



Annual Report & Accounts

2017-18

Scottish Courts
and Tribunals Service



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24 September 2018

Contents

Lord President's Foreword	2
1. Performance Report	3-28
1.1 Overview	3-11
1.1.1 Chief Executive's Statement	3
1.1.2 Purpose and Activities of the SCTS	4
1.1.3 Performance Summary	5-7
1.1.4 Key Issues, Risks and Future Trends	8-11
1.2 Performance Analysis	12-28
1.2.1 Performance Measures - Business Plan Outcomes & KPIs	12-14
1.2.2 Development and Performance 2017-18	15-28
• A Well Supported Judiciary	15-16
• Satisfied Courts and Tribunals Users	17-18
• Skilled and Motivated People	19-20
• A Well-Managed Estate	21-22
• Efficiency and Best Value	23-24
• Digital Innovation	25-26
• Purposeful Collaboration with Justice Bodies	27-28
2. Accountability Report	29-39
2.1 Corporate Governance Report	29-37
2.1.1 Directors' Report	29-35
2.1.2 Statement of Accountable Officer's Responsibilities	36
2.1.3 Governance Statement	37-39
2.2 Remuneration and Staff Report	40-47
2.3 Parliamentary Accountability Report	48
2.4 Independent Auditor's Report	49-51
3. Financial Statements	52-71
Annexes	
Annex 1 – Business Levels 2017-18	72-77
Annex 2 – Map of SCTS Locations	78
Annex 3 – Accounts Direction	79

Lord President's Foreword



An efficient and effective courts and tribunals system is one of the cornerstones of modern society. It allows people to assert their rights and to seek a remedy if they have been, or might be, infringed. It provides reassurance that allegations of crime will be pursued fairly and openly. It assists people who need to resolve issues at key points throughout their lives.

For such a system to be effective, it must be well supported. It is in this context that I am pleased to present the Annual Report and Accounts of the Scottish Courts and Tribunals Service (SCTS) for 2017-18. This report sets out the work of the organisation over the past 12 months.

Our purpose is "Supporting Justice". We take that purpose – ensuring the effective administration of justice on a daily basis – very seriously, whilst focusing on reform so that the system will remain fit for purpose in the future.

Over the past twelve months, the SCTS has administered Scotland's courts, devolved tribunals and the Office of the Public Guardian effectively. We have implemented a range of reforms aimed at improving services and realising efficiencies. We have continued to plan for the service of the future, recognising that the way in which justice is administered must move with the times.

Good progress has been made on the objectives set in our Corporate Plan for 2017-20. Reform of the administration of Scotland's devolved tribunals has continued apace. Online access to case information is now available in civil simple procedure cases; a sign of our commitment to digital case management. New guidance has been devised to improve the treatment of child and vulnerable witnesses in the most serious criminal cases. New facilities are being developed in several locations to provide a high-quality environment for both those using the system and those working in it.

We continue to work in collaboration with justice agencies and the Scottish Government. Through the work led by the SCTS on the Evidence and Procedure Review, we are committed to creating a clear vision of how the criminal justice system will operate in future. We have the opportunity to make the justice system more accessible and efficient and to improve the experience for those who find themselves involved in it as either a witness or a person who, it is alleged, is the victim of a crime. This is an opportunity that we must take.

The role of chairman of the SCTS Board continues to be made easier as a result of the insight and expertise of my fellow Board members. Their commitment, guidance and support have been essential as we continue to manage an ambitious agenda within a tight budget.

I record my thanks to the staff of the SCTS. People rely on there being a high-quality service – and that service relies on high-quality people. The hard work, dedication and expertise of our staff is experienced by those using the justice system every day. Their ongoing creativity and commitment is essential as we continue to build a modern, sustainable and accessible courts and tribunals service.

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 and Tribunals service



The purpose of the performance report is to provide an overview of the Scottish Courts and Tribunals Service (SCTS) and its performance during 2017-18. This section of the Annual Report and Accounts sets out the purpose, structure, activities and functions of the SCTS, summarises our performance (both financial and operational) over the course of year and describes the key issues, risks and trends which influence our work.

Our purpose is **supporting justice** – in a mature democracy such as ours it can be easy to assume that an independent, impartial and accessible court and tribunal system is an inevitable consequence of our way of life.

Whilst that has been the case in Scotland for many years we must never forget that the existence of that system is a core element of democratic society – that must be appropriately supported to ensure that rights can be asserted and crimes fairly tried. I am proud to play a role in the work of the SCTS, which occupies this unique position. We provide the administrative support to Scotland's judiciary – so that they can carry out their independent role. We are also a public service – accountable to our Board and to the Scottish Parliament. We work as part of the justice system and are trusted with public funds to deliver our function effectively, efficiently and with a focus on continuous improvement. This report sets out how we have achieved those goals in 2017-18.

Over the course of the past year we have balanced the combination of day to day delivery and future reform within a challenging environment and budget. Waiting periods in relation to our highest volume business (summary criminal cases) have been maintained within the optimal range. Performance in the devolved tribunals has remained strong, whilst they continue to migrate into a new unified structure. Our standards of service to victims and witnesses have been maintained and reviewed – and the high levels of service provided by our staff have been independently recognised, with the highest ever satisfaction ratings in our independent Court Users Survey and a further improvement in our annual independent Customer Service Excellence assessment.

We have made a strong start in delivering the ambitious objectives set in our **2017-20 Corporate Plan**. Online access to case information is now a reality in simple procedure cases. Construction of Scotland's first new Justice Centre is underway in Inverness. Our proposals to ensure the best possible support to child and vulnerable witnesses have led to changes in practice and new legislative proposals. And our ongoing commitment to sustainability has seen us achieve Carbon Trust "Triple Standard" accreditation and secure a national award from the World Wildlife Fund. This level of progress has only been possible through the continuing commitment, dedication and expertise of our staff – who remain amongst the most engaged across the Scottish public sector. As they support the organisation to succeed we must support them to be successful. We have set out how we will do so in our 5-year People Strategy, published in early 2018.

The coming years pose a range of challenges and opportunities for us as – and for the justice system more broadly. The detailed position on Brexit remains unclear. Future funding settlements are likely to remain challenging. We will continue to work in partnership with the Scottish Government, the Justice Board for Scotland and our partners to develop long-term solutions to these challenges – such as the reforms to summary criminal justice proposed by the Evidence and Procedure review. We have developed long-term corporate strategies across the key areas of finance, estates, people and digital – with digital reform at the heart of how we will improve services over the coming years. Our work over the past 12 months puts us in a good position to continue to administer a justice system in which Scotland's people can trust – in line with our vision of **building a stronger courts and tribunals service**.

1.1.2 Purpose and Activities of the SCTS

Business Model and Environment

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

- the Scottish courts, devolved 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; and
- the Scottish Sentencing Council, Scottish Civil Justice Council and the Criminal Courts Rules Council².

A three-year **Corporate Plan** for the SCTS was published in April 2017³. For each year of that Corporate Plan an annual business plan is produced, detailing the specific activities that the organisation planned to undertake. The SCTS annual **Business Plan for 2017-18**⁴ was published in April 2017.

This Annual Report details how the SCTS carried out its functions in 2017-18, 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 proceedings and the wider public.⁵

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

The core values that we observe as an organisation and seek to promote in others are **Respect, Service and Excellence**.

Structure

The SCTS is led by its Board, which has a judicial majority and oversees the administrative arrangements that support the judiciary in the delivery of justice. The Board meets at least six times per year⁶. Day to day management of the organisation rests with the Chief Executive and the Executive Team. Further information on the Board and Executive Team can be found in the Directors Report (pages 29-34)

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.

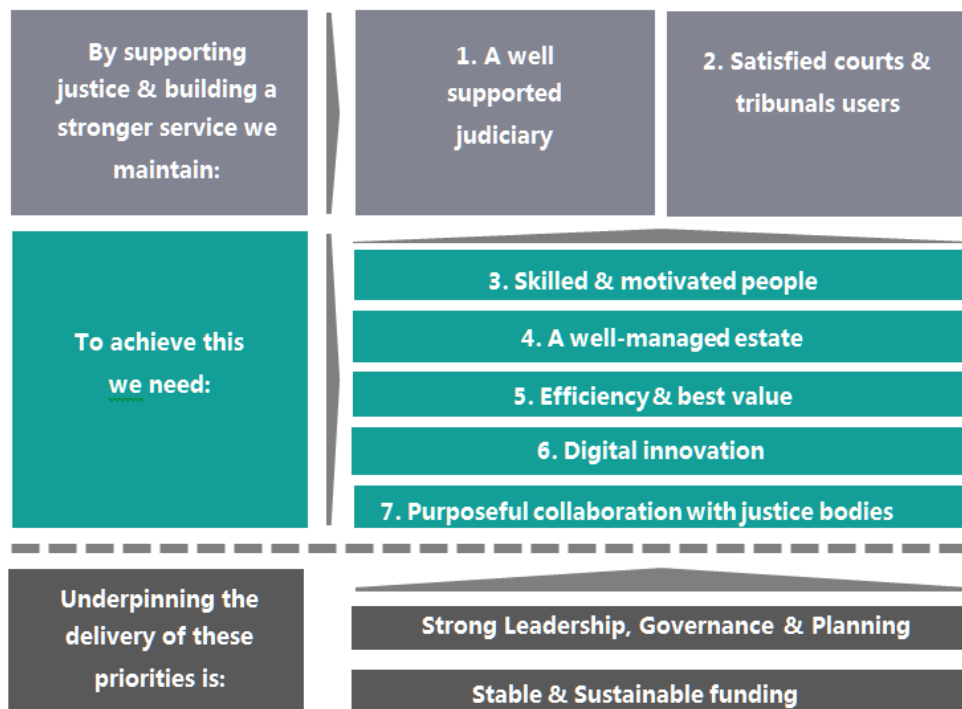
³<http://www.scotcourts.gov.uk/docs/default-source/aboutscs/reports-and-data/publications/corporate-plan-2017-20-publish.pdf?sfvrsn=6>

⁴<http://www.scotcourts.gov.uk/docs/default-source/aboutscs/reports-and-data/publications/scts-business-plan-2017-18.pdf?sfvrsn=8>

⁵ Section 61(2) of the Judiciary and Courts (Scotland) Act 2008.

⁶ Further information on the SCTS Board and its committees, including membership, standing orders, framework document and minutes of meetings can be accessed at <http://www.scotcourts.gov.uk/about-the-scottish-court-service/the-scottish-court-service-board>

SCTS Strategy Map



1.1.3 Performance Summary

Over the course of 2017-18 the SCTS has played a central role in Scotland's justice system, administering the courts, tribunals and the Office of the Public Guardian to a high standard – ensuring that service users are satisfied and working closely with partner agencies.

Under the leadership of the SCTS Board our new 3-year Corporate Plan was published in April 2017 - setting out our strategic priorities and objectives to 2020. Detailed outcomes for 2017-18 were set in our annual Business Plan, structured under our **seven strategic priorities**:

- A well supported judiciary;
- Satisfied courts & tribunals users;
- Skilled & motivated people;
- A well-managed estate;
- Efficiency & best value;
- Digital innovation;
- Purposeful collaboration.



Our new Corporate Plan

Over the course of the year a number of new developments and significant changes have been implemented to ensure that our priorities and objectives were met.

Consolidation and innovation have been the key themes of the significant developments in Scotland's civil courts this year⁷. March 2018 marked a major development for court business in Scotland with the launch of **Civil Online** – the

⁷ Further detail on the issues set out in this performance summary can be found in the "Development and Performance" section of this report – from pages 16-29.

next phase of our integrated case management system – which allows the parties to a simple procedure case to check the status of their case online. Initial feedback on the service has been positive and there are plans to extend the service to allow online submission of case documents in future.

After several years of business the time was right to review the operation of both the **Sheriff Appeal Court and National Personal Injury Court**, to ensure they are operating effectively and delivering the benefits envisaged by the Civil Courts Review. Both reviews were completed successfully – ensuring the optimal throughput of cases and the right staffing model to support both the judiciary and court users.

Reforms to the management of solemn criminal business, which commenced in 2016-17, have now been consolidated through legislation and have led to a **reduction in unnecessary case churn** – with a lower proportion of cases reaching a trial date – only for that trial not to progress on the day.

The significant programme of restructuring Scotland's **devolved tribunals**, set in train by the Tribunals (Scotland) Act 2014, continued apace this year – with the establishment of the Tax, Health & Education and General Regulatory Chambers of the First-Tier Tribunal for Scotland – plus the expansion of the Housing and Property Chamber. These new structures were complemented by a significant improvement in facilities for a number of tribunals – with the opening of the purpose-built **Glasgow Tribunals Centre**, providing dedicated office and hearing space for a range of tribunals in an accessible and co-located facility.

Through the work of the **Evidence and Procedure Review** (EPR) we have continued to explore how the criminal court process can be improved for the most vulnerable. Ensuring that vulnerable victims and witnesses can give the best quality of evidence while being protected from further trauma is a key priority. A new **practice note on taking evidence by Commissioner** – was introduced in May 2017 and a further report recommended changes to improve consistency in the recording of Joint

Investigative Interviews with child witnesses.

Through the work of EPR we have also continued to explore how the summary criminal justice system can be reformed to increase its efficiency and make best use of technology. Our proposals on a **New Model for Summary Criminal Court Procedure** were consulted on throughout 2017 and are now under consideration by the Justice Board for Scotland.

People rely on a high quality system – and the system relies on high-quality people. We can only maintain our services through the dedication and skill of our 1,700 staff based across Scotland. In February 2018 we published our new **5-year People Strategy** – setting out how we will support and develop our people so they can deliver the services of today whilst developing those of tomorrow. This will require a significant investment in our skills – work on which will be led by a new **Education and Learning Unit** that has been established following a comprehensive review of training and learning in SCTS.

We continue to build for the future – construction of **Inverness Justice Centre** has commenced and will be completed around the end of 2019. New court facilities are also under development to improve standards and increase capacity in Kirkcaldy. Sustainability is at the heart of our approach and we were delighted to achieve **Carbon Trust Triple Standard accreditation** this

year, alongside exceeding our carbon reduction targets.

We have continued to review the way in which we deliver business, to ensure it is as efficient and effective as possible – establishing a **National Fines Unit** to focus our efforts on collection and enforcement – and making greater use of **video links** to manage court hearings for those held in custody. Our new **criminal online portal**, launched in early 2018, allows over 12,000 users from a range of organisations to remotely access the case information they need to provide services and support to victims, witnesses or the accused.

Whilst delivering change and reform is crucial we 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 proud to retain and improve our **Customer Service Excellence** Accreditation ratings in 2017. Our independent survey of overall **user satisfaction** also reached a new high of 92%.

We have delivered these major changes and improvements in user satisfaction alongside a significant core workload – over 190,000 registered court cases, 6,000 devolved tribunal cases and 75,000 Power of Attorney Registrations. Behind each of these numbers is an individual – it is in processing and managing these cases and in supporting those people that the SCTS delivers its purpose of **supporting justice**.

Financial Performance

Gross DEL expenditure for the year was £149.3m. When offset by income of £40.9m, the net DEL outturn was £108.4m. This represented an increase of £0.3m 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. Total non-current assets at the year-end increased from £432m to £451m. A notional charge of £90k is recognised for external audit services.

During the year SCTS purchased non-audit services from its appointed external auditor totalling £14k. 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.

Financial Performance Summary

	2017-18		2016-17
	Budget £'000	Outturn £'000	Outturn £'000
Capital - DEL	14,568	14,445	14,249
Revenue - DEL	93,966	93,892	93,017
Net outturn before exceptional costs	108,534	108,337	107,266
Exceptional costs	-	-	-
Net outturn after exceptional costs	108,534	108,337	107,266
Auditors remuneration	-	90	89
	108,624	108,427	107,355
Capital - AME	-	-	-
Revenue - AME	-	(55)	743
Total	108,624	108,372	108,098

1.1.4 Key Issues, Risks & Future Trends

Ensuring that court and tribunal business is managed effectively – providing a high level of service to all those who use the system – is at the heart of all we do. That service depends on a number of independent agencies working together to ensure that people can assert their rights and settle disputes – and so society can address offending and support those who have suffered as a consequence of it. The work is significant in volume, increasingly complex in nature and subject to a high degree of public and media scrutiny.

For these reasons the SCTS places a strong emphasis on planning, identifying and managing risk and supporting reform through sound performance and change management. Anticipating future trends in both demand and policy is also important if we are to ensure that our services manage demand and support the effective implementation of new policies effectively.

The SCTS Board, supported by its Audit and Risk Committee and the Executive Team, consider the **key risk areas that must be managed** to maintain daily business, deliver our priorities and maintain sound controls – based on recognised standards of good governance.

Corporate risks are reviewed approximately every six weeks 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 a joint annual workshop with the Audit and Risk Committee and Executive Team – at which the strategic risk categories and major corporate risks facing the organisation are explored. The most recent workshop was in January 2018. The corporate risk register was fully reviewed and consolidated over the course of this year. A summary of the strategic risks identified and ranked by the Board is provided at page 10.

Whilst much of the work of the courts and tribunals is demand-led, predicting **business volumes** is important so that we can match capacity to demand and take a flexible approach should demand change⁸. Projections are carried out as part of our business planning process.

The workload across the courts and tribunals remains significant, with summary criminal cases representing the highest volume. Whilst crime levels have been reducing over recent years the **level of serious crime prosecuted in the High Court** has continued to increase – a trend that was recognised last year. A high proportion of these cases relate to sexual offences and domestic abuse. These cases are complex in nature, more likely to proceed to trial

and tend to take longer than other case types. The increased workload for both prosecutors and the courts in relation to these cases has offset some of the business reductions experienced in the sheriff and justice of the peace courts over the past year.

Business levels continue to be high in the **Office of the Public Guardian**, driven by an ageing population and increasing numbers of people recognising the value in registering a Power of Attorney, so that a nominated person can make decisions about their affairs should they become incapable. The registration process can be carried out online.⁹

Courts and tribunals operational performance is monitored at local management level and through organisational KPIs reviewed by the SCTS Board. These help ensure that, where possible, timescales for individual cases are maintained within ranges considered optimal.

In their planning and oversight of the organisation's work throughout the year, and their assessment of future demand and change, the SCTS Board has identified a number of **key issues and trends** that have the potential to impact on future performance.

⁸ More detailed data on business volumes can be found at annex 1 of this report.

⁹ <http://www.publicguardian-scotland.gov.uk/power-of-attorney/epoar/submitting-a-power-of-attorney>

1. Financial constraints are set to continue over the coming years – and have been explored by the organisation during the development of its medium-term **financial strategy**. As in previous years a key challenge will be balancing the need to resource core services to a high standard whilst identifying sufficient resource to invest in **innovation and change**.

Future funding will be crucial to ensure we can realise the benefits of our significant programme of service and technology improvement. With over a quarter of our income derived from fees (which vary from year to year) and retained fines (which have been reducing in recent years) the need to manage budgets effectively and focus on reform has never been greater.

2. The level of Policy and legislative change across the justice system continues to be high – requiring SCTS to develop its processes so that outcomes are achieved – and to be involved in the formation of policy to ensure it will work well in practice. In relation to criminal court business we anticipate the development of major new proposals based around the SCTS-led **Evidence and Procedure Review**¹⁰ in the coming period. In relation to civil court business the abolition of the three-year time bar on commencing personal injury actions where the person injured was a child¹¹, coupled with new laws intended to **increase access to justice**, by

reducing uncertainty in relation to legal expenses that pursuers may be liable for¹² may increase business levels – particularly in the National Personal Injury Court and the Court of Session. We continue to work with the Scottish Government and partner agencies to ensure these reforms deliver the desired outcomes.

3. Tribunal Reform: The transfer of devolved tribunals into the new First and Upper Tier Tribunal structure will continue to be a key focus. The **Housing and Property Chamber** will expand, as applications to its new jurisdictions steadily increase. The **General Regulatory Chamber** will also expand by assuming several new jurisdictions in 2019. A new **Scottish Social Security Chamber** is being created from October 2018 – to consider appeals against decisions of the new Social Security Agency being set up by the Scottish Government.

The **Smith Commission** proposed that responsibility for the administration of Scottish cases heard by tribunals whose functions relate to reserved areas of UK law (e.g. social security, immigration, employment & tax) should be devolved to Scottish Ministers – with cases administered by SCTS. Detailed planning on the timing and form of this transfer is ongoing. We will continue to work with the judiciary, the UK and Scottish Governments to agree a suitable funding and operational model.

4. Brexit: We continue to assess the potential impact that Brexit may have on both SCTS and the justice system more generally. That impact will depend on the final settlement agreed between the UK government and remaining EU states. SCTS may be required to change its procedures and adapt processes in a number of areas. Whilst much remains unclear, SCTS has established a Brexit **Operational Impacts** project; a separate group to consider the impact on court rules; and we are part of a justice-system wide planning group on Brexit, established under the auspices of the Justice Board for Scotland.

5. The need to make best use of **Technology** to support reform remains a key priority. Over the past year SCTS has developed a 5-year Digital Strategy¹³ – setting out our vision, approach and key priorities for digital development. The strategy will ensure we take a prioritised and proportionate approach – delivering the best possible service through the use of technology.

The issues, risks and trends outlined in this section are identified through our risk management processes and our annual and three-yearly planning processes, carried out in collaboration with other justice bodies and in alignment with the **Vision & Priorities for Justice in Scotland**¹⁴ agreed by the Justice Board for Scotland.

¹⁰<http://www.scotcourts.gov.uk/evidence-and-procedure-review>

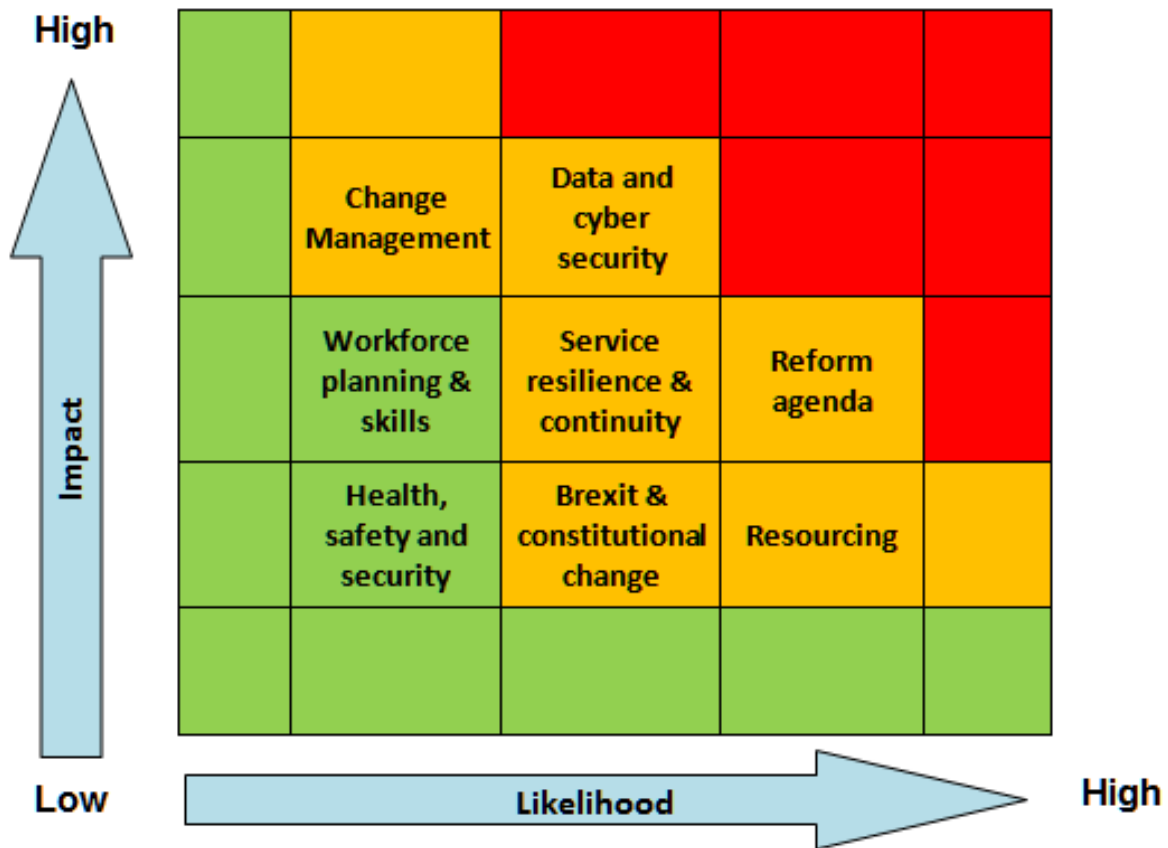
¹¹<http://www.legislation.gov.uk/asp/2017/3/contents/enacted>

¹²<http://www.parliament.scot/parliamentarybusiness/Bills/104998.aspx>

¹³ SCTS strategies can be found on the "Reports & Data" section of the SCTS website:<http://www.scotcourts.gov.uk/about-the-scottish-court-service/reports-data>

¹⁴<https://beta.gov.scot/publications/justice-scotland-vision-priorities/>

Strategic Risk Categories – Identified & Mapped by the SCTS Board (January 2018)



Strategic Risk Category	Principal Corporate Risk monitored by SCTS Board and Audit & Risk Committee
1. Workforce Planning & Skills	Failure to maintain a skilled and motivated workforce.
2. Health, safety and security	Significant health & safety or security breach.
3. Service resilience & continuity	Essential business & services compromised due to critical incident(s).
4. Data & Cyber Security	Significant data/system loss caused by failure in information management controls or cyber-attack.
5. Change Management	Failure to deliver planned key reforms in SCTS Corporate Plan and broader Justice Strategy.
6. Reform Agenda	Organisational structure and systems do not adapt to allow the benefits of reform to be realised.
7. Resourcing	Ability to deliver core business and/or reform programme reduces due to future budget restraint.
8. Brexit & Constitutional Change	Wider Policy/constitutional change impacts on SCTS' ability to deliver core business or reform.

Dealing with bribery or corruption

SCTS has proportionate and effective systems and processes in place to prevent, control and (if necessary) deal with allegations or incidences of bribery or corruption.

The structures established within the Scottish justice system are designed to minimise the potential for bribery or corruption to take place. Parties to a case are separate and seek their own legal advice and representation. Court administrators are independent of the parties. The judiciary are entirely independent of both the parties and the SCTS

Where bribery or corruption is identified in the justice process this is taken extremely seriously – as evidenced this year by the case of a juror who was found guilty of accepting a bribe during a five-month money laundering and drug trafficking trial. This was identified and investigated in full. The juror was jailed for six years.

SCTS has a strong control environment in place including:

- A well-established second jobs policy – ensuring that individuals do not take on roles that could lead to either actual or perceived conflicts with their role in SCTS.
- A register of staff interests – ensuring that any connections between staff (or their immediate family members) and companies, charities or other bodies that may have an actual or potential interest in, or connection with, SCTS are declared and appropriately managed.
- A procurement policy – to ensure that all staff involved in the procurement process act with honesty, courtesy, fairness and impartiality in their dealings with suppliers. Relationships with suppliers must always be conducted on a professional basis with proper regard to ethics and propriety.
- A rigorous policy on registration of gifts – to ensure that external parties cannot seek to gain privilege or differential treatment through offering members of staff incentives outwith the formal system.
- A clear conduct and discipline policy – which explicitly states that all instances of fraud and bribery are treated as gross misconduct that will generally lead to summary dismissal.

- A whistleblowing policy – that explains clearly how concerns can be raised, provides direct reporting lines to both an identified Director of the SCTS and an identified member of the SCTS Board. The policy and all instances of whistleblowing are kept under review by the Audit and Risk Committee annually.
- Clear separation of roles, responsibilities, system privileges and approval levels that minimise the potential for any misuse of finances.
- Our policies and procedures are backed up by a comprehensive peer-review assessment process, where good practice and regularity in each of our courts is cross-checked by staff independent of that court on an annual basis.



Our systems and processes are designed to minimise risk of abuse

1.2 Performance Analysis

1.2.1 Performance Measures – Business Plan Outcomes & KPIs

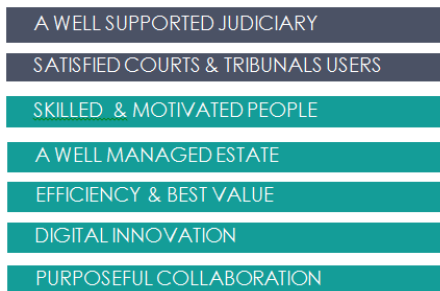
Throughout the year the SCTS Board monitored ongoing delivery of its **2017-18 Business Plan Outcomes**. 31 outcomes were set in the plan, of which 24 were fully completed. Three outcomes were partially delivered, a further three were deferred to 2018-19 and one was closed as legislation to secure its delivery was not secured at the UK Parliament. A more detailed report on the end-year position of all 31 outcomes is available on the SCTS website¹⁵. Further commentary on a range of the outcomes delivered can be found in the development and performance section of this report (from page 15).

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 on page 14, and the full-year scorecard for 2017-18 is published on the SCTS website¹⁶.

¹⁵ The SCTS Business Plan Delivery Report, which provides a summary of progress against all 2017-18 Business Plan objectives 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>

¹⁶ The SCTS Board Scorecard for 2017-18 and a document providing full descriptions and definitions of the scorecard KPIs can be accessed at: SCTS Board webpage (link immediately above)

The KPIs are aligned to our strategic **priorities** and allow the Board to maintain effective oversight of core service delivery, key operational and corporate processes and wider performance.



SCTS Strategic Priorities

In addition to providing an exception-based report on performance the KPIs provide the Board with a means of assuring that the organisation is carrying out activities intended to mitigate against **key risks** which have been identified and seeking to **manage uncertainty** so far as possible.

Key corporate risks in relation to areas such as employee engagement and development, financial restraint and the ability to deliver our overall change programme are the subject of measurable KPIs in the Board scorecard, relating to employee engagement measures, training data, expenditure & income profiles and the overall delivery status of the organisation's change programme. Whilst measuring these areas does not eliminate risk it provides an overview of the current position and helps manage

uncertainty by providing insight on changes as they occur – allowing any response to be based on evidence.

Twelve of the 17 Board KPI scorecard indicators reported green throughout the year. Three measures were in exception throughout the year. These related to:

1. The proportion of cases disposed of through the summary justice system as a whole within 26 weeks (indicator 2b). This measure covers the period between police caution and charge, through prosecution, to the court verdict. SCTS has ensured that the optimum period for the court element of this process (the time between a summary case first calling in court and the date of the trial diet) of 16 weeks has been achieved throughout the year.

2. The annual expenditure on backlog estate maintenance when compared with the level of investment required to ensure the assessed overall maintenance backlog does not increase (indicator 4a). Whilst considerable resource was directed towards tackling backlog maintenance over the course of the year (£4.8m) this fell short of the £5.1m target set for the KPI to be assessed as green. Over the past 5 years the level of backlog maintenance has been reduced significantly.

The fact that this year's target has been marginally missed reflects the tightening financial environment faced by the organisation and the need to balance front line delivery with longer term investment.

3. The proportion of summary trials at which no evidence was led and that were subsequently adjourned to a further diet (indicator 5c). This indicator remained at amber throughout the year. The ability of SCTS to control this indicator is limited – as the majority of the adjournments relate to either the non-attendance of essential witnesses or parties not being fully prepared to proceed when the trial calls. SCTS continues to measure this indicator as it provides a helpful measure of performance across the summary criminal justice system more generally. The challenges it identifies has been recognised by the work of the Evidence and

Procedure review, which proposes a significant change in the summary justice process, intended to ensure that trials only call in court when the parties are fully prepared and witnesses available.

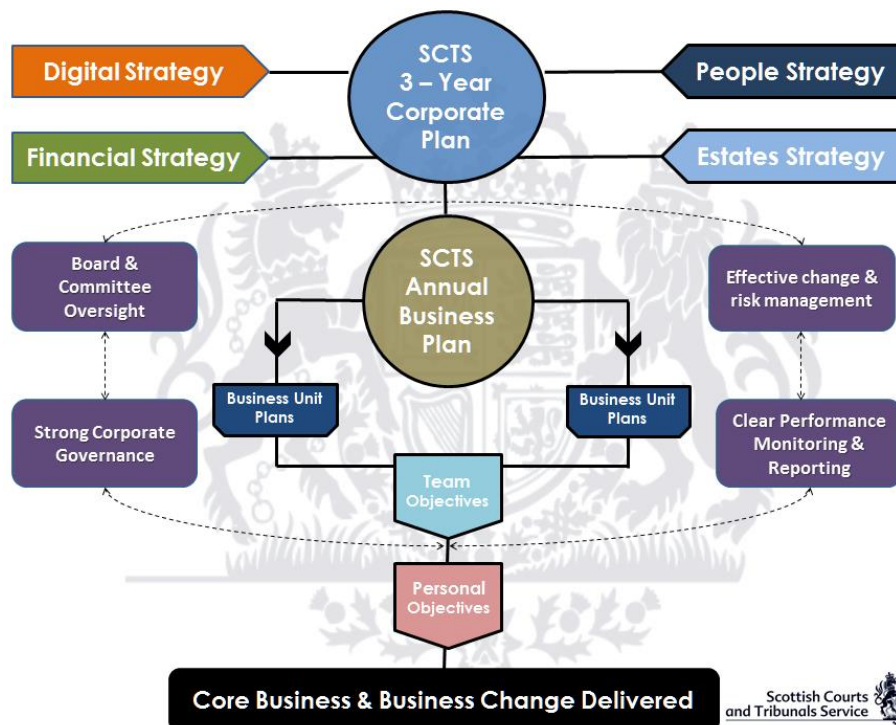
The remaining 2 measures reported green for 2 quarters out of 4 – these were:

1. Employee engagement (indicator 3a). This measure (which contains a range of sub-measures that are assessed to measure engagement overall) reported amber in the last 2 quarters of the year – principally due to slightly elevated levels of short-term staff absence across the winter months.
2. Fees and fine income (indicator 8b). This indicator reported amber in quarter 3 and red in quarter 4 of the year, reflecting the fact that full-year income fell some £2.57m behind budget - due

to a continued reduction in retained fines income (of £1.09m) and £1.48m lower than anticipated civil court fee income. Full year fee income of £32.8m was at 95.7% of the level forecast at the beginning of the financial year.

Longer-term objectives and strategies

The annual performance reporting provided by our Business Plan Delivery Report and Board KPI Scorecard sits within a broader framework of the 29 strategic objectives set out in our Corporate Plan 2017-20. In addition to our annual work programme the delivery of these longer-term elements is informed by our four corporate strategies – these set out both the context and our medium term agenda across the key enabling areas of people, estates, digital and finance, as set out in the diagram below.



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 & MOTIVATED PEOPLE
3a. Employee engagement (indicator based on staff turnover, absence levels & 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. EFFICIENCY & BEST VALUE
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 indicators across a broad range of court business, assessing whether waiting times remain within optimal levels.
5e. Effective Tribunals Operations – an assessment of 14 key administrative targets monitored by Tribunal Operations Directorate, to ensure that tribunals are effectively administered.
5f. Programme and Project Delivery (assessment of delivery of business change activity).
6. DIGITAL INNOVATION
6a. Proportion of applicable transactions carried out online (measure to assess and drive greater use of online systems, such as online fines payment).
6b. IT system availability (% of time that core systems are available for use).
7. PURPOSEFUL COLLABORATION WITH JUSTICE PARTNERS
7a. Assessment of collaboration with other justice bodies & through the Justice Board for Scotland.
FINANCIAL PERFORMANCE
8a. Managing expenditure (comparison of actual with profiled expenditure to ensure robust budgeting).
8b. Managing income (comparison of actual fines and fees income with profiled income to ensure robust profiling).

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 & Performance 2017-18

A Well Supported Judiciary

STRATEGIC PRIORITY 1

We aim to ensure that the right technology, people, systems and processes are in place to assist the judiciary to dispense justice effectively.

Throughout 2017-18 the work set out in our annual business plan¹⁷ has built on the significant reforms of recent years. Successful delivery of the outcomes set requires us to work closely with Scotland's judiciary – ensuring we listen to their views and provide them with the best possible support.

With the significant legislative programme supporting **civil courts reform** through the Courts Reform (Scotland) Act 2014¹⁸ now largely delivered, emphasis has shifted to reviewing the operation of the new rules and processes in place. Following its establishment in 2015-16 the **Sheriff Appeal Court** has been hearing appeals from both sheriff and justice of the peace courts across the country. This year, in collaboration with the president of the court, a review of its operation was conducted – to ensure that its processes and the resources available to it allowed it to provide a high level of service. The recommendations of that review have been implemented and a full complement of staff is in

place to ensure that appeal business can be processed efficiently and effectively.

A similar review was conducted in the **National Personal Injury Court**. In collaboration with the judiciary that review led to the development and introduction of new arrangements to improve the processing of opposed motions. Business volume management has been enhanced through the introduction of regular meetings with the judiciary – to ensure optimal throughput of cases and their timely disposal.

Simple Procedure¹⁹ was introduced in 2016, designed to provide a speedy, inexpensive and informal court route to resolve civil disputes valued at up to £5,000. This was supported by the introduction of our new **integrated case management system – ICMS**.

In March 2018 we launched the next phase of that system – **Civil Online** – which allows solicitors, their staff, party litigants and lay representatives to check the status of their simple procedure case online, a first

for Scottish courts. Within the first 6 weeks of going live over 1000 professionals and party litigants had accessed the portal and their feedback was very positive. In 2018-19 the functionality of the portal will be extended to allow **online case submission**. A judicial working group is advising the development team to ensure that this new functionality meets the needs of the judiciary, court users and staff.

Civil Online

Accessing case data through our online portal

Reforms to **solemn criminal procedure** continued with key legislative provisions of the Criminal Justice (Scotland) Act 2016²⁰ coming into force this year. Aimed at reducing 'churn' and encouraging early engagement between parties, the provisions built on the **Lord Justice Clerk's Practice Note No.3 of 2015**²¹. To ensure a smooth introduction a judicially chaired national steering group was established. Consisting of specialists from

¹⁷<http://www.scotcourts.gov.uk/docs/default-source/aboutscs/reports-and-data/publications/scts-business-plan-2017-18.pdf?sfvrsn=8>

¹⁸<http://www.legislation.gov.uk/asp/2014/18/contents/enacted>

¹⁹<https://www.scotcourts.gov.uk/rules-and-practice/rules-of-court/sheriff-court---civil-procedure-rules/simple-procedure-rules>

²⁰<http://www.legislation.gov.uk/asp/2016/1/contents/enacted>

²¹<https://www.scotcourts.gov.uk/docs/default-source/rules-and-practice/practice-notes/criminal-courts/criminal-courts-pn-no3-of-2015.pdf?sfvrsn=24>

across SCTS and members of the judiciary, the group supported the development of an operational framework for court programming, enhanced with workshops and resources to ensure the changes support enhanced judicial case management.



Criminal Justice (Scotland) Act 2016

2016 asp 1

The impact of the changes has been very positive to date – prior to their introduction the adjournment level without evidence being led in solemn trials stood at 49% - since the introduction of the new arrangements that rate has reduced to 40% or below. We will continue to monitor trends and ensure that all steps are taken to reduce adjournment levels at trial as these lead to inconvenience for victims, witnesses and jurors alike.

Following a successful pilot in Edinburgh Sheriff and Justice of the Peace Court in 2016, an **Alcohol Court** was launched in Glasgow this year. This problem-solving court targets those under 35 and is aimed at influencing behaviour and holding offenders to account through rigorous monitoring. SCTS will work with the judiciary to ensure the court is fully supported and resourced as it develops.

In 2017 the Judicial Institute for Scotland (the JI) which is administered and staffed by the SCTS, published its **National Curriculum for Justices of the Peace**²². The curriculum sets out high level learning objectives for JPs, providing an insight as to the skills and qualities sought for this important judicial role – in addition to informing the training and support made available to ensure JPs are well supported and prepared.

The JI responded at pace to meet a request to train JPs on the prosecution of domestic abuse cases in the JP court. In order to train all JPs in a limited time period a new type of programme, which involved both online and face to face training, was developed. An **online learning module** was piloted, which allowed JPs to self-certify their engagement with the learning.

Under the Tribunals (Scotland) Act 2014, the Lord President assumed responsibility for the training of tribunal judicial office holders. Having developed an outline educational model to facilitate partnership working with each tribunal chamber, the JI recruited its first **Head of Tribunals Training**.

Throughout 2017-18 further important changes to the **structure of Scotland's tribunals** were implemented. The Tribunals (Scotland) Act 2014²³ created a simplified

²² <http://www.scotland-judiciary.org.uk/Upload/Documents/NationalCurriculumforJusticesofthePeace.pdf>

²³ <http://www.legislation.gov.uk/asp/2014/10/introduction/2015-09-22>

structure – establishing the First-tier Tribunal for Scotland and the Upper Tribunal for Scotland, known collectively as the Scottish Tribunals.



The new **Additional Support Needs jurisdiction website** – developed with the younger user in mind

In late 2017 the **Private Rented Sector and Letting Agents**²⁴ jurisdictions transferred successfully into the Housing and Property Chamber – the first of the new chambers established in December 2016. The Additional Support Needs Tribunal²⁵ moved into the **Health & Education Chamber** and the Scottish Charity Appeals Panel became the first part of the newly created **General Regulatory Chamber**. The **Tax Chamber** was established in April 2017 – in recognition of new taxation powers devolved to the Scottish Parliament by virtue of the Scotland Act 2016.

We have maintained close working relationships with Tribunal Presidents throughout these changes, monitoring the impact of the new jurisdictions and their business levels, whilst ensuring that the unique and less formal character of tribunals is maintained.

²⁴ <https://www.housingandpropertychamber.scot/who-we-are>

²⁵ <https://www.healthandeducationchamber.scot/>

Satisfied Courts & Tribunals Users

STRATEGIC PRIORITY 2

We will consistently deliver high-quality customer service, inspiring confidence in those who use our services, promoting inclusiveness and developing our understanding of customer needs through ongoing feedback and quality assessment

Providing a good service to the many thousands of people using Scotland's Courts and tribunals is one of the most important things we do. To achieve that we need to listen to our users and develop insight as to how our services can be improved. Independent assessment is a crucial element of that insight. Our three-year rolling programme of **Customer Service Excellence**²⁶ accreditation provides an independent and objective assessment of the service we provide.

Through in-depth assessments of our policies and procedures, detailed discussions with staff and customers, and open observation of our day-to-day business, the assessment independently considers our service, focusing on the key themes of delivery, timeliness, information, professionalism and staff attitudes.



In 2017 we built on an already strong foundation by successfully **integrating tribunals' operations** into our accreditation package – ensuring that it continues to represent our broadening customer base. Of the 57 elements grouped under the key themes we achieved 11 ratings at the highest possible level of “compliance plus”. A further 43 elements were rated “fully compliant” with only three elements rated “partially compliant” – these are the strongest results SCTS has achieved since the launch of CSE in 2012 – with an increase in the number of compliant elements and a reduction in the number of partially compliant compared to the 2016 results.

The assessors acknowledged a number of positive service developments and praised the “*unusually strong and in-depth understanding of customers and the groups to which they belong*”, crediting staff for their genuinely **caring attitudes** that are greatly appreciated by varied customers, including the other agencies and professionals who use our services every day.

To broaden the range of insight available to the organisation we also conduct a biennial **Court Users' Survey**, measuring overall satisfaction and inviting users to suggest

changes and improvements. In 2017 over 2500 public and professional court users across the country were surveyed on a range of service elements including comfort and cleanliness of facilities; safety and security; information and waiting times; and customer service levels. A record 92% of those surveyed declared overall **satisfaction with the standards of service** they received – up from 89% in 2013 and 2015.



Whilst we aim to provide a high level of service to all those using Scotland's courts and tribunals we recognise the fact that **victims and witnesses** often require additional support. The Victims and Witnesses (Scotland) Act 2014²⁷, extended the availability of a number of special measures to a broader range of those who find themselves involved in the system through no fault of their own – often in difficult or stressful situations. Each year the SCTS publishes an annual report on its

²⁶<http://www.customerserviceexcellence.uk.com/aboutTheStandardCSE.htm>

²⁷<https://www.legislation.gov.uk/asp/2014/1/contents>

Service Standards²⁸ for victims and witnesses in collaboration with five justice partners. This describes how we have performed against the standards and sets out changes made to improve the experience of the justice system.

Through the work of the **Evidence and Procedure Review**²⁹ we have continued to explore how the criminal court process can be improved for the most vulnerable people who come into contact with it. Ensuring that vulnerable victims and witnesses can give the best quality of evidence while being protected from further trauma is a key priority. One way of achieving this is through the taking of evidence by Commissioner – where a witness' evidence is recorded in advance of a trial.

In May 2017 a **High Court Practice Note**³⁰ came into effect setting new guidelines for the process of taking evidence by Commissioner – placing an obligation on parties to consider at an early stage if a witness may be vulnerable and if their evidence should be recorded in advance of trial. A further report³¹ was

²⁸<http://www.scotcourts.gov.uk/docs/default-source/aboutscs/reports-and-data/standards-of-service-for-victims-and-witnesses-annual-report-2017-18.pdf?sfvrsn=2>

²⁹<http://www.scotcourts.gov.uk/evidence-and-procedure-review>

³⁰<http://www.scotcourts.gov.uk/docs/default-source/rules-and-practice/practice-notes/criminal-courts/criminal-courts---practice-note--number-1-of-2017.pdf?sfvrsn=4>

³¹<http://www.scotcourts.gov.uk/docs/default-source/aboutscs/reports-and-data/reports-data/evidence-and->

published setting out recommendations to improve consistency on visually recording Joint Investigative Interviews with child witnesses, alongside a future vision for taking the evidence of child and vulnerable adult witnesses in a way that maximises the use of pre-recorded evidence – minimising the need for such witnesses to attend court. As a result of this work the Scottish Government has indicated that it will introduce a **Vulnerable Witnesses and Pre-recorded Evidence Bill in 2018-19**, to reduce further the need for children and vulnerable witnesses to give evidence in court.



SCTS sponsor the annual Employment Award at the Council of Ethnic Minority Voluntary Organisations Awards

The SCTS is committed to equality – and to advancing its equalities agenda, focussing on the individual needs of those who rely on our services. Our **Mainstreaming Equality Report 2017**³² sets out the progress we have on a number of fronts – up to year two of our current four-year equality plan. Oversight of this work is provided by our **Equalities Advisory Group** – which allows a range of

[procedure-pre-recorded-evidence-report-28-09-17.pdf?sfvrsn=2](http://www.scotcourts.gov.uk/docs/default-source/aboutscs/reports-and-data/mainstream-report-april-2017.pdf?sfvrsn=2)

³²<http://www.scotcourts.gov.uk/docs/default-source/aboutscs/reports-and-data/mainstream-report-april-2017.pdf?sfvrsn=4>

external organisations to provide advice and input to our approach.

SCTS continues to play an important role in maintaining and promoting **human rights**. The right to a fair and public hearing before an independent and impartial tribunal is enshrined in Article 6 of the European Convention of Human Rights. By providing the forum through which that right can be asserted we help ensure that a number of other Convention rights are observed, including:

- 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 be presumed innocent until proven guilty in a public trial.

Whilst we are fortunate to live in a country where these rights are upheld and respected we take our role in maintaining the environment in which justice is done, and can be seen to be done, very seriously – upholding fundamental principles of law and ensuring that all those who need to exercise their rights are able to do so. In doing so we continue to assess the potential impact of changes in policy – such as Brexit – and changes in practice, such as the increased use of technology in court business, to ensure these are managed in a way that respects citizens' fundamental rights.

Skilled & Motivated People

STRATEGIC PRIORITY 3

We will maintain a skilled and motivated workforce supporting the judiciary and providing excellent customer service across the tribunals, courts and Office of the Public Guardian

SCTS employs over 1,700 staff across Scotland. Our people deliver high quality services, provide expert support and ensure that both the judiciary and our customers benefit from a system that is well administered. The increasing breadth and complexity of our work requires our people to be committed, flexible and resilient. The 2017 UK Cabinet Office **annual people survey**³³ reported an overall staff engagement index score of 63% for SCTS – one of the highest in Scotland.

The survey showed that, across the organisation, our people have a strong understanding of the SCTS's purpose and objectives and value the support of their team. The insights from the survey are used by local working groups across the organisation to inform changes that can be made to further improve our services and to ensure that SCTS remains an employer of choice and a great place to work.

With a geographically dispersed staff we understand the importance of hearing views from all our people – sharing good practice and learning from

experience across the country. Over the past year the SCTS Executive Team took to the road in a series of **summer engagement events**, visiting 54 different locations across the country to talk directly with staff. Each of these 113 sessions provided an opportunity for open, frank and – at times – challenging conversations on important areas to individuals and teams, providing both the staff and the executive team with valuable insights.



Seeking views from our people across the country

The **SCTS Leaders' Event** held in June 2017 focused on change, giving over 100 managers from all areas a forum to learn about and contribute to key areas of work – including the Evidence and Procedure review, the future of digital case management and the overall workload and plans of the organisation. Feedback from the event was positive – with managers indicating an improved understanding of and engagement with the key areas for development and reform on which the event focused.

In February 2018 we published our new 5-year **People Strategy**³⁴ following an extensive period of analysis and engagement to gather views from across the organisation. The strategy sets out our continuing commitment to our people – detailing key activities based around four key themes:

- **Valuing everyone's contribution**
- **Our Team**
- **Learning**
- **Realising Potential**



Our new People Strategy

Delivery of the strategy will be overseen by the SCTS People Committee – which provides expert advice and support on people issues to both the organisation and the SCTS Board.

³³ Results for all organisations are accessible at: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/662514/Civil_Serviec_People_Survey_2017_All_Organisation_Scores.xlsx

³⁴<http://www.scotcourts.gov.uk/docs/default-source/default-document-library/people-strategy---14-02-18.pdf?sfvrsn=2>

In 2017 we commissioned a comprehensive Review of the provision of **learning and development** across SCTS – in recognition of the fact that reform continues to drive a range of changes both to the work we do and the way in which we do it. We must ensure our people are equipped and prepared to make the most of that change. We also recognised that the way in which people choose to learn is changing – requiring us, as a forward-looking employer, to review the way in which we offer training and learning support.

As a result of the review a new **Education and Learning Unit** has been established within SCTS. This will continue to deliver the high-quality technical training required for court and tribunal staff, alongside education and development for our leaders of the future. It will also consider the impact and training needs presented by the justice reform agenda – including an increased use of technology and digital systems. The unit will allow a holistic approach to be taken to the development of training and learning across the organisation – based on an educational model designed to maximise the value of learning for our people.



Developments to our training and learning systems have continued over the past year. **Pod (Personal Online Development)**, launched in 2017, providing a virtual platform to access a range of learning tools. It is being used to good effect with over 90% of staff using the system for professional development throughout the year. Online learning materials have been developed with the benefit of user-design and feedback and have allowed the organisation to address several corporate initiatives – such as the need to provide training to reflect the introduction of the **General Data Protection Regulation** from May 2018 and the impact this has on all staff responsible for processing personal data.

We continue to support (and benefit from) the work of our **Modern Apprentices** who began their apprenticeships in the last reporting year. Four of the six MA's appointed are now in permanent roles, and we will be recruiting further in 2018.

The SCTS is an approved **Institute of Learning Management (ILM)** centre, employing specialist staff to design and deliver development programmes mapped to ILM Standards. We are piloting, with our Modern Apprentices, a new ILM Level 2 Award in Young Leaders through Pod. We are currently the only ILM centre in Scotland with candidates working towards this qualification.

In September 2017 our annual **Celebration of Success** brought staff together from across the country to mark their commitment to learning and development. Over 60 people received awards for qualifications ranging from SVQs to Masters Degrees. The SCTS were delighted to award **Learner of the Year** to one of our Modern Apprentices, who is now a permanent SCTS employee.



Celebration of Success

Mental Health Awareness Week 2017 provided an excellent platform to promote our Employee Assistance Programme and raise awareness of the importance of well-being at home and work. A pilot of **mental health awareness training** took place in Glasgow Sheriff and JP Court. This will be rolled out across the organisation in 2018-19.

SCTS is committed to creating an environment in which all employees are able to realise their potential. In August 2017 we introduced a **Transgender – Transitioning at Work Policy**, developed in partnership with Stonewall Scotland. The policy outlines support available for those transitioning, and sets out guidelines on appropriate terminology recognising that even the accidental misuse of wording can cause offence or distress.

A Well-Managed Estate

STRATEGIC PRIORITY 4

We will develop and maintain our built infrastructure to provide a high-quality, safe, secure and sustainable environment for everyone using our services.

The SCTS has an active presence across Scotland. Our estate consists of some 71 buildings including over 50 court buildings and 15 remote video witness sites. The estate ranges from small courts on a number of the islands through to Scotland's Supreme Courts.

Sheriff and Justice of the Peace courts operate from **39 distinct locations** – ensuring that justice is done and can be seen to be done across the country. There are tribunal centres in Glasgow, Edinburgh and Hamilton – and the Office of the Public Guardian is based in Falkirk. In addition Scotland's devolved tribunals make use of up to a further 70 sites for hearings – often within hospital premises. A map showing our estate locations can be found at Annex 2.

Some 28 of the buildings we manage are listed – including Glasgow Sheriff Court, the only post-war listed court building (opened in 1986) and Parliament House, opened in 1639, which includes the famous Parliament Hall, built at the instigation of Charles I to provide a meeting place for the Scots Parliament and Privy Council.

As a result of the specialist nature of many court buildings an open market valuation of the SCTS estate is unsuitable, and instead the

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



Parliament Hall

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 balance proportionate investment in new facilities with ongoing maintenance and improvement.

In 2016 we published our 10 year **Estates Strategy**³⁵ setting out priorities for the development and maintenance of our estate.

³⁵<http://www.scotcourts.gov.uk/docs/default-source/aboutscs/reports-and-data/publications/scts-estates-strategy-2016-26.pdf?sfvrsn=2>

We keep those priorities under review to ensure they reflect the needs of those using the system. In 2018 we re-appraised our **strategic condition survey** to ensure that the resources we have are targeted effectively in future years.

The programme of reform underway across Scotland's tribunals created a unique opportunity to provide improved and flexible facilities. In collaboration with HM Courts and Tribunals Service, **the Glasgow Tribunals Centre**, was developed this year – providing a purpose-built city centre venue with 34 hearing rooms, nine waiting rooms and a range of consultation rooms. The Housing & Property, Health & Education, Social Security & Child Support, and Criminal Injuries Compensation tribunals will operate from the new centre as SCTS and HMCTS share this new facility – providing an improved service for users and best value to the public.



Glasgow Tribunals Centre – developed during the year & opened in April 2018

Our **shared service initiative** continues to provide savings to both SCTS and the Crown Office and Procurator Fiscal Service (COPFS). In 2017-8 COPFS realised £180,000 of savings through the arrangement, with SCTS receiving £95,000 as a shared service fee.

Bringing agencies together to provide integrated services is at the heart of our most significant new estates investment – the **Inverness Justice Centre**. Designed to provide modern court and tribunal facilities for a range of justice and support organisations, construction commenced in March 2018 and is on-track to be delivered by the end of 2019. Through both its cutting-edge design and effective use of systems and facilities the building will simplify and enhance users' experience of the justice system.



The design for Inverness Justice Centre

Whilst our longer-term strategy³⁶ envisages the development of further justice centres in key locations we continue to use the resources available to us to tackle challenges within our existing estate. In early 2018 we submitted planning and listed building consent applications to build two **new criminal courtrooms in**

³⁶ Further information on our strategic approach to the SCTS estate can be found in the SCTS Estates Strategy - <http://www.scotcourts.gov.uk/docs/default-source/aboutscs/reports-and-data/publications/scts-estates-strategy-2016-26.pdf?sfvrsn=2>

Kirkcaldy. Based within the existing Kirkcaldy police station the creation of these facilities will improve efficiency and flexibility in managing day to day business, by increasing the number of courtrooms and providing improved accommodation for court users, including victims, witnesses and jurors.

Sustainability and Environmental Performance

SCTS has a strong record in sustainability and in 2018 we were delighted to be awarded the prestigious **Carbon Trust Triple Standard accreditation**. This builds on a decade of achievements beginning with the Carbon Standard in 2008, the Water Standard in 2014 and finally the Waste Standard in 2018. Since 2011 the SCTS's carbon footprint has fallen by over 4,900 tonnes of carbon equivalent; water usage has been cut by over 8% in three years with significant waste recycling management improvements.

The SCTS is one of only three public bodies in Scotland to hold this accreditation. We remain dedicated to meeting our challenging carbon reduction targets, developing innovative ways to improve our sustainability.



Earth Hour is the annual world-wide movement that encourages us all to switch off non-essential electrical items. Over the years SCTS has been a strong supporter of the event organised by the World Wildlife Fund (WWF). In 2017 the event had a presence in 186 countries around the world, with over 9 million people participating in the UK. In February 2018 the SCTS were presented with the **Earth Hour Public Body Champion Award 2017**³⁷ in recognition of our work supporting the cause – each year we switch off the lights on our most visible urban court complex in Glasgow – to demonstrate the steps we can all take.



Sustainability award from the WWF

The approach taken by SCTS to sustainability is set out in our sustainability policy.³⁸ As a designated public sector "major player" on climate change we are required to submit detailed sustainability reports – setting out the progress we have made each year. These reports are published on the Sustainable Scotland Network website annually³⁹.

³⁷ <https://www.wwf.org.uk/scotland>

³⁸ <https://www.scotcourts.gov.uk/docs/default-source/SCS-Communications/sustainability-policy.docx?sfvrsn=2>

³⁹ <https://www.keepsScotlandBeautiful.org/sustainability-climate-change/sustainable-scotland-network/climate-change-reporting/climate-change-reports/?cid=6>

Efficiency and Best Value

STRATEGIC PRIORITY 5

We will keep our processes under review to make sure that we deliver business in an effective, reliable and economical way.

The work we do plays a crucial role in supporting a safe and just society. It is significant in volume and often complex in nature. At an individual level people have a right to expect that their case will be well-managed. At a system-wide level people expect us to operate effectively and take advantage of opportunities to develop – balancing service improvement with the delivery of best value.

The **participation of jurors** in our justice system is one of the key ways in which members of the public become involved. People offer their support willingly. It is incumbent on us to provide straightforward and accessible processes that allow them to fulfil this important function. Our streamlined **one stage citation** process, now in its second year of operation, encourages users to respond to their jury citation online. Some 89% of potential jurors used the online portal to respond to their citation request, allowing them to do so at a time that suits and reducing the pressure on front line staff.

In February 2018 we published (in a variety of formats) the **Enabling Jury Service**⁴⁰ report. This report

⁴⁰<http://www.scotcourts.gov.uk/docs/default-source/aboutscs/reports-and-data/reports-data/enabling-jurors->

sets out the findings of a judicially-led working group which explored steps that could be taken to better meet the needs of potential jurors with disabilities, impairments and communication difficulties.



The report is available in a range of formats

The group identified some changes that will require legislation and other more practical steps that can be taken to encourage wider participation in jury service. We have established a project team to assess the report's proposals and how they could be implemented in practice.

We have seen a continuation in the trend for fine payments to be made through new payment channels, in place of individuals attending to pay fines at court. Since their introduction the number of **automated telephone and online payment** transactions made via our secure website has risen steadily. In 2017-18 over 190,000 fines transactions were fully automated and over £8m was collected via these channels. We are working to improve our ability to trace

[service/enabling-jury-service-feb-2018.doc?sfvrsn=4](http://www.scotcourts.gov.uk/docs/default-source/aboutscs/reports-and-data/reports-data/enabling-jury-service-feb-2018.doc?sfvrsn=4)

and recover unpaid fines in partnership with the Department for Work and Pensions.

Since 2010 Scotland's courts have had dedicated fines enforcement officers – who have a range of powers at their disposal to collect and enforce fines. A decision was taken this year to further recognise the specialist nature of this work, with the establishment of a **National Fines Unit** – which will ensure a dedicated focus on the management and development of fines enforcement across the organisation.



Online payment – a popular choice

Business levels⁴¹ across Scotland's courts and tribunals remain significant. In collaboration with other justice agencies we continue to proactively manage case volumes. Throughout 2017-18 waiting periods across Scotland's courts were within the timescales considered to be optimal (under 16 weeks) for summary criminal cases,

⁴¹ A commentary and statistics detailing business levels across all the main jurisdictions supported by the SCTS in 2017-18 (and the 2 preceding years) can be found at annex 1.

with domestic abuse cases heard within an expedited timescale, agreed with partners, of 8-10 weeks.

In January 2018 section 110 of the Criminal Justice (Scotland) Act 2016⁴² came into force, enabling a greater proportion of hearings where the accused is in custody to be conducted by way of **video link from prison to court**. In support of this we have upgraded our video conferencing equipment across the estate – some 25 locations have the facilities to hear cases by video link. Since commencement of s110 a steady increase in the level of cases being heard by video link has taken place.

We supported the Scottish Government as it considered the level of fees to be charged for different types of civil court business from 2018 - undertaking a review of our fees and transaction activity. This informed both the consultation on and development of new Fees Orders, which were enacted by the Scottish Parliament.

In an organisation that continues to develop and deliver a range of significant reforms effective programme and project management arrangements are essential – to ensure that change is effectively co-ordinated, communicated and delivered as part of a coherent programme. During 2017 we launched a new **Guide to Managing Corporate Projects** supported by new project templates and dedicated web pages. These have been welcomed

by both managers and staff - providing a clear and streamlined approach.

The General Data Protection Regulation (GDPR) introduces an enhanced data protection regime from May 2018 – requiring organisations to explain how they will use people's data; introducing more stringent reporting duties; and increasing penalty levels for breaches and non-compliance.



The SCTS holds significant personal and sensitive data and takes its responsibility for handling it very seriously. Throughout 2017-18 we have built on our well-established processes, improving internal reporting, revising data sharing agreements and drafting privacy notices. We delivered a programme of training to fully prepare our staff for the introduction of "GDPR" and established an **Information Assurance Group** – a cross-organisational forum focusing on information security, policy and practice.

We continue to assess the potential impact that **Brexit** may have on the operation of the SCTS and the justice system generally. The precise impact will depend on the final settlement negotiated between the UK government and the remaining EU states. There are a number of areas where SCTS may need to change procedures, to ensure that the administration of justice remains effective during the

negotiation period and beyond. These include issues relating to jurisdiction in child and family law cases with a cross-border dimension, jurisdiction rules in civil and commercial cases and reciprocal rules on the enforcement of court judgments in civil cases.

In relation to criminal business Brexit may impact on provisions allowing for the exchange of information on previous convictions, the operation of the European Arrest Warrant and procedures relating to the freezing or confiscation of criminal property across EU states. Existing or new legislation may be challenged in the courts as the process unfolds, rules of court may need amended to reflect changes and, as a large public body, we may need to revise our processes to reflect changes in employment, procurement and accounting law and regulations.



We have established distinct **working groups on the potential impact of Brexit** to court and tribunal processes and to the organisation generally – to keep abreast of, and continually plan for, the changes that may arise. We are also members of the justice-system Brexit planning group, established under the auspices of the Justice Board for Scotland.

⁴²<http://www.legislation.gov.uk/asp/2016/1/section/110/enacted>

Digital Innovation

STRATEGIC PRIORITY 6

We will place digital innovation at centre of what we do and maximise the opportunities afforded by technology to improve processes, provide easy access to information, minimise physical appearance and support quicker outcomes.

The past year has seen continued investment in our core digital infrastructure – to build its capacity, capability and resilience. Further development of our systems has delivered real benefits to those using our services. The steps we have taken this year position us well to deliver the priorities identified in our digital strategy for the coming 5 years.

Throughout 2017-18 we continued to consolidate our core infrastructure. Our **Wi-Fi network** has been in place for over a year and performs consistently well, providing staff, judiciary and professional court users with online access. The **Virtual Private Network**, rolled-out in 2017, is now relied upon by both the judiciary and staff across the country to support secure remote working – from almost any Wi-Fi enabled location.

A long-standing programme of work to migrate systems and services to new platforms, decommission legacy connections and improve the resilience of our infrastructure overall has made good progress over the course of the year. We continued to develop and assess the resilience and capability of our systems – conducting security reviews and penetration testing of key internal and external applications. This work was

recognised through the successful renewal our **Public Service Network**⁴³ (PSN) accreditation – which allows us to operate on a secure network, sharing sensitive data with the Police, Crown and other partners – and improving our resilience to potential cyber-attacks.

SCTS has a complex suite of legacy telephony systems. These operate differently from each other and do not allow us to take advantage of developments in communications technology. In 2017 the SCTS Board approved the procurement of a **Unified Communications platform** – one of the key outstanding elements in our infrastructure refresh programme. Scheduled for delivery in 2019, the new platform will improve the resilience and reliability of our network, enhance support for flexible and mobile working and generate long-term savings.



Plans are now in place to deliver a unified communications platform

We successfully completed phase three of our five year **courtroom technology upgrade** project. 28 courtrooms were fully upgraded – against an initial target for the year of 22. Upgraded courts benefit from a range of modern evidence presentation equipment, which will be essential in future as we move towards increased use of video links and digital evidence presentation.



Ensuring that **our staff are skilled and confident** in using the systems at their disposal is as important as ensuring those systems are of a high standard. Throughout 2017-18 our IT team engaged in a programme of **court visits** in order to troubleshoot issues, provide hints and tips and share information on plans for development. Similar sessions were held with members of the judiciary.

⁴³<https://www.gov.uk/government/governments-public-services-network>

In addition to the ongoing development of our integrated case management system and the introduction of “civil online” (see p15) we launched a new **criminal online portal** in early 2018. The portal allows over 12,000 unique users from a range of justice and third sector organisations to access specific case information which they have a legitimate need to view – in order to support case management or provide services and support to victims, witnesses or the accused.

The appetite for a service of this nature underscores the importance of providing information in a format that can be accessed digitally. The SCTS website⁴⁴ contains a range of static and dynamic advice and information that is accessed frequently by both professional court users and members of the public. In 2017-18 there were over four million visits to our main website, with over 18,000 users per day.

Traditional information such as static pages on types of procedure and advice on what to do in particular circumstances is complemented by more modern content such as video guides⁴⁵ on what to expect in court if you have been cited as a potential juror.



Jurors can view a video explaining what to expect before attending court

Most of the information that we make available digitally can be found on the SCTS Website. In addition to the core website we manage around 20 other websites – providing information on a range of tribunals and the work of the Office of the Public Guardian⁴⁶. We also provide advice and information that is hosted on “mygov.scot” which acts as a hub for information on public services in Scotland.

In the past year we have created new websites for the General Regulatory Chamber⁴⁷ and the Health and Education Chamber⁴⁸ of the First Tier Tribunal for Scotland – working with tribunals’ judiciary and staff to ensure that these sites meet the specific needs of tribunal users. This included the development of a **bespoke site for younger users** who may have cause to seek the support of the Additional Support Needs jurisdiction within the Health and Education Chamber. Further site development work will take place in 2018-19 for the Mental Health and Social Security Chambers.

Our **staff intranet** was also the subject of a detailed review – drawing on insights from usage statistics and staff focus groups the design, layout and structure of the site have been modernised and simplified to ensure it provides easy access to the most used content for busy staff.



The new SCTS Staff intranet

Following the launch of our Corporate Plan in 2017-we have developed a 5-year **Digital Strategy** setting out an ambitious programme of development – and aligning those developments around 3 key principles. Our approach to digital will be:

- *informed by policy and evidence*
- *developed with the right systems and infrastructure*
- *delivered with our people and partners.*

⁴⁶ <http://www.publicguardian-scotland.gov.uk/>

⁴⁴ <http://www.scotcourts.gov.uk/>

⁴⁵ <http://www.scotcourts.gov.uk/coming-to-court/jurors>

⁴⁷ <http://www.generalregulatorychamber.scot/>

⁴⁸ <https://www.healthandeducationchamber.scot/>

Purposeful Collaboration with Justice Bodies

STRATEGIC PRIORITY 7

We will work with justice bodies to deliver significant change and improvement to Scotland's justice system – through collaboration, communication and reform

The importance of working in collaboration across Scotland's justice system has never been greater. Whilst the separation of powers – including the independence of the judiciary – is essential to maintain the integrity of the system, a collective willingness to work together is equally essential if we are to create the modern, efficient and effective system that people expect.

Through our participation in the Justice Board for Scotland we support delivery of the **Vision and Priorities for Justice in Scotland**⁴⁹. Our Business Plan for 2017-18⁵⁰ was developed in consultation with Justice Board members – and we continue to provide support to Sheriffs Principal in their leadership of **Local Criminal Justice Boards** – which meet across the country to review operations, promote joint working and focus on improvement. SCTS is also a partner body in Scotland's local **Community Justice Partnerships**⁵¹ which bring agencies together to work on initiatives that prevent and reduce further offending.

SCTS has continued to lead the thinking on system-wide reform of summary criminal justice, through the propositions of the

⁴⁹<https://beta.gov.scot/publications/justice-scotland-vision-priorities/>

⁵⁰<http://www.scotcourts.gov.uk/docs/default-source/aboutscs/reports-and-data/publications/scts-business-plan-2017-18.pdf?sfvrsn=8>

⁵¹ <https://communityjustice.scot/justice-partners/>

Evidence and Procedure Review⁵². Following the publication of "A New Model for Summary Criminal Court Procedure"⁵³ in February 2017 we organised a programme of public events to explore the proposals further. The events proved popular and were attended by solicitors, judiciary, COPFS and SCTS staff, third sector organisations and members of the public.



Future reforms envisage a greater role for digital case management

A **Follow-Up Report**⁵⁴ to the "New Model" paper was published in September 2017, summarising the views of consultees on the proposals for transformation of the summary criminal justice system. The vast majority of responses were positive – although it was recognised that the changes proposed were significant and that their development would take time and require changes in the law.

⁵²<http://www.scotcourts.gov.uk/evidence-and-procedure-review>

⁵³<http://www.scotcourts.gov.uk/docs/default-source/SCS-Communications/epr--a-new-model-for-summary-criminal-court-procedure.pdf?sfvrsn=7>

⁵⁴<http://www.scotcourts.gov.uk/docs/default-source/aboutscs/reports-and-data/reports-data/epr--follow-up-report--september-2017.pdf?sfvrsn=4>

The recommendations made in these reports will now be considered in detail by the Justice Board for Scotland. Whilst changes of this scale will take a number of years to achieve we recognise the need to explore some of the approaches proposed in the meantime. An **interim measures working group** has been established that will oversee several pilots, to inform potential future changes to law and practice.

The **Scotland Act 2016** contains provisions that would allow responsibility for the administration of Scottish cases falling to be heard by tribunals whose functions relate to reserved areas of UK law (e.g. social security, tax, immigration and employment) to be devolved to Scottish Ministers. Detailed discussions on the timing and form of these transfers took place during the year – and are ongoing.

The responsibility for administering tribunal business in relation to these currently **"reserved" tribunals** is expected to transfer from Her Majesty's Courts and Tribunals Service to the SCTS in future. We will continue to work with the tribunals' judiciary, the UK and Scottish Governments to agree an implementation plan in preparation for this transfer. The transfer itself will be dependent on the identification of funding to support transitional and ongoing administration costs.

SCTS provides the people, premises and resources to support the work of the **Scottish Civil Justice Council**⁵⁵. The council is an independent advisory body responsible for preparing draft rules of procedure for the civil courts and advising the Lord President on the development of the civil justice system in Scotland.

Work has continued throughout the year on its ambitions "rules rewrite" project in consultation with individuals and groups working across Scotland's civil justice system. Further information on the Council's work and plans can be found on its website.



SCTS also supports the activities of the **Scottish Sentencing Council**⁵⁶ - an independent advisory body responsible for producing and preparing sentencing guidelines for the courts, publishing guideline judgments, promoting sentencing consistency, and improving the awareness and understanding of sentencing.

In addition to taking forward draft sentencing guidelines in areas including sentencing young people, death by driving offences and environment and wildlife offences the Council produced a **Sentencing Mythbuster Guide**⁵⁷ - shedding

⁵⁵<http://www.scottishciviljusticecouncil.org.uk>

⁵⁶<https://www.scottishsentencingcouncil.org.uk/>

⁵⁷<https://www.scottishsentencingcouncil.org.uk/about-sentencing/mythbuster/>

light on common sentencing misconceptions, alongside a series of animated videos explaining how sentencing decisions are reached.

In addition to working in collaboration with partners SCTS takes its **civic and social responsibilities** very seriously – ensuring that Scotland's courts, tribunals and their work are open to the public, so that justice can be seen to be done and that the systems and processes are well-understood.

Doors Open Day goes from strength to strength: some 16 courts from Lerwick to Ayr welcomed more than 11,000 visitors through their doors for a variety of events including mock trials, cell visits, a children's quiz and "behind the scenes" tours - providing people of all ages and nationalities with the opportunity to learn about our legal system and history.



A mock trial in the Supreme Courts

Over **350 community events** were supported by the organisation in 2017-18. SCTS welcomed school pupils, college and university students – some from as far as the USA and India – for tours, debating competitions and mock trials. Courts welcomed judges from China, Canada, Holland and Pakistan. And BBC Scotland took to the court in Greenock to film part of their hit comedy *Scot Squad*.

The OPG hosted delegates from the South Korean Ministry of Justice and Hanyang University to learn about the Adults with incapacity regime in Scotland



South Korean Delegates Visit OPG

Whilst we are always looking to the future as an organisation it is important that we remember the past and celebrate the heritage of our justice system. Commemorating the important contribution to the administration of justice played by shorthand writers in the Scottish Courts for over a century, a plaque was mounted in Parliament House this year in recognition of their services. Shorthand note taking began in the courts in the late 1800s and continued until 1998.



Commemorating the role played by shorthand writers

Eric McQueen
Chief Executive
20 August 2018

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 – seven members selected from the judiciary and 6 non-judicial members

Members of the SCTS Board 2017-18

Judicial Members

- The Rt. Hon. Lord Carloway Lord President
- The Rt. Hon. Lady Dorrian
- The Rt. Hon. Lady Smith
- Sheriff Principal Duncan Murray
- Sheriff Grant McCulloch
- Dr Joseph Morrow QC
- Sheriff Iona McDonald (until 31 December 2017)
- Mrs Johan Findlay OBE, JP (until 31 December 2017)
- Sheriff Aisha Anwar (appointed 1 March 2018 to succeed Sheriff Iona McDonald)
- Mrs Morna Rae, JP (appointed 1 March 2018 to succeed Mrs Johan Findlay)

Non-judicial members

SCTS 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 2017-18 all 14 Board positions were filled.

Board Meetings & Operations

The SCTS has made Standing Orders⁵⁸ 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 the 2017-18 these committees were:

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

The SCTS Board met on seven occasions in 2017-18. 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 can be found at www.scotcourts.gov.uk

⁵⁸ SCTS Standing Orders available at: <http://www.scotcourts.gov.uk/about-the-scottish-court-service/the-scottish-court-service-board>

The SCTS Board (as at December 2017)



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

New Members (not shown in picture) – Sheriff Aisha Anwar and Morna Rae JP – joined the Board from 1 March, in place of Sheriff Iona McDonald and Johan Findlay JP OBE respectively).

Board Member' Register of Interests

The following offices and interests were registered by members who served on the Board in 2017-18

Name	Directorship	Appointments <i>ex officio</i>	Trusteeships	Other Appointments and Interests
Lord President – The Right Hon. Lord Carloway	None	None	Trustee, Scottish Arts Club	None
Lord Justice Clerk – The Right 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	Chair – Scottish Child Abuse Inquiry Honorary Bencher – Gray's Inn

Name	Directorship	Appointments <i>ex officio</i>	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 (until 31 December 2017)	None	Deputy Lieutenant for Ayrshire and Arran	None	Partner in IJI - a property rental firm
Sheriff Aisha Anwar (from 1 March 2018)	None	None	None	None
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 (until 31 December 2017)	None	Honorary Sheriff Justice of the Peace	None	None
Morna Rae JP (from 1 March 2018)	None	Justice of the Peace	None	Employee North Ayrshire Council Elder, Church of Scotland
Dr Joseph Morrow QC	Non- Executive Director, St John's Scotland	Lord Lyon King of Arms Member of Judicial Council	Trustee, Munday Trust Dundee Trustee, Kidney Trust, Dundee Trustee, Tealing Community Hall Trustee, Scottish Churches Trust	Legal Assessor, South Episcopal Church President, Society of Messengers at Arms President, Scottish Genealogical Society Patron, Scottish Family History Society

Name	Directorship	Appointments <i>ex officio</i>	Trusteeships	Other Appointments and Interests
Dr Kirsty J Hood QC	None	None	Trustee, Clark Foundation for Legal Education	<p>Self Employed Advocate</p> <p>Regular <i>ad hoc</i> employment with the University of Edinburgh – delivering seminars on one of the LLB courses</p> <p>Regular <i>ad hoc</i> employment with the University of Glasgow – delivering 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> <p>Guernsey Financial Services Commission's Panel of Senior Decision Makers</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> <p>Member of Addleshaw Godard LLP (Head of Litigation in Scotland)</p>

Name	Directorship	Appointments <i>ex officio</i>	Trusteeships	Other Appointments and Interests
Professor R Hugh MacDougall	None	None	Cunnigham Trust Cross Trust St. Columba's Hospice	None
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 2017-18 had the following membership:

- Chief Executive – Eric McQueen
- Chief Operations Officer – David Fraser
- Chief Finance Officer – Richard Maconachie
- Chief Development and Innovation Officer – Tim Barraclough (to 7 May 2017) followed by Kay McCorquodale (from 8 May 2017).
- Executive Director, Judicial Office for Scotland – Stephen Humphreys (to 14 July 2017) – followed by Tim Barraclough (from 15 July 2017).

Between 8 May and 15 July Tim Barraclough provided support to Kay McCorquodale as she took on her new role and also shadowed Stephen Humphreys ahead of taking on the role of Executive Director, Judicial Office for Scotland. The Executive Director, Judicial Office for Scotland has overall responsibility for the management of Judicial Office for Scotland⁵⁹.

SCTS Executive Team 2017-18



⁵⁹ 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 Keeper of the National Records of Scotland (NRS) approved the SCTS Records Management Plan in June 2017 and the National Sheriff Court Record Survey that began in April 2017 concluded in June 2018. This project involved a dedicated NRS archivist surveying Sheriff Court

record-keeping arrangements across Scotland in order to assess arrangements and present a programme of improvement actions, which are now being pursued. A new project in co-operation with NRS focused on tribunal records is expected to begin in October 2018.

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. In addition to the incidents investigated by the UK Information Commissioner (ICO) in 2017-18, the ICO also

investigated to a conclusion five 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. Its protecting information e-learning was updated and relaunched on 1 April 2018 and guidance materials and processes including an improved data incident reporting system and the provision of direct training have been instituted during 2017-18 in preparation for the General Data Protection Regulation taking effect on 25 May 2018.

Update on Data Breaches

Date	Data Incident	Information	Outcome
July 2017 ICO self-referral	Loss – at an unknown stage – of information from 238 adoption cases from 1949	Personal data (historical case records)	ICO concluded no formal enforcement action was required: a breach had occurred at an unknown time and SCTS had outlined procedures to ensure future safe handling.
October 2017 Complaint to ICO	Complaint about publication of First-tier Tribunal for Scotland (Housing & Property) decision on website and its detailing the personal address of the applicant	Personal data (address of applicant)	ICO concluded no formal enforcement action was required: SCTS was obliged to publish the full decision by law and noted the protections in place on the Tribunal website against searching by applicant name and the possibility of requesting that search engine providers cease to produce a 'hit' against the party's name.
November 2017 ICO self-referral	Opinion in criminal case published on the SCTS internet page, containing address of complainer. The individual contacted the SCTS and the address was removed.	Personal data (address of data subject)	ICO concluded no formal enforcement action was required: noted explanation and protections in place to prevent a recurrence.

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 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, for the keeping of proper records and safeguarding the SCTS's assets, 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.

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 2018 and up to the date of approval of the statement of accounts.

Details of the overarching Governance arrangements can be found in the Director's Report, pages 29-35. 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 2017-18 can be found in the Directors' Report, pages 29-35.

Risk 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 March 2018).

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 3-28.

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:

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

Assurance Framework

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. Executive Directors have provided me with assurance that controls were operating effectively.
- Corporate Systems are in place relating to financial management, risk management, performance management and people management. These systems provide ongoing assurance of risk management and internal controls.

- The Audit & Risk Committee provides an annual report to the Accountable Officer and the Board summarising its evaluation of the SCTS's risk management, governance and internal control arrangements. The Committee has submitted its annual report based on the work it conducted during 2017/18 and is of the opinion that SCTS has effective risk management, governance and internal control arrangements in place that are sufficient to give me, as the Accountable Officer, the necessary assurance in relation to the preparation of this governance statement.
- 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. During the year Internal Audit provided limited assurance on Contract Management arrangements within SCTS and action is being taken to improve arrangements and reduce the risk that this poses. A detailed

action plan has been agreed with key milestones and deliverables to be achieved through the next financial year.

- External Audit who report to the Audit and Risk Committee on significant matters relating to risk and internal control as part of their work.

The review, detailed above, provides 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 governance are observed.

Our Internal Audit service is provided by the Scottish Government Internal Audit Directorate. We are aware that recent Audit Scotland findings state that they are not fully compliant with the Public Sector Internal Audit Standards. As Accountable Officer I will be seeking ongoing assurance from the Scottish Government Internal Audit Directorate that the standard of service provided to SCTS is maintained, adds value and provides me with the assurances I require.

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 an annually reviewed whistleblowing policy which is accessible to all staff. No instances of whistleblowing were reported in 2017-18.

Information Security Framework

SCTS has effective governance arrangements in place for the security of information. The Information Assurance Group has overall responsibility for the SCTS's response to legislation and for oversight of SCTS policies, staff awareness and training. SCTS has an agreed Information Security Framework and is working to review its current policies to ensure they comply with the General Data Protection Regulations.

Data breaches reported to the Information Commissioner's Office during the year to March 2018 are detailed in the table on page 35.

Significant control issues

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

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)⁶⁰.

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 recommendations⁶¹.

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.

⁶⁰ www.ome.uk.com

⁶¹ 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>

Remuneration (Salary and Pension Benefits) – subject to audit

Board Members	Salary		Pension Benefits ⁶²		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
	£'000	£'000	£'000	£'000	£'000	£'000
Mr Eric McQueen	95-100	95-100	15	20	110-115	115-120
Mrs Johan Findlay JP OBE (to 31 December 2017) ⁶³	0-5	0-5	-	-	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
Mrs Morna Rae JP (from 1 March 2018) ⁶⁴	0-5	-	-	-	0-5	-

Executive Directors	Salary		Pension Benefits		Total	
	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
	£'000	£'000	£'000	£'000	£'000	£'000
Mr Stephen Humphreys (to 13 July 2017)	20-25 (70-75 full year equivalent)	70-75	(3)	15	70-75	85-90
Mr Cliff Binning (to 29 April 2016)	-	10-15 (70-75 full year equivalent)	-	41	-	50-55 (110-115 full year equivalent)
Mr Richard Maconachie	65-70	65-70	27	27	95-100	95-100
Mr David Fraser	70-75	70-75	2	16	75-80	85-90
Mr Tim Barraclough (from 1 July 2016)	70-75	50-55 (70-75 full year equivalent)	19	26	90-95	60-65 (80-85 full year equivalent)
Mrs Kay McCorquodale (from 8 May 2017)	60-65 (70-75 full year equivalent)	-	9	-	70-75 (80-85 full year equivalent)	-

⁶² 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.

⁶³ Full year equivalent £0 to £5,000

⁶⁴ Full year equivalent £0 to £5,000

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 seven members of Committees out with the Board who each received remuneration of £1,248 in 2017-18 (£1,236 in 2016-17). 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 31/03/18 & related lump sum	Real increase in pension & related lump sum at pension age
	£'000	£'000
Mr Eric McQueen	45–50 plus a lump sum of 125–130	0–2.5 plus a lump sum of 0
Mr Stephen Humphreys	35 - 40 plus a lump sum of 105 - 110	0 plus a lump sum of 0
Mr Richard Maconachie	5 - 10	0 - 2.5
Mr David Fraser	30 - 35 plus a lump sum of 95 - 100	0 - 2.5 plus a lump sum of 0 - 2.5
Mr Tim Barraclough (from 1 July 2016)	20 - 25 plus a lump sum of 60 - 65	0 - 2.5 plus a lump sum of 0
Mrs Kay McCorquodale (from 8 May 2017)	15 - 20 plus a lump sum of 5 - 10	0 - 2.5 plus a lump sum of 0

	CETV at 31/03/18	CETV at 31/03/17	Real increase in CETV
	£'000	£'000	£'000
Mr Eric McQueen	875	817	2
Mr Stephen Humphreys	790	783	(3)
Mr Cliff Binning (to 29 April 2016)	-	839	-
Mr Richard Maconachie	92	67	17
Mr David Fraser	655	613	1
Mr Tim Barraclough (from 1 July 2016)	452	413	6
Mrs Kay McCorquodale (from 8 May 2017)	303	276	7

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 updated 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 2017-18, employers' contributions of £7,706k were payable to the PCSPS (2016-17 £7,403k) at one of four rates in the range 20.0% to 24.5% (2016-17 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 2016-17 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 £80k (2016-17, £98k) 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 (2016-17 £3k) 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 2017-18 was £95,000 - £100,000 (2016-17, £95,000 - £100,000). This was 4.61 times (2016-17, 4.74) the median remuneration of the workforce, which was £20,615 (2016-17, £20,215). The median remuneration does not include any additional allowances or overtime due to data availability. In 2017-18, remuneration (excluding the highest paid director) ranged from £16,949 to £73,128 (2016-17 £16,549 to £72,404). In 2017-18, no employees (2016-17: nil) received remuneration in excess of the highest paid director.

Staff Report

As at 31 March 2018 there were 1,754 Staff in post and 13 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	5	1	4
Director	15	9	6
Senior Manager	40	21	19
Senior Executive Officer	128	78	50
Higher Executive Officer	178	115	63
Executive Officer	441	312	129
Administrative Officer & Clerk/Typist	604	445	159
Typists	5	5	0
Administrative Assistants & Support Grades	338	178	160
Total	1754	1164	590
Non-Executive Director	13	6	7
Total	1767	1170	597
Percentage of total	100%	66%	34%

Area of Business	2017 – 18 Ave WTE	2016 – 17 Ave WTE
Headquarters and support units	168	157
Supreme Courts	164	157
Judicial Office	33	35
Office of the Public Guardian & Accountant of Court	80	73
Sheriff & JP Courts & Tribunals	1121	1111
Total	1566	1533

Employer Contributions	2017-18 £'000	2016-17 £'000
Contributions paid to PCSPS	7,706	7,403
Contributions paid to partnership pensions	80	98
Contributions paid to Judicial pensions ⁶⁵	11,072	9,898

Staffing costs	2017-18 £'000	2016-17 ⁶⁶ £'000
Wages and salaries	39,237	37,679
Social security costs	3,671	3,338
Other pension costs	7,831	7,500
Sub-total	50,739	48,517
Inward secondments	1,294	1,211
Agency, temporary and contract staff	1,723	1,402
Total	53,756	51,130

⁶⁵SCTS was responsible for making employer contributions to the Judicial Pension Scheme with effect from 1 April 2016.

⁶⁶Prior year restatements - Judicial Pension Costs are now treated as operational costs and no longer disclosed under staff costs. The 2016-17 accounts have been restated to show this reclassification and the changes are reflected in the staff report and note 4, operational costs, where they have been disclosed separately.

Sickness Absence Data

In 2017-18 a total of 20,014 days (2016-17: 23,396 days) were lost through absence equating to a lost time rate of 3.5% (2016-17: 4.2%).

Exit packages

There were no exit packages agreed under the Civil Service Compensation Scheme in 2017-18. There was however three exit payments in the year. One in each of the bands: <£10k; £10k - £25k and £25k to £50k.

Ill-health retirement

One individual retired early on ill-health grounds; the total additional accrued pension liabilities in the year amounted to £1,309

SCTS Employment Policies

SCTS is an equal opportunities employer. Our Employee Resourcing Policy and recruitment 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 who meet the minimum essential criteria for an advertised vacancy. We have "unconscious bias" e-learning available for recruiting managers. We are an Age positive employer and a Stonewall Diversity Champion.

SCTS has a Staff Equality Engagement Network (SEEN) which covers all protected characteristics and provides our staff with a voice about issues which may affect

them. SCTS is a Carer Positive Exemplary Employer. We recognise that a substantial number of our people have significant caring responsibilities, and that their role as a carer may make a work/life balance difficult to achieve. We have a Carers Policy and staff with significant caring responsibilities can apply to be on our Carers Register. We hold periodic conferences for those recognised as carers in the SCTS and are committed to holding such an event in the course of 2018

In August 2017 we received the Living Wage Employer accreditation from the Poverty Alliance, which reflected our work to ensure that not only SCTS staff receive the living wage but that contract staff we engage under a range of contracts also pay employees working for SCTS the living wage. Over the course of the past two years we have successfully recruited and developed a group of Modern Apprentices (MAs) (16 -24 year olds). The MAs worked across SCTS and this pilot programme has successfully led to permanent appointments. We are committed to recruiting MAs have commenced the recruitment process for another group April 2018, who will be employed in a variety of posts across SCTS.

Our policies and procedures for occupational health mean that for staff with a disability we carry out workplace assessments and make reasonable and practicable adjustments to

enable individuals to make a full contribution at work.

We also provide our employees with access to a free and confidential Employee Assistance Programme.

Our wellbeing initiative has progressed well during the year and continues to raise awareness, particularly about mental ill health and incorporates a number of specific activities to support all our people – including mental health awareness training for line managers and our own wellbeing hub. During 2018 we will launch our work and wellbeing passport, a mental health awareness e-learning package and a trauma support service.

SCTS is committed to providing a safe and healthy working environment for all our employees as well as those who use our services. We have our own dedicated Health and Safety Team incorporating health and safety, fire and security.

The Executive Team has appointed a Health and Safety Committee to monitor health and safety risks and ensure that the necessary policies are reviewed regularly. Partnership working with the PCS (Public and Commercial Services) Trade Union continues to serve us well. Our partnership approach is built on the SCTS values and behaviours and we have local partnership groups in all Business Units across SCTS. In addition to local PCS representatives we have two full time PCS officials working in

partnership at a corporate level and we work together on a range of engagement initiatives including the Staff Survey; developing and revising policies and procedures including pay policy; developing the People Strategy and working together to deliver corporate change and transformation projects.

The pay award in 2018 sees a move of the pay award date to April and also a lifting of the 1% public sector pay gap. Our pay policy is based on fairness; transparency, consistency and motivation to ensure that we are able to provide an affordable and appropriate total reward package to our employees.

In February we launched our new People Strategy for the period 2018 -2023 which sets out the commitment to staff and how we will continue to invest in their future. Our continuing success depends on the skills, commitment, professionalism and

enthusiasm of our people. We need to continue investing in their future, giving them the opportunity to develop their skills and to build careers in an open, positive and collaborative working environment. The Strategy sets out our people commitments for the next 5 years based around four key themes:

Valuing Everyone's

Contribution - we respect and value each individual – hearing their voice as part of their local team and the wider SCTS team;

Our Team - we have the right people, in the right place, at the right time with the skills and behaviours to succeed;

Learning – we learn in all we do, to perform in the present and prepare for the future;

Realising Potential – we develop our people, as they develop the organisation.

The Strategy will be owned and delivered across SCTS; reviewed and monitored on a regular basis and more detailed plans will be

developed during 2018/19 and beyond to deliver the key activities contained in the Strategy. We have completed and are implementing a review of Learning and Development provision across the organisation, which dovetails with our new People Strategy and has led to the creation of a new Education and Learning Unit.

Trade Union Facility Time

During the year there were 24 employees (WTE 23.19) who were relevant union officials. The total cost of facility time was £110k from a total pay bill of £50,739k which equates to 0.2%.

Percentage of time spent on facility time - Number of employees who were relevant union officials employed during the year and the percentage of their working hours spent on facility time:

Percentage of time	Number of employees
0%	5
1-50%	17
51-99%	0
100%	2

Paid trade union activities - As a percentage of total paid facility time hours, the number of hours spent by employees who were relevant union officials during the year on paid trade union activities:

Time spent on paid trade union activities as a percentage of total paid facility time hours	4.8%
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2.3 Parliamentary Accountability Report

Losses and special payments

There were no material 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	2017-18 Total £'000	2016-17 Total £'000
Gross fees raised	23,836	5,743	6,000	35,579	31,486
Less: Fee exemptions	(2,009)	(809)	0	(2,818)	(2,579)
Net fee income	21,827	4,934	6,000	32,761	28,907
Total costs allocated	32,590	11,406	3,308	47,304	43,126
Less: Subsidy	(3,807)	(2,453)	(37)	(6,297)	(6,891)
Apportioned costs	28,783	8,953	3,271	41,007	36,235
Shortfall from full cost recovery	(4,947)	(3,210)	2,729	(5,428)	(4,749)
% cost recovery (gross fees raised divided by net recoverable costs)				87%	87%

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.



Eric McQueen
Chief Executive
20 August 2018

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 Scottish Courts and Tribunals Service for the year ended 31 March 2018 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 2017/18 Government Financial Reporting Manual (the 2017/18 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 2018 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 2017/18 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 (UK) (ISAs (UK)). 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 Standard, 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.

Conclusions relating to going concern basis of accounting

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

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

Responsibilities of the Accountable Officer for the financial statements

As explained more fully in the Statement of the Accountable Officer 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.

In preparing the financial statements, the Accountable Officer is responsible for using the going concern basis of accounting unless deemed inappropriate.

Auditor's responsibilities for the audit 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) 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.

A further description of the auditor's responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website www.frc.org.uk/auditorsresponsibilities.

This description forms part of our auditor's report.

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, the audited part of the Remuneration and Staff Report, 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, our responsibility is to read all the other information in the annual report and accounts and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 matters prescribed by the Auditor General for Scotland

In our opinion, the audited 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 audited 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 2018**

		2017-18	Restated⁶⁷ 2016-17
Expenditure	Note	£'000	£'000
Staff costs		53,756	51,130
Other administration costs	4	38,028	38,359
Depreciation and amortisation	6,7	14,882	13,877
Impairment	6	-	-
Operational costs	4	28,115	28,520
Total Expenditure		134,781	131,886
Income			
Operating Income	5	3,138	3,214
Income from fees and retained fines	5	37,717	34,823
Total Income		40,855	38,037
Net outturn		93,926	93,849
Items that will not be reclassified to profit or loss			
(Loss)/Gains on property revaluation	6	8,456	10,430
		8,456	10,430
Other comprehensive income for the year, net of tax		8,456	10,430

The notes on pages 58 to 71 form part of these accounts.

⁶⁷ Prior year restatements - Judicial Pension Costs are now treated as operational costs and no longer disclosed under staff costs. The 2016-17 accounts have been restated to show this reclassification and the changes are reflected in the staff report and note 4. Operational costs, where they have been disclosed separately.

Scottish Courts and Tribunals Service
Statement of Financial Position
As at 31 March 2018

	Note	2018 £'000	2017 £'000
Non-current assets			
Property, plant and equipment	6	441,537	435,116
Intangible assets	7	8,991	7,404
Trade and other assets due in more than one year	8	46	59
Total non-current assets		450,574	442,579
Current assets			
Receivables and other current assets	8	5,638	7,636
Cash and cash equivalents	9	16,962	6,616
Assets classified as held for sale	6c	-	-
Total current assets		22,600	14,252
Total assets		473,174	456,831
Current liabilities			
Payables and other current liabilities	10	(15,202)	(8,575)
Provisions for liabilities and charges due within one year	11	(712)	(861)
Total current liabilities		(15,914)	(9,436)
Total assets less current liabilities		457,260	447,395
Non-current liabilities			
Payables and other liabilities	10	(252)	(267)
Provisions for liabilities and charges due in more than one year	11	(1,978)	(1,922)
Total non-current liabilities		(2,230)	(2,189)
Assets less liabilities		455,030	445,206
Taxpayers' equity			
General fund	SOCTE	342,152	339,062
Revaluation reserve	SOCTE	112,878	106,144
Total taxpayers' equity		455,030	445,206



Eric McQueen
Chief Executive
20 August 2018

The Accountable Officer authorised these financial statements for issue on 6th August 2018.

The notes on pages 58 to 71 form part of these accounts.

Scottish Courts and Tribunals Service
Cash Flow Statement
For the year ended 31 March 2018

	Note	2018 £'000	2017 £'000
Cash flows from operating activities			
Net outturn	SCNE	(93,926)	(93,849)
<i>Adjustments for non-cash transactions:</i>			
Depreciation and amortisation	SCNE	14,882	13,877
Impairment	SCNE	-	-
Notional audit fee	4	90	89
Loss/(Profit) on disposal of property, plant and equipment	4,5	(39)	(95)
<i>Movements in working capital:</i>			
(Increase)/decrease in receivables and other current assets		2,011	(3,705)
Increase/(decrease) in trade and other payables		2,305	1,501
Increase/(decrease) in provisions		(93)	713
Net cash flow from operating activities		(74,770)	(81,469)
<i>Cash flows from investment activities</i>			
Purchase of property, plant and equipment	6	(7,497)	(11,469)
Purchase of intangible assets	7	(2,641)	(2,517)
Proceeds of disposal of property, plant and equipment	4,5,6	50	44
Proceeds of disposal of intangibles	4,5,6	-	-
Proceeds of disposal of assets held for sale	6c	-	51
Net cash flow from investment activities		(10,088)	(13,891)
Cash flows from financing activities			
From Scottish Consolidated Fund	SOCTE	95,204	99,910
Cash flows from financing activities		95,204	99,910
Net Increase in cash and cash equivalents		10,346	4,550
Cash and cash equivalents at beginning of period	9	6,616	2,066
Net increase on cash and cash equivalents		10,346	4,550
Cash and cash equivalents at end of period	9	16,962	6,616

The notes on pages 58 to 71 form part of these accounts.

Scottish Courts and Tribunals Service
Statement of Changes in Taxpayers' Equity
For the year ended 31 March 2018

	Note	General Fund £'000	Revaluation Reserve £'000	Total £'000
Balance at 1 April 2017		339,062	106,144	445,206
Total comprehensive expenditure for the year ended 31 March 2018		(93,926)	8,456	(85,470)
Non-cash charges				
Non-cash charges - auditor's remuneration	4	90	-	90
Non-cash charges - other		-	-	-
Total non-cash charges - auditor's remuneration	4	90	-	90
Other reserve movements				
Transfer of fixed assets (to)/from other bodies		-	-	-
Transfers between reserves		1,722	(1,722)	-
Total other reserve movements/adjustments		1,722	(1,722)	-
Funding				
Parliamentary funding		95,204	-	95,204
Net parliamentary funding drawn down		95,204	-	95,204
Balance at 31 March 2018		342,152	112,878	455,030
Net increase/ (decrease) during the year		3,090	6,734	9,824

The notes on pages 58 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 58 to 71 form part of these accounts.

Scottish Courts and Tribunals Service
Statement of Costs by Strategic Departmental Objective
For the year ended 31 March 2018

	2017-18 £'000	2016-17 £'000
Allocation of resources and assets		
Net expenditure	93,926	93,849
Assets less liabilities	455,030	445,206

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 58 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 2017-18 Government Financial Reporting Manual (FReM) 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 2018-19 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 2018-19 can be seen at:

<http://www.scotcourts.gov.uk/docs/default-source/aboutscts/reports-and-data/publications/scts-business-plan-2018-19.pdf?sfvrsn=2> 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 FReM 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, with most amortised over a ten year period.

2.4 Cash and cash equivalents

Cash represents cash in hand, cash held with the Government Banking Service and cash in commercial bank accounts

2.5 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.

2.6 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.

2.7 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.

2.8 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.

2.9 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.

2.10 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.

2.11 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.

2.12 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% (2016-17: 38.45%). The amount of these contributions is included in the Staff Report at page 45. Although the JPS is a defined benefit scheme, in accordance with FR&M 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.

2.13 Other employee benefits

A liability and an expense are recognised for untaken holiday days, holiday pay, and flexi balances at 31 March 2018. As a result an accrual has been made for time earned but not taken.

2.14 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.

2.15 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 40 to 47).

4. Non-staff expenditure

4a. Other administration expenditure

	2017-18 £'000	2016-17 £'000
Accommodation	14,765	15,559
Computer Maintenance	2,284	2,236
Postage	1,212	1,163
Publications	651	1,842
Publications – Sheriff Courts	1,115	-
Other	7,004	5,023
Building' maintenance and impairment	6,250	8,252
Rentals under operating leases	3,840	3,408
Travel, subsistence and hospitality	817	787
External auditor remuneration - Audit fee	90	89
Total	38,028	38,359

During the year SCTS purchased non-audit services from its appointed external auditor totalling £14,364 (2016-17: £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.

	2017-18 £'000	Restated ⁶⁸ 2016-17 £'000
4b. Operational costs		
Judicial costs	9,977	10,639
Judicial pension costs	11,072	9,898
Payments to jurors	3,891	4,784
Interpreters' costs	1,182	1,393
Other	1,993	1,806
Total	28,115	28,520

5. Income

Operating income

Shared service income from other government departments	3,025	3,046
Profit on disposal of non-current assets	39	95
Income from rent receivable and court hire	73	70
Other income	1	3
Total	3,138	3,214

	2017-18 £'000	2016-17 £'000
Shared service income from other government departments	3,025	3,046
Profit on disposal of non-current assets	39	95
Income from rent receivable and court hire	73	70
Other income	1	3
Total	3,138	3,214

⁶⁸ Prior year restatements - Judicial Pension Costs are now treated as operational costs and no longer disclosed under staff costs. The 2016-17 accounts have been restated to show this reclassification and the changes are reflected in the staff report and note 4. Operational costs, where they have been disclosed separately

Income from fees and retained fines

Fees charged
Retained fines

Total

2017-18 £'000	2016-17 £'000
32,807	29,166
4,910	5,657
37,717	34,823

6a. Property, plant and equipment

Purchases of total property, plant and equipment in the schedule of £11,606k (2016-17: £11,705) appear in the cash flow statement as £7,497k 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	2017-18 Total £'000
Opening balance at 1 April 2017	33,102	631,033	378	2,430	10,948	4,707	3,373	685,971
Additions	-	2,340	-	-	2,486	142	6,638	11,606
Disposals	-	-	(154)	(425)	(557)	(356)	-	(1,492)
Revaluation	663	12,577	-	-	-	-	-	13,240
At 31 March 2018	33,765	645,950	224	2,005	12,877	4,493	10,011	709,325
Depreciation								
Opening balance at 1 April 2017	-	240,413	140	1,647	6,103	2,552	-	250,855
Charged in year	-	10,365	79	117	2,710	359	-	13,630
Disposals	-	-	(144)	(424)	(557)	(356)	-	(1,481)
Revaluation	-	4,784	-	-	-	-	-	4,784
Balance at 31 March 2018	-	255,562	75	1,340	8,256	2,555	-	267,788
Net book value current year	33,765	390,388	149	665	4,621	1,938	10,011	441,537
Net book value prior year	33,102	390,620	238	783	4,845	2,155	3,373	435,116

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	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

6c. Non-current assets advertised as held for sale

	Property £'000	Total £'000
At 1 April 2017	-	-
Disposals	-	-
At 31 March 2018	-	-

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

7a. Intangible assets

Purchases of total intangible assets in the schedule of £2,839k (2016-17: £2,545k) appear in the cash flow statement as £2,641k after adjustment for opening and closing intangible asset accruals in trade and other payables.

	Software licences £'000	ICT software £'000	Assets under development £'000	Total £'000
Cost or valuation				
Balance at 1 April 2017	4,160	11,833	-	15,993
Additions	588	1,281	970	2,839
Disposals	(287)	(101)	-	(388)
At 31 March 2018	4,461	13,013	970	18,444
Amortisation				
Balance at 1 April 2017	2,498	6,091	-	8,589
Charged in year	337	915	-	1,252
Disposals	(287)	(101)	-	(388)
At 31 March 2018	2,548	6,905	-	9,453
Net book value as at 31 March 2018	1,913	6,108	970	8,991
Net book value as at 31 March 2017	1,662	5,742	-	7,404

The intangible assets include the ICMS system which is an internally generated case management system which has a carrying amount of £3.5m with a remaining amortisation period of 103 months.

7b. Intangible assets prior year

	Software licences £'000	ICT software £'000	Assets under development £'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	(2,621)	-
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
Net book value as at 31 March 2016	1,447	2,561	1,903	5,911

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 2018 £'000	As at 31 March 2017 £'000
	2,870	2,803
	-	14
	543	1,787
	1,851	2,375
	374	657
	5,638	7,636
	46	59
	46	59
	5,684	7,695

9. Cash and cash equivalents

Balance at 1 April

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

Government Banking Service

Balance at 31 March

	2017-18 £'000	2016-17 £'000
	6,616	2,066
	10,346	4,550
	16,962	6,616
	11,100	5,824
	5,862	792
	16,962	6,616

10. Payables and other current liabilities

	File Ref	2017-18 £'000	2016-17 £'000
Amounts falling due within one year			
Trade payables		17	12
Other taxation and social security		-	-
Other payables		1,198	677
Accruals		10,558	5,366
Deferred income		14	14
Corporate balance with the Scottish Government		3,415	2,506
Total payables due within one year		15,202	8,575
Amounts falling due in more than one year			
Other payables		-	-
Deferred income and accruals		252	267
Total payables due in more than one year		252	267
Total		15,454	8,842

11. Provisions for liabilities and charges

	Property and dilapidations £'000	President pension costs £'000	Compensation £'000	Early departure costs £'000	2017-18 Total £'000
Balance as at 1 April 2017	1,176	699	37	10	1,922
Add: element reported as due within one year	814	20	13	14	861
Total as at 1 April 2017	1,990	719	50	24	2,783
Provided for in year	66	30	89	-	185
Provisions not required written back	(206)	-	(23)	-	(229)
Provisions utilised in year	-	(20)	(15)	(14)	(49)
Total as at 31 March 2018	1,850	729	101	10	2,690
Payable within one year	(667)	(20)	(15)	(10)	(712)
At 31 March 2018	1,183	709	86	-	1,978

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	2017-18 Total £'000
Payable in 1 year	667	20	15	10	712
Payable between 2 and 5 yrs	652	140	86	-	878
Payable between 6 and 10 yrs	531	251	-	-	782
Thereafter	-	318	-	-	318
Total as at 31 March 2018	1,850	729	101	10	2,690

Provisions for liabilities and charges - Prior Year

	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
Payable within one year	(814)	(20)	(13)	(14)	(861)
At 31 March 2017	1,176	699	37	10	1,922

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

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 service 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 the timing of payments depends on the terms and conditions of each lease, as well as the extent of alternations carried out by the SCTS over the period of the lease.

Other Provisions

This represents the estimated amounts due as a result of a new provision for a possible VAT liability.

12. Capital commitments

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

	2018 £'000	2017 £'000
Property, plant and equipment		
Inverness Justice Centre	21,900	20,127
Other	2,130	331
Intangible Assets		
Integrated Case Management System (ICMS)	500	1,000
Total	24,530	21,458

There was one 'authorised but not contracted' capital commitment of £2m at the end of the year relating to the Kirkcaldy Annex. This funding was approved by Scottish Government in Financial Year 2017-18.

13. Commitments under operating leases

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

	2017-18 £'000	2016-17 £'000
Buildings		
Within one year	3,022	3,004
Between two and five years (inclusive)	8,341	7,368
After five years	10,540	11,990
Total	21,903	22,362

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 Addleshaw Goddard LLP, 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 was a partner of Addleshaw Goddard LLP until June 2017.

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 19 instances of cash losses totaling £1k (2016-17: £5k).

17. Third Party Assets

Cash balances of £29.8m (2016-17: £31.1m) 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 2018 there were no material 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. SCTS took occupation of 3 Atlantic Quay in early April 2018 under a 25 year lease and that will be reflected from the 2018-19 accounting period.

Annex 1 – SCTS Business Levels

High Court

	2017-18	2016-17	2015-16
Indictments registered	792	671	748
Trials (evidence led)	461	443	403
High Court criminal appeals lodged	545	650	673
High Court judge days	3,585	3,865	3,780

First Instance Criminal Business

The number of indictments registered in 2017-18 increased by 18% compared with the previous year, although this follows two consecutive years of declining registrations. Nearly 60% of cases registered proceeded to trial, which is indicative that the nature of cases indicted continues to relate to sexual offences in which the plea rates tend to be lower.

Average trial duration remains high at around seven days: a feature of both increasing case complexity and the number of longer running trials. This trend is expected to continue. Additional court facilities in Saltmarket, Glasgow are working to good effect – coupled with scheduled overloading of High Court business in the main centres of Glasgow and Edinburgh this has contributed to reducing trial waiting times.

All preliminary Hearings are held in Saltmarket, Glasgow and the aim will be to maintain the baseline average at 1.5 hearings per case during 2018-19.

Criminal Appeal Business

End to end times for the Criminal Appeal Court remain healthy and continue to be monitored closely by the Criminal Appeals Administrative Judge.

Court Days

Whilst the number of trials proceeding has increased in 2017-18, the number of court days has reduced by 7% from 2016-17 – largely the result of improved judicial case management and Practice Note No.3 of 2017 which encouraged early agreement of evidence between parties to trials in the High Court.

Court of Session

	2017-18	2016-17	2015-16
Ordinary civil actions registered	954	1,079	2,864
Civil petitions (registered)	1341	1,290	1,461
Civil appeals / reclaiming motions	183	226	238
Proofs proceeding	76	121	168
Court of Session judge days	1557	1836	1,968

Outer House

The year on year reduction in the number of civil court actions registered in recent years stems from the exclusive jurisdiction of the sheriff court increasing to £100K from September 2015. Most notable is the 35% decrease in proofs proceeding. Compared against the 15% reduction in court days this indicates a modest improvement in settlement rates. That is counterpointed by an ongoing increase in requests for long proofs (in excess of four days), impacting on waiting periods which are slightly above the optimal level.

Work is underway to monitor settlement rates and late settlement with a view to adjusting the scheduling of long proofs in the coming years.

Inner House

The average period for marking a reclaiming motion or lodging an appeal to the Court of Session to disposal of the merits has remained within target at 34 weeks. The number of appeals lodged decreased by 23% - attributable in part due to the commencement of the Courts Reform (Scotland) Act 2014 and the establishment of the Sheriff appeal court.

Court Days

The 15% reduction in Court of Session judge days is indicative of the continuing shift of business to the lower courts – a key intention of the Civil Court Reform Programme.

All-Scotland Courts

	2017-18	2016-17	2015-16
Sheriff Appeal Court: criminal appeals lodged	747	885	407
Sheriff Appeal Court: civil appeals lodged	286	286	48
Personal Injury Court: registrations	3,281	2,956	1,143

2017-18 was the second full year of operation for both the All-Scotland Personal Injury court and the Sheriff Appeal Court. Business levels in these courts have now reached a steady level that is likely to represent a baseline for future years, with both courts achieving the desired effect of freeing up court and judicial resource in the High Court and Court of Session.

Sheriff Court

Sheriff Courts: Summary Criminal	2017-18	2016-17	2015-16
Complaints Registered	65646	70717	72,242
Trials (Evidence Led)	8245	8982	9,425

Sheriff Courts: Solemn Criminal	2017-18	2016-17	2015-16
Indictments Registered	4979	5899	6,460
Trials (Evidence Led)	1041	1314	1,497

Sheriff Courts: Civil	2017-18	2016-17	2015-16
Ordinary Cases (OC) Registered	22620	22672	23,212
OC Proofs and Debates (Which Proceeded) ⁶⁹	383	817	971

Summary Cause, Small Claims & Simple Proc	2017-18	2016-17	2015-16
Cases Registered	53003	45761	49,008
Proofs Proceeding ⁶⁹	434	519	515

Commissary	2017-18	2016-17	2015-16
Inventories Recorded	25104	24534	25,113

Sheriff Court Sitting Days	2017-18	2016-17	2015-16
Number of days	28238	28097	28,819

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.

Justice of the Peace Court

	2017-18	2016-17	2015-16
Complaints Registered	38,538	41,402	54,856
Trials (Evidence Led)	2,032	2,810	3,258
Sitting Days	4,301	4,592	n/a

The level of complaints registered in the Justice of the Peace Court continued to decline. This reflects a now well-established pattern of decreasing levels of recorded lower level crime and decisions taken by police and prosecutors to resolve lower level offences through the issuing of fixed penalty notices, fiscal fines or formal warnings.

⁶⁹ The 2017-18 data for proofs and debates is not directly comparable with data for the two preceding years. The introduction of a new case management system has improved consistency in data collection. The 2017-18 figure details the number of distinct proofs and debates – treating each as a single count, irrespective of its length. In previous years the count for a number of multi-day hearings was recorded as the number of court days used.

The number of cases reaching an evidence-led trial reduced substantially (by 27%) compared to the previous year – which is a direct impact of the significant reduction in the registration of complaints in the preceding year. 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

The workload of the OPG in 2017-18 continues to be high – with Power of Attorney registrations increasing by over 40% on the previous year – this increase is a combination of efforts to tackle a backlog in applications and further evidence of 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>

	2017-18	2016-17	2015-16
<i>Powers of Attorney</i>	78,080	54,919	55,508
<i>Guardianship Orders</i>	2,863	2,728	2,678

Devolved Tribunals

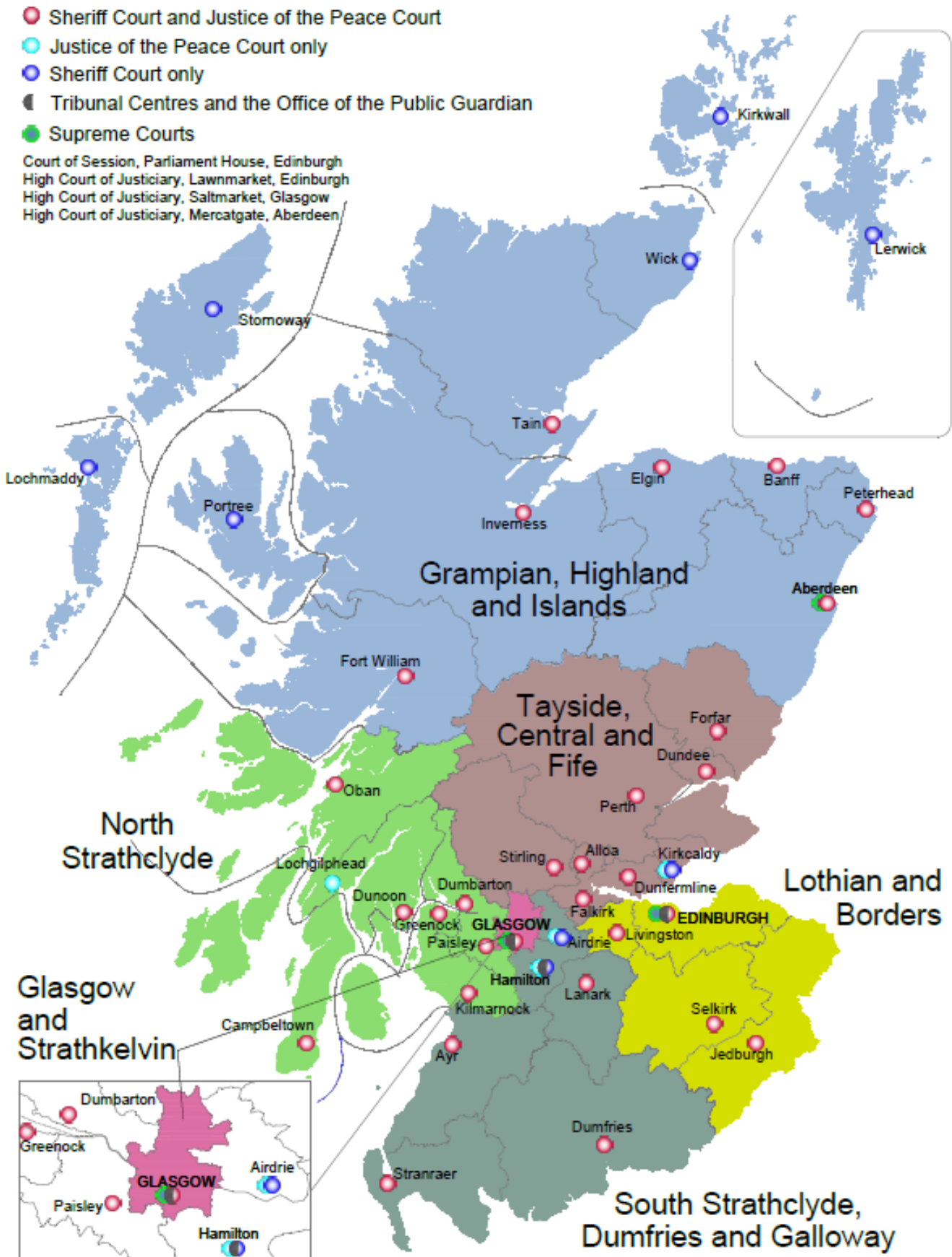
The Scottish Tribunals Service (STS) merged with the Scottish Court Service on 1 April 2015 to create the Scottish Courts and Tribunals Service (SCTS). The tribunals formerly supported by the STS now receive administrative support from a dedicated delivery unit within the SCTS – Tribunals Operations.

The significant programme of restructuring Scotland’s devolved tribunals, set in train by the Tribunals (Scotland) Act 2014, continued this year – with the establishment of the Tax, Health & Education and General Regulatory Chambers of the First-Tier Tribunal for Scotland – plus the expansion of the Housing and Property Chamber.

DEVOLVED TRIBUNALS	2017-18	2016-17	2015-16
1st Tier Tribunal (Health & Education Chamber) – Additional Support Needs Tribunal			
Receipts	100	73	68
Disposals	101	59	67
Hearing Days	53	26	25
Council Tax Reduction Review Panel			
Receipts	69	85	92
Disposals	65	108	60
Hearing Days	12	15	11
First-tier Tribunal for Scotland (Housing and Property Chamber)			
Property Factor			
Receipts	196	192	163
Disposals	164	191	171
Hearing Days	114.5	93	75
Rent & Repairs			
Receipts	205	267	342
Disposals	217	306	380
Hearing Days	172	264	192.5
3rd Party			
Receipts	38	58	5
Disposals	33	17	0
Hearing Days	26	38	0.5
Right of Entry			
Receipts	61	36	8
Disposals	58	29	4
Hearing Days	n/a	n/a	n/a
Letting Agents (new from Dec 17)			
Receipts	10	-	-
Disposals	0	-	-
Hearing Days	0	-	-
Private Tenancies (new from Dec 17)			
Receipts	3	-	-
Disposals	0	-	-
Hearing Days	0	-	-

DEVOLVED TRIBUNALS	2017-18	2016-17	2015-16
Private Rented Sector (new from Dec 17)			
Receipts	684	-	-
Disposals	27	-	-
Hearing Days	6	-	-
Lands Tribunal for Scotland			
Receipts	174	245	240
Disposals	889	215	367
Hearing Days	71	80	93
Pensions Appeal Tribunals for Scotland			
Receipts	241	213	222
Disposals	201	231	152
Hearing Days	55	61	66
1st Tier Tribunal (General Regulatory Chamber) – Scottish Charity Appeals Panel			
Receipts	0	0	0
Disposals	0	0	0
Hearing Days	0	0	0
1st Tier Tribunal (Tax Chamber) – Tax Tribunals for Scotland			
Receipts	6	11	2
Disposals	7	6	2
Hearing Days	0	0	0
Mental Health Tribunal for Scotland			
Receipts	4459	4,321	4,239
Disposals	4385	4,263	4,136
Hearing Days	3385	3,398	3,453
Mental Health Tribunal for Scotland (Excessive Security)			
Receipts	28	36	23
Disposals	29	36	8
Hearing Days	33	21	8

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 (FREM) 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 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 the 29 March 2001 is hereby revoked.*

A handwritten signature in blue ink, appearing to read 'Alyson Stelfox', is written over a faint, light blue circular watermark or stamp.

Signed by authority of the Scottish Minister

Dated 17 January 2006

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