash charges – auditor's remuneration	4	82	-	82
Transfers between reserves		1,402	(1,402)	-
Net parliamentary funding drawn down		78,507	-	78,507
Balance at 31 March 2016		331,440	97,186	428,626
Net increase/(decrease) during the year		(3,671)	4,728	1,057

The notes on pages 56 to 71 form part of these accounts.

Statement of costs by strategic departmental objective for the year ended 31 March 2017

	2016-17 £'000	2015-16 £'000
Allocation of resources and assets		
Net expenditure	93,849	83,662
Assets less liabilities	445,206	428,626

The work of the SCTS is primarily aligned with the following Scottish Government objective:

To help local communities to flourish, becoming stronger, safer places to live, offering improved opportunities and a better quality of life.

The notes on pages 56 to 71 form part of these accounts.



NOTES TO THE ACCOUNTS

1. Basis of Accounts

These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted and interpreted by the 2016-17 Government Financial Reporting Manual (FRm) issued by HM Treasury and the Accounts Direction issued by Scottish Ministers (Annex 3).

The Board and Accountable Officer have considered the budget and associated grant in aid allocation for 2017-18 and consider that the SCTS has adequate resources to continue in operational existence in the foreseeable future. The accounts are therefore prepared on a going concern basis. An assessment of liquidity risk is shown in Note 15 and the budget allocation for 2017-18 can be seen at <http://www.scotcourts.gov.uk/docs/default-source/aboutscs/reports-and-data/publications/scts-business-plan-2017-18.pdf?sfvrsn=4>.

These accounts have been prepared under the historical cost convention, modified to account for the revaluation of property, plant and equipment.

2. Accounting Policies

Where the FRm permits a choice of accounting policy, the accounting policy which is judged to be most appropriate to the particular circumstances of the Scottish Courts and Tribunals Service (SCTS) for the purpose of giving a true and fair view has been selected. The particular policies adopted by the SCTS are described below. They have been applied consistently in dealing with items that are considered material to the accounts.

2.1 Property, plant and equipment

The threshold for capitalising assets is £5,000 for all categories apart from information technology equipment (networked and grouped) which is all capitalised, irrespective of value.

On initial recognition, property, plant and equipment are measured at cost including any costs such as installation directly attributable to bring them into working condition. All property, plant and equipment are carried at fair value.

Properties regarded by SCTS as operational were valued on the basis of Depreciated Replacement Cost (DRC), subject to the prospect and viability of the occupation and use. Birnie House, Hamilton consists of converted office spaces and so has been valued at Open Market Value.

In line with the SPFM, regular professional valuations of land and property are carried out either using inflation indices, provided by GVA James Barr (as published at www.statistics.gov.uk) or as described below.

All freehold properties were valued as at 31 March 2014 by Knight Frank LLP. All of the valuations were undertaken on the under-noted basis in accordance with the Appraisal and Valuation Manual of the Royal Institution of Chartered Surveyors. Full professional valuations of courthouses are carried out at five yearly intervals except where significant redevelopment of that courthouse is carried out in which case a valuation will be carried out on an annual basis.

Increases in the carrying amount arising on revaluation of property, plant and equipment are credited to the revaluation reserve in taxpayers' equity. Decreases arising from fluctuations in market conditions are first charged directly to revaluation reserve to offset any previous increases for the same asset. Amounts in excess of previous increases are expensed to the Statement of Comprehensive Net Expenditure. Decreases arising from other factors are expensed directly to the Statement of Comprehensive Net Expenditure.



Depreciation is provided on a straight line basis on all property, plant and equipment (other than freehold land) at rates calculated to write down the cost or valuation of each asset over its estimated useful life.

Buildings	
<i>Sub & super structure</i>	not exceeding 80 years
<i>Fittings & furnishings</i>	not exceeding 50 years
<i>Other Buildings</i>	not exceeding 40 years
Vehicles	3 years
Information Technology Equipment	3 years
Equipment	not exceeding 10 years
Fixtures & Fittings	not exceeding 10 years

Assets under construction are carried at the costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Assets under construction are transferred to the appropriate property, plant and equipment category when completed and ready for use. No depreciation is charged until the asset is operational.

2.2 Non-current assets classified as held for sale

The SCTS classify a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. This condition is met when the asset is being actively marketed by management, it is available for immediate sale in its present condition, the sale is considered to be highly probable and is expected to qualify for recognition as a completed sale within one year from the date of classification.

Assets classified as held for sale are measured at the lower of their carrying amount immediately prior to their classification as held for sale and their fair value less costs to sell. Depreciation or amortisation for such assets is not charged from the date they are classified as an asset held for sale.

2.3 Intangible assets

Both purchased software licenses and internally generated software are valued at depreciated replacement cost. Amortisation is applied at rates calculated to write off the value of the software by equal instalments over the shorter of the term of the license and their estimated useful life.

2.4 Financial instruments

The SCTS does not hold any complex financial instruments. The only financial instruments included in the accounts are receivables, cash and cash equivalents and payables (notes 8, 9 and 10). Trade and other receivables are recognised at fair value less any impairment for any amounts assessed as irrecoverable. An impairment of debt for irrecoverable amounts is made where there is evidence that the SCTS will be unable to collect an amount due in accordance with agreed terms. Trade and other payables are recognised at fair value.

2.5 Income and expenditure recognition

The SCTS is not a trading organisation. Income primarily comprises court fees for civil cases.

SCTS collects fines on an agency basis. Sheriff Court fines are paid over to the Scottish Consolidated Fund and are not accounted for as part of the income of the SCTS. An element of Justice of the Peace Court fines, Police and Fiscal fixed penalty fines are retained by the SCTS in line with a Designated Receipts Order issued by HM Treasury. The remainder is paid over to the Scottish Consolidated Fund.

Income and expenditure is accounted for in the year to which it relates and not when cash payments are made or received. Where income and expenditure has been recognised but cash has not been received or paid, a receivable or payable for the corresponding amount is recorded in the Statement of Financial Position.



2.6 Value added tax (VAT)

Revenues, expenses and assets are recognised net of the amount of VAT except where the VAT incurred on a purchase of assets or services is not recoverable from HM Revenue and Customs (HMRC), in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expenses item as applicable.

The net amount of VAT recoverable from, or payable to, HMRC is included as part of receivables or payables in the Statement of Financial Position.

2.7 Operating leases

All SCTS leases are leases where substantially all the risk and benefits of ownership of the asset have not transferred to the SCTS and are therefore classified as operating leases. Rentals payable under operating leases are charged to the Statement of Comprehensive Net Expenditure on a straight-line basis over the lease term. The SCTS recognises the aggregate benefit of incentives as a reduction of rental expense over the lease terms, on a straight line basis.

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset.

2.8 External auditor remuneration

External auditor's remuneration for non-audit services is charged on a notional basis to the SCTS. It is charged to the Statement of Comprehensive Net Expenditure and credited as a movement on the general fund.

2.9 Provisions

Provisions are recognised when the SCTS has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provisions is presented in the Statement of Comprehensive Net Expenditure net of any reimbursement.

2.10 Employee benefits

Pensions

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 dependant's benefits. SCTS accounts for the PCSPS scheme as a defined contribution plan and recognises the expected cost of these elements on a systematic and rational basis over the period during which it benefits from employee's 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, SCTS recognises the contributions payable for the year. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Judicial Pension Scheme

Members of the judiciary are covered by the Judicial Pension Scheme (JPS). The JPS is an unfunded multi-employer defined benefit scheme which prepares its own Accounts, but for which the SCTS is unable to identify its share of the underlying assets and liabilities. A full actuarial valuation was carried out as at 31 March 2012. Details can be found in the resource Accounts of the Judicial Pension Scheme at www.official-documents.co.uk.

Effective from 1 April 2016, the SCTS became responsible for the employer contributions to the JPS. Contributions to the JPS have been made at a rate of 38.45% (2015-16: 38.45%). The amount of these contributions is included in the Staff Report at page 44.

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



Other employee benefits

A liability and an expense are recognised for untaken holiday days, holiday pay, and flexi balances at 31 March 2016. As a result an accrual has been made for time earned but not taken.

2.11 Accounting estimates and assumptions

Other than estimates and assumptions relating to provisions as stated in accounting policy at 2.10 above, no material estimates or judgements were made by the SCTS in preparing these accounts. There are no new standards, amendments or interpretations effective for the first time this year that have had a material effect on the financial statements.

2.12 Disclosure of accounting standards not yet applied

A number of new accounting standards have been issued or amendments made to existing standards, but have not yet been applied to these financial statements. The standards are considered relevant and the anticipated impact is as follows:

IFRS 9 Financial Instruments (IAS 39 replacement – Financial Instruments: Recognition and Measurement)

This standard includes a logical model for classification and measurement and a single, forward-looking 'expected loss' impairment model. The standard is expected to be applied, through Government Financial Reporting Manual interpretation, in 2018/19. Application of the standard is not expected to have a material effect on the financial statements. .

IFRS 15 – Revenue from Contracts with Customers (IAS 18 replacement – Revenue recognition and liabilities recognition)

The standard gives additional guidance on the determination of when revenue is recognised in the financial statements. The standard is expected to be applied, through Government Financial Reporting Manual interpretation, in 2018/19. Application of the standard is not expected to have a material effect on the financial statements.

IFRS 16 – Leases

The standard is expected to be applied, subject to EU adoption and consultation and through Government Financial Reporting Manual interpretation, in 2019/20. The standard represents a significant change in lessee accounting by largely removing the distinction between operating and finance leases and introducing a single lessee accounting model. The lessor accounting model is significantly unchanged. Application of the standard is subject to ongoing analysis and review by HM Treasury and the other Relevant Authorities. A cross government Technical Working Group has been formed to assist with the assessment. The possible impact on the financial statements from applying this standard cannot yet be reasonably estimated.

3. Staff numbers and costs

Due to changes in the required reporting format all relevant disclosures relating to staff are included in the Remuneration and Staff Report (pages 38-45).

4. Non-staff expenditure

Other administration expenditure

	2016-17 £'000	2015-16 £'000
Accommodation	15,559	14,778
Other	10,264	11,347
Buildings' maintenance and impairment	8,252	9,626
Rentals under operating leases	3,408	3,368
Travel, subsistence and hospitality	787	961
External auditor remuneration – audit fee	89	82
Total	38,359	40,162

During the year SCTS purchased non-audit services from its appointed external auditor totalling £23,304. At the request of SCTS, Scott-Moncrieff assisted in the preparation of two business cases related to estates projects. The work consisted of reviewing the reasonableness and completeness of business case assumptions.

Operational costs

	2016-17 £'000	2015-16 £'000
Judicial costs	10,639	11,572
Payments to jurors	4,784	4,944
Interpreters' costs	1,393	1,248
Other	1,806	1,655
Total	18,622	19,419

5. Income

Operating income

	2016-17 £'000	2015-16 £'000
Shared service income from other government departments	3,046	3,028
Profit on disposal of non-current assets	95	8
Income from rent receivable and court hire	70	59
Other income	3	5
Total	3,214	3,100

Income from fees and retained fines

	2016-17 £'000	2015-16 £'000
Fees charged	29,166	26,919
Retained fines	5,657	6,992
Total	34,823	33,911

**6a. Property, plant and equipment**

Purchases of total property, plant and equipment in the schedule of £11,705k (2015-16: £6,716k) appear in the cash flow statement as £11,469k after adjustment for opening and closing property, plant and equipment accruals in trade and other payables.

Cost or valuation	Land £'000	Buildings £'000	Vehicles £'000	Equipment £'000	ICT systems £'000	Fixtures and fittings £'000	Assets under construction £'000	2016-17 Total £'000
Opening balance at 1 April 2016	32,293	610,575	250	2,600	13,659	5,148	98	664,623
Additions	-	5,240	238	-	2,678	274	3,275	11,705
Disposals	-	-	(110)	(170)	(5,389)	(715)	-	(6,384)
Revaluation	809	15,218	-	-	-	-	-	16,027
At 31 March 2017	33,102	631,033	378	2,430	10,948	4,707	3,373	685,971
Depreciation								
Opening balance at 1 April 2016	-	224,752	241	1,692	9,214	2,918	-	238,817
Charged in year	-	10,064	9	125	2,278	349	-	12,825
Disposals	-	-	(110)	(170)	(5,389)	(715)	-	(6,384)
Revaluation	-	5,597	-	-	-	-	-	5,597
Balance at 31 March 2017	-	240,413	140	1,647	6,103	2,552	-	250,855
Net book value current year	33,102	390,620	238	783	4,845	2,155	3,373	435,116
Net book value prior year	32,293	385,823	9	908	4,445	2,230	98	425,806

All assets are owned by the Scottish Courts and Tribunals Service Corporate Body. All land and buildings are held freehold. No assets are held under finance leases or PFI/PPP contracts.

**6b. Property, plant and equipment prior year**

Cost or valuation	Land £'000	Buildings £'000	Vehicles £'000	Equipment £'000	ICT systems £'000	Fixtures and fittings £'000	Assets under construction £'000	2015-16 Total £'000
Opening balance at 1 April 2015	31,823	596,885	264	2,528	10,714	4,739	-	646,953
Transfer in from Scottish Tribunal Service	-	1,673	-	56	25	-	-	1,754
Opening Balance at 1 April 2015	31,823	598,558	264	2,584	10,739	4,739	-	648,707
Additions	-	3,273	-	16	2,920	409	98	6,716
Disposals	-	-	(14)	-	-	-	-	(14)
Revaluation	470	8,744	-	-	-	-	-	9,214
At 31 March 2016	32,293	610,575	250	2,600	13,659	5,148	98	664,623
Depreciation								
Opening balance at 1 April 2015	-	210,542	177	1,486	7,652	2,585	-	222,442
Transfer in from Scottish Tribunal Service	-	1,284	-	52	15	-	-	1,351
Opening Balance at 1 April 2015	-	211,826	177	1,538	7,667	2,585	-	223,793
Charged in year	-	9,842	78	154	1,547	333	-	11,954
Disposals	-	-	(14)	-	-	-	-	(14)
Revaluation	-	3,084	-	-	-	-	-	3,084
Balance at 31 March 2016	-	224,752	241	1,692	9,214	2,918	-	238,817
Net book value current year	32,293	385,823	9	908	4,445	2,230	98	425,806
Net book value prior year	31,823	386,343	87	1,042	3,062	2,154	-	424,511
Transfer in from Scottish Tribunal Service	-	389	-	4	10	-	-	403
Net book value prior year including Scottish Tribunal Service	31,823	386,732	87	1,046	3,072	2,154	-	424,914

**6c. Non-current assets classified as held for sale**

	Property £'000	Total £'000
At 1 April 2016	-	-
Disposals	-	-
At 31 March 2017	-	-

Prior Year	Property £'000	Total £'000
At 1 April 2015	50	50
Disposals	(50)	(50)
At 31 March 2016	-	-

7a. Intangible assets

Purchases of total intangible assets in the schedule of £2,545k (2015-16: £2,517k) appear in the cash flow statement as £2,517k after adjustment for opening and closing intangible asset accruals in trade and other payables.

	Software licences £'000	ICT software £'000	Assets under construction £'000	Total £'000
Cost or valuation				
Balance at 1 April 2016	3,689	8,159	1,903	13,751
Additions	606	1,221	718	2,545
Disposals	(135)	(168)	-	(303)
Transfers	-	2,621	(2621)	-
At 31 March 2017	4,160	11,833	-	15,993
Amortisation				
Balance at 1 April 2016	2,242	5,598	-	7,840
Charged in year	391	552	-	943
Disposals	(135)	(168)	-	(303)
Transfers	-	109	-	109
At 31 March 2017	2,498	6,091	-	8,589

Net book value as at 31 March 2017	1,662	5,742	-	7,404
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Net book value as at 31 March 2016	1,447	2,561	1,903	5,911
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7b. Intangible assets prior year

	Software licences £'000	ICT software £'000	Assets under construction £'000	Total £'000
Cost or valuation				
Balance at 1 April 2015	3,230	7,552	227	11,009
Transfer in from Scottish Tribunal Service	13	212	-	225
Balance at 1 April 2015	3,243	7,764	227	11,234
Additions	446	395	1,676	2,517
At 31 March 2016	3,689	8,159	1,903	13,751
Amortisation				
Balance at 1 April 2015	1,847	4,929	-	6,776
Transfer in from Scottish Tribunal Service	7	90	-	97
Balance at 1 April 2015	1,854	5,019	-	6,873
Charged in year	388	579	-	967
At 31 March 2016	2,242	5,598	-	7,840

Net book value as at 31 March 2016	1,447	2,561	1,903	5,911
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Net book value as at 31 March 2015	1,383	2,623	227	4,233
Transfer in from Scottish Tribunal Service	6	122	-	128
Net book value as at 31 March 2015 including Scottish Tribunal Service	1,389	2,745	227	4,361

8. Trade receivables and other assets**Amounts falling due within one year**

Trade receivables

VAT

Other receivables

Prepayments

Accrued income

Total as at 31 March**Amounts falling due in more than one year**

Other receivables

Total as at 31 March**Total as at 31 March**

	As at 31 March 2017 £'000	As at 31 March 2016 £'000
	2,803	1,529
	14	
	1,787	89
	2,375	2,039
	657	261
	7,636	3,918
	59	72
	59	72
	7,695	3,990

9. Cash and cash equivalents

Balance at 1 April

Transfer in from Scottish Tribunals Service

Balance at 1 April including Scottish Tribunal Service

Net change in cash and cash equivalent balances

Balance at 31 March**The following balances at 31 March were held at:**

Commercial banks and cash in hand

Balance at 31 March

	2016-17 £'000	2015-16 £'000
	2,066	939
	-	2
	2,066	941
	4,550	1,125
	6,616	2,066
	6,616	2,066
	6,616	2,066

2016-17 is the first year the SCTS have recognised the Fees and Fines bank account and corresponding liability on their balance sheet thereby increasing the cash and cash equivalent closing balances. Refer to Accounting Policy 2.5. It has been impracticable to adjust the comparative figures as the required information was not collected in prior periods in a way that readily allows retrospective application.

**10. Trade payables and other current liabilities**

	2016-17 £'000	2015-16 £'000
Amounts falling due within one year		
Trade payables	12	995
Other payables	677	-
Accruals	5,366	5,786
Deferred income	14	15
Corporate balance with Scottish Government	2,506	-
Total as at 31 March	8,575	6,796
Amounts falling due in more than one year		
Deferred income and accruals	267	281
Total as at 31 March	267	281
Total as at 31 March	8,842	7,077

2016-17 is the first year the SCTS have recognised the Compensation Order and Fines liability and corresponding bank balances on their balance sheet thereby increasing the Corporate balance with Scottish Government closing balance. Refer to Accounting Policy 2.5. It has been impracticable to adjust the comparative figures as the required information was not collected in prior periods in a way that readily allows retrospective application.

**11. Provisions for liabilities and charges**

	Property and dilapidations £'000	President pension costs £'000	Compensation £'000	Early departure costs £'000	2016-17 Total £'000
Balance as at 1 April 2016	1,150	688	105	23	1,966
Add: element reported as due within one year	66	20	2	16	104
Total as at 1 April 2016	1,216	708	107	39	2,070
Provided for in year	774	31	50	-	855
Provisions not required written back	-	-	(95)	-	(95)
Provisions utilised in year	-	(20)	(12)	(15)	(47)
Total as at 31 March 2017	1,990	719	50	24	2,783

Analysis of expected timing of any resulting outflows of economic benefits:

	Property and dilapidations £'000	President pension costs £'000	Compensation £'000	Early departure costs £'000	2016-17 Total £'000
Payable in 1 year	814	20	13	14	861
Payable between 2 and 5 yrs	645	139	37	10	831
Payable between 6 and 10 yrs	-	249	-	-	249
Thereafter	531	311	-	-	842
Total as at 31 March 2017	1,990	719	50	24	2,783

**11. Provisions for liabilities and charges - Prior year**

	Property and dilapidations £'000	President pension costs £'000	Compensation £'000	Early departure costs £'000	2015-16 Total £'000
Balance as at 1 April 2015	773	-	79	1	853
Add: element reported as due within one year	-	-	4	10	14
Transfer in from Scottish Tribunal Service		688	-	66	754
Total as at 1 April 2015	773	688	83	77	1,621
Provided for in year	443	40	65	-	548
Provisions not required written back	-	-	(33)	-	(33)
Provisions utilised in year	-	(20)	(8)	(38)	(66)
Total as at 31 March 2016	1,216	708	107	39	2,070

Analysis of expected timing of any resulting outflows of economic benefits:

	Property and dilapidations £'000	President pension costs £'000	Compensation £'000	Early departure costs £'000	2015-16 Total £'000
Payable in 1 year	66	20	2	16	104
Payable between 2 and 5 yrs	591	79	67	23	760
Payable between 6 and 10 yrs	-	99	38	-	137
Thereafter	559	510	-	-	1,069
Total as at 31 March 2016	1,216	708	107	39	2,070

Includes £754k of provisions brought onto the balance sheet following the merger with the Scottish Tribunal Service.



Details of provisions

President pension

This relates to the pension contributions for the Presidents of the Mental Health Tribunal.

Early departure costs

This relates to the compensation element due to former employees who took early retirement and who were over the age of 50 but below the age of 60. On attaining the age of 60 the compensation element ceases.

Compensation

Amounts have been provided for material claims for compensation against the SCTS from court users. The amounts provided are based on an assessment of the amounts claimed and the likelihood of a payment being required. Where a settlement is considered unlikely to be required no provision is made.

Property and dilapidations

This represents the estimated amounts due on the expiry of property leaseholds held by the SCTS, to return the properties to their original condition. The amounts due and timing of payments depend on the terms and conditions of each lease, as well as the extent of alterations carried out by the SCTS over the period of the lease.

12. Capital commitments

As at 31 March, contracted capital commitments for which no provision has been made were as follows:

	2017 £'000	2016 £'000
Property, plant and equipment		
Inverness Justice Centre	20,127	-
Wide Area Network (WAN)	-	345
Other	331	566
Intangible Assets		
Integrated Case Management System (ICMS)	1,000	736
Total	21,458	1,647

There was one 'authorised but not contracted' capital commitment of £9,240m at the end of the year relating to the Inverness Justice Centre. This includes additional funding of £6.5m which was approved by Scottish Government in June 2017.

13. Commitments under operating leases

As at 31 March, total future minimum lease payments under operating leases are given in the table below:

	2016-17 £'000	2015-16 £'000
Buildings		
Within one year	3,004	3,158
Between two and five years (inclusive)	7,368	8,427
After five years	11,990	13,421
Total	22,362	25,006



14. Related Party Transactions

The SCTS is a Non Ministerial Departmental Body in the Scottish Administration. During the year, SCTS has had various material transactions with the Scottish Government and the Crown Office.

The SCTS has also had a number of transactions with other government departments, central government bodies, local government and other non-departmental public bodies.

During the financial year, SCTS received a number of civil court fees from HBJ Gately, a legal firm conducting business in Scotland. The level of these fees, for the processing and transacting of civil court business carried out by the firm, are set independently of the SCTS by the relevant Scottish Statutory Instrument (referred to as a Fee Order). Mr Simon Catto, the solicitor member of the SCTS Board is a partner of HBJ Gately.

During the year no Board or Executive Team members have undertaken any material transactions with the SCTS.

15. Financial Instruments

The SCTS resource requirements are met from Scottish Government via the annual grant-in-aid provision and from other income generated from activities. The SCTS has no power to borrow funds and all surplus funds are held in interest bearing deposit accounts. Other than financial assets and liabilities which are generated by day-to-day operational activities, the SCTS holds no financial instruments. Because of the nature of its activities and the way in which the SCTS is financed, the SCTS is not exposed to the degree of financial risk faced by business entities.

Liquidity risk

Scottish Ministers make provision for the SCTS's use of resources, for revenue and capital purposes, in its budget for each financial year. Resources and accruing resources may be used only for the purposes specified and up to the amounts specified in the budget. The SCTS is not therefore exposed to significant liquidity risks.

Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices that could affect the SCTS are interest rate risk.

As noted above, the SCTS has no power to borrow and all surplus funds are held in interest bearing deposit accounts or the Government Banking Service. The SCTS has no other investments and therefore there is limited exposure to interest rate risk.

Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or contract, leading to a financial loss. The SCTS is exposed to credit risk from its operating activities (primarily for trade and other receivables) but the level of risk is not deemed significant.

Credit risk related to trade and other receivables is managed through established procedures relating to the monitoring and follow up of outstanding balances.

Fair values

The fair value of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:



Cash and cash equivalents, trade receivables, trade payables, and other current liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments. There is no difference between the book value and fair value for the cash and cash equivalents shown in note 9.

16. Losses

During the financial year there were 22 instances of cash losses totalling £5k (2015-16: £1k).

17. Third Party Assets

Cash balances of £31.1m (2015-16: £28.8m) are held on behalf of third parties. This is mainly money consigned into court in respect of liquidations, cautions, expenses in civil actions and unclaimed dividends.

These third party assets are not the property of the SCTS and are not included in the SCTS's accounts.

18. Contingent Liabilities

At the 31 March 2017 there were no contingent liabilities.

19. Post Balance Sheet Events

There are no material post balance sheet events that require to be adjusted or disclosed in the accounts.



Annex 1 – SCTS Business Levels

High Court

	2016-17	2015-16	2014-15
Indictments registered	671	748	812
Trials (evidence led)	443	403	443
Solemn appeals (lodged)	650	673	727
Summary appeals (lodged)	-	866	1,119
High Court judge days	3,865	3,780	3,881

First Instance Criminal Business

The number of indictments registered in 2016-17 fell just over 10% compared to the number registered the previous year. However by far the most intensive element of a High Court case is the running of a full trial and the number of trials with evidence led increased by 10% over the same period. This reflects the fact that a growing proportion of High Court trials relate to sexual offending and/or domestic abuse where the plea rate ahead of trial is generally lower.

There is also some evidence to suggest an increase in case complexity with several particularly long-running trials taking place over 2016-17 and the average trial duration increasing to 7.25 days. The opening of two new courts at Glasgow High Court, Saltmarket, has begun to address trial waiting period levels that are longer than considered optimal.

All Preliminary Hearings continue to be held in Saltmarket, Glasgow and our aim is to maintain the baseline average at 1.5 hearings per case during 2017-18.

Criminal Appeal Business

The number of solemn appeals granted leave to appeal has remained broadly consistent with the previous year. End to end timings within the Criminal Appeal Court are healthy. The average period from the date leave to appeal is granted to final disposal has reduced from 17 weeks in 2011-12 to 7 weeks in 2016-17 in respect of solemn sentence appeals and from 47 weeks in 2011-12 to 20 weeks in 2016-17 in respect of solemn conviction appeals. We aim to maintain these baseline averages over the coming year.

Court days

The number of High Court judge days in 2016-17 increased by just over 80 days compared with the previous year – a result of the two additional courtrooms in Saltmarket. The number of summary criminal appeals lodged continues to reduce as a result of the introduction of the Sheriff Appeal Court.

Court of Session

	2016-17	2015-16	2014-15
Ordinary civil actions registered	1,079	2,864	3,727
Civil petitions (registered)	1,290	1,461	1,394
Civil appeals / reclaiming motions	226	238	236
Proofs proceedings	121	168	114
Court of Session judge days	1,836	1,968	1,956

Outer House

The volume of ordinary actions registered in the Court of Session has declined over the course of the past two financial years as a consequence of the introduction of exclusive competence in the sheriff court to hear actions to the value of £100k with effect from 22 September 2015.

That said, the number of proofs proceeding actually exceeded the number in the last full year prior to introduction of the exclusive competence. Waiting periods for up to four day hearings are generally constant, however the increased requirement for written decisions has had an impact on end to end times.

The amended rules in relation to Petitions for Judicial Review, introduced as part of the civil Courts Reform Programme, increased the administrative and judicial input at the front end of the process. It is too early to make a sound analysis, however, it is hoped that this will eventually lead to a more streamlined procedure with time, cost and resource savings.

Inner House

The time from marking a reclaiming motion or lodging of an appeal to the Court of Session until disposal of the merits continues to improve, with an average period below 40 weeks. There is currently one case, registered in 2006, which is sisted pending criminal prosecutions and 19 cases registered in 2014 have not yet been concluded. All cases are now subject to proactive administrative and/or judicial case management.

With the commencement of the Sheriff Appeal Court (civil) on 1 January 2016 a small decrease in the number of sheriff court appeals received is expected. However, overall the volume of appeals and reclaiming motions received is in line with previous business years. Appeals from the Sheriff Court can reach the Court of Session after 1 January 2016, but permission to appeal requires to be granted to enable this.

Court Days

The number of Court of Session judge days has declined by over 6% compared with the previous year, in recognition of the shift of some business to other courts, as intended through the Civil Court Reform Programme.

All-Scotland Courts (Sheriff Appeal Court and National Personal Injury Court)

	2016-17	2015-16	2014-15
Criminal Appeal Court: appeals lodged	885	407	n/a
Civil Appeal Court: appeals lodged	253	48	n/a
Personal Injury Court: registrations	2,956	1,143	n/a

The criminal jurisdiction of the Sheriff Appeal Court and the National Personal Injury Court commenced operation on 22 September 2015. The civil jurisdiction of the Sheriff Appeal Court commenced operation on 1 January 2016. In each case 2016-17 is the first year for which a full-year of caseload data is available. As such it is not yet practical to infer trends from the information available, but it is clear that each jurisdiction is now well established and processing the business which its establishment was intended to address. In so doing the two courts provide a more specialist approach and free up resources elsewhere in the system – including in the High Court and Court of Session.

Sheriff Court

Criminal - Summary	2016-17	2015-16	2014-15
Complaints Registered	70,717	72,242	71,350
Trials (Evidence Led)	8,982	9,425	8,912

Criminal - Solemn	2016-17	2015-16	2014-15
Indictments Registered	5,899	6,460	6,920
Trials (Evidence Led)	1,314	1,497	1,430

Ordinary Civil	2016-17	2015-16	2014-15
Cases Registered	22,672	23,212	23,628
Proofs and Debates (Which Proceeded)	817	971	990

Summary Cause, Small Claims & Simple Procedure	2016-17	2015-16	2014-15
Cases Registered	45,761	49,008	47,977
Proofs Proceeding	519	515	509

Commissary	2016-17	2015-16	2014-15
Inventories Recorded	25,534	25,113	24,209

Sheriff Court Sitting Days	2016-17	2015-16	2014-15
Number of days	28,097	28,819	28,946



Justice of the Peace Court

	2016-17	2015-16	2014-15
Complaints Registered	41,402	54,856	66,819
Trials (Evidence Led)	2,810	3,258	3,151
Number of court sitting days	4,592	n/a	n/a

Across Scotland's Sheriff Courts the overall trend in business volumes has been downward over the course of the past year – although, in common with High Court business, the complexity of Sheriff Court solemn trials has tended to increase in recent years in spite of the reduction in the number of indictments registered. The overall impact of this pattern led to a 2.5% reduction in the number of Sheriff Court sitting days in 2016-17.

The level of complaints registered in the Justice of the Peace Court has seen a more marked decline of almost a quarter. This continues the pattern of the previous two years, reflecting both a decrease in recorded crime levels and decisions taken by police and prosecutors to resolve lower level offences through the issuing of fixed penalty notices or fiscal fines. Whilst the number of cases reaching an evidence-led trial has also reduced, the level of this reduction (14%) is significantly lower than the drop in the number of cases entering the JP court. An enhancement was made in March 2016 to our court recorded time system so that Justice of the Peace Court sitting days could be measured – these figures were not available in previous years.

Office of the Public Guardian (OPG)

The workload of the OPG in 2016-17 continues to be high – with Power of Attorney registrations continuing at over 50,000 per year – evidencing the importance of powers of attorney in the lifestyle choices being made by Scotland's steadily ageing population.

Further information on the work of the OPG can be found on its website, <http://www.publicguardian-scotland.gov.uk>

	2016-17	2015-16	2014-15
Powers of Attorney	54,919	55,508	55,527
Guardianship Orders	2,728	2,678	2,500

Devolved Tribunals

The Scottish Tribunals Service (STS) merged with the Scottish Court Service on 1 April 2015 to create the Scottish Courts and Tribunals Service (SCTS). The tribunals formerly supported by the STS now receive administrative support from a dedicated delivery unit within the SCTS – Tribunals Operations. Whilst SCTS were not responsible for STS' business during 2014-15, case volumes are provided for ease of comparison, where available.

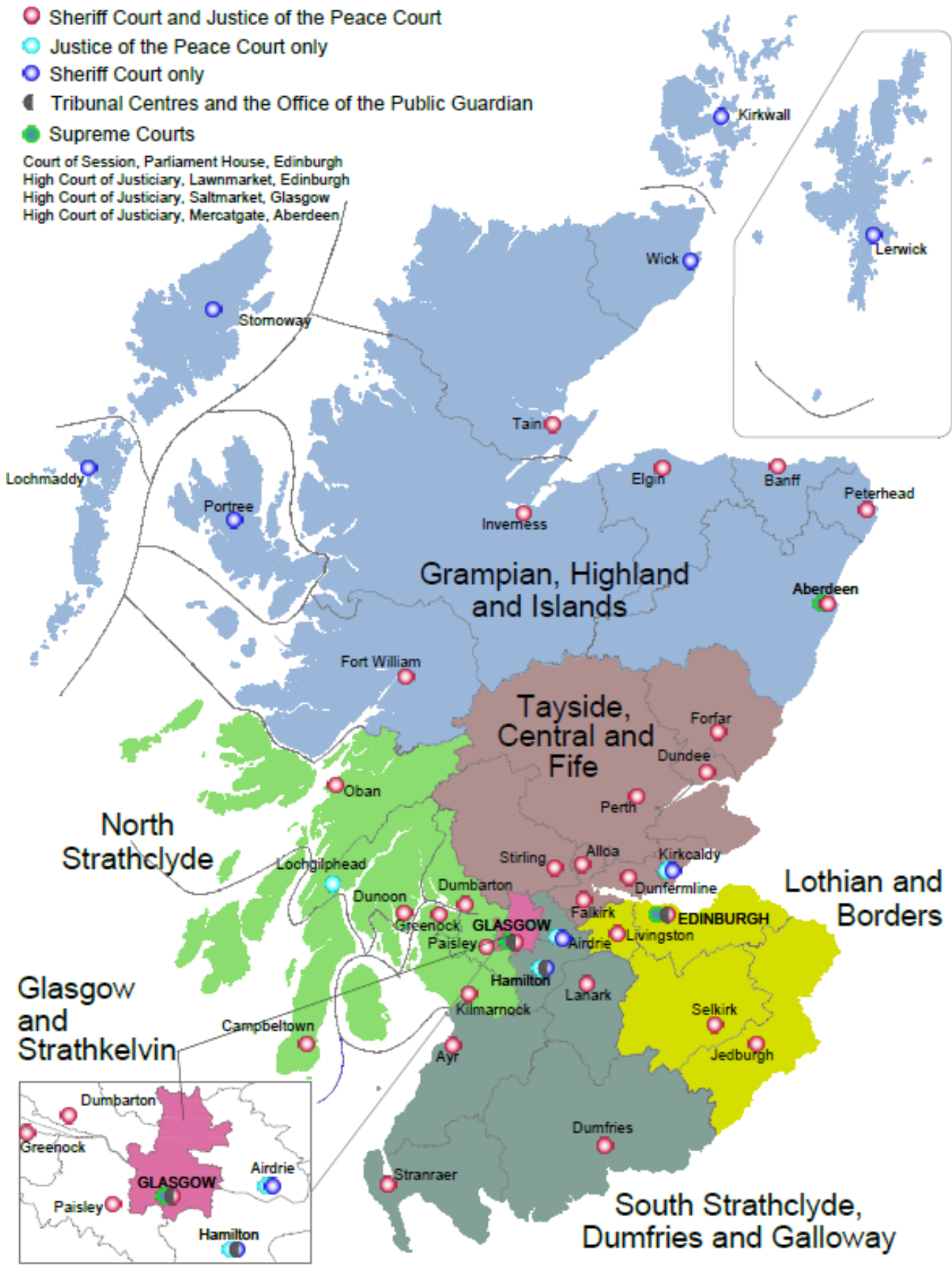
The First-tier Tribunal for Scotland (Housing and Property Chamber) commenced operation in December 2016, transferring into it functions of the Private Rented Housing Panel and Homeowner Housing Panel, resulting in Tribunals adopting different names. Case volumes are provided for 2014-15 and 2015-16, where available, identifying the relative tribunal from which they transferred.

TRIBUNALS	2016-17	2015-16	2014-15
First-tier Tribunal for Scotland (Housing and Property Chamber)			
Property Factor (Formerly Homeowner Housing Panel)			
Receipts	192	163	189
Disposals	192	171	311
Hearing Days	93	75	81
Rent & Repairs (Formerly Private Rented Housing Panel)			
Receipts	267	335	331
Disposals	306	384	217
Hearing Days	264	192.5	200
3rd Party (Formerly Private Rented Housing Panel (3rd Party Access))			
Receipts	58	5	-
Disposals	17	0	-
Hearing Days	38	0.5	-
Right of Entry (Formerly Private Rented Housing Panel (Section 35))			
Receipts	36	8	-
Disposals	29	4	-
Hearing Days	n/a	n/a	-
Other Devolved Tribunals			
Additional Support Needs Tribunal for Scotland			
Receipts	73	68	78
Disposals	59	67	68
Hearing Days	26	25	48
Council Tax Reduction Review Panel			
Receipts	85	92	52
Disposals	108	60	51
Hearing Days	15	11	8
Lands Tribunal for Scotland			
Receipts	245	240	194
Disposals	215	367	243
Hearing Days	80	93	68
Pensions Appeal Tribunals for Scotland			
Receipts	213	222	316
Disposals	231	152	237

TRIBUNALS	2016-17	2015-16	2014-15
<i>Hearing Days</i>	62	66	87
Scottish Charity Appeals Panel			
<i>Receipts</i>	0	0	0
<i>Disposals</i>	0	0	0
<i>Hearing Days</i>	0	0	0
Tax Tribunals for Scotland⁵¹			
<i>Receipts</i>	11	2	-
<i>Disposals</i>	6	2	-
<i>Hearing Days</i>	0	0	-
Mental Health Tribunal for Scotland			
<i>Receipts</i>	4,321	4,239	3,870
<i>Disposals</i>	4,227	4,136	3,816
<i>Hearing Days</i>	3,376	3,453	3,381
Mental Health Tribunal for Scotland (Excessive Security)			
<i>Receipts</i>	36	23	n/a
<i>Disposals</i>	36	8	n/a
<i>Hearing Days</i>	21	8	n/a

⁵¹ From 24 April 2017, this becomes the First-tier Tribunal For Scotland Tax Chamber

Annex 2 – SCTS Locations





Annex 3 – Accounts Direction from Scottish Ministers

DIRECTION BY THE SCOTTISH MINISTERS

In accordance with section 19(4) of the Public Finance and Accountability (Scotland) Act 2000.

1. The statement of accounts for the financial year ended 31 March 2006 and subsequent years shall comply with the accounting principles and disclosure requirements of the edition of the Government Financial Reporting Manual (FRM) which is in force for the year for which the statement of accounts are prepared.

2. The accounts shall be prepared so as to give a true and fair view of the income and expenditure, recognised gains and losses, and cash flows for the financial year, and of the state of affairs as at the end of the financial year.

3. This direction shall be reproduced as an appendix to the statement of accounts. The direction given on 29 March 2001 is hereby revoked.

Signed by the authority of the Scottish Minister

Dated 17 January 2006



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Any enquiries regarding this publication should be sent to us at:

*Scottish Courts and Tribunals Service
Saughton House
Broomhouse Drive
Edinburgh
EH11 3XD*

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