



# Annual Report & Accounts 2018-19

Scottish Courts  
and Tribunals Service



# Scottish Courts and Tribunals Service

## Annual Report & Accounts

### 2018-19

Laid before the Scottish Parliament by the Scottish Courts and Tribunals Service in pursuance of section 67 of the Judiciary and Courts (Scotland) Act 2008 and section 22(5) of the Public Finance and Accountability (Scotland) Act 2000.

**27 September 2019**

# Contents

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<b>Lord President's Foreword</b>	<b>2</b>
<b>1. Performance Report</b>	<b>3-29</b>
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	8-10
1.2 Performance Analysis	11-29
1.2.1 Performance Measures - Business Plan Outcomes & KPIs	11-13
1.2.2 Development and Performance 2018-19	14-29
• A Well Supported Judiciary	14-15
• Satisfied Courts and Tribunals Users	16-17
• Skilled and Motivated People	18-19
• A Well-Managed Estate	20-21
• Efficiency and Best Value	22-23
• Digital Innovation	24-25
• Purposeful Collaboration with Justice Bodies	26-27
• Supplementary Statutory reporting	28-29
<b>2. Accountability Report</b>	<b>30-52</b>
2.1 Corporate Governance Report	30-40
2.1.1 Directors' Report	30-36
2.1.2 Statement of Accountable Officer's Responsibilities	37
2.1.3 Governance Statement	38-40
2.2 Remuneration and Staff Report	41-48
2.3 Parliamentary Accountability Report	49
2.4 Independent Auditor's Report	50-52
<b>3. Financial Statements</b>	<b>53-71</b>
<b>Annexes</b>	
Annex 1 – Business Levels 2018-19	72-78
Annex 2 – Map of SCTS Locations	79
Annex 3 – Accounts Direction	80

## Lord President's Foreword

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In times of change and uncertainty it is essential that people can have confidence in the rule of law. Scotland's courts and tribunals exist to ensure that we can all have that confidence. They provide the structures through which allegations of crime are fairly and openly prosecuted; through which people may assert their rights and seek a remedy if those rights have been, or may be, infringed.

Supporting justice is the purpose of the Scottish Courts and Tribunals Service (SCTS). It is a purpose that we take very seriously. We deliver it to a high standard on a daily basis, by administering Scotland's courts, devolved tribunals and the Office of the Public Guardian.

It is in this context that I am pleased to present the Annual Report and Accounts of the SCTS for 2018-19. This report sets out the work of the organisation over the past 12 months.

We have continued to make strong progress towards achieving the objectives in our Corporate Plan for 2017-20. Steps to reduce the need for child and vulnerable witnesses to give evidence in court have progressed significantly. The newly passed vulnerable witnesses legislation will run in parallel with new facilities which will provide a more supportive and effective environment for those most vulnerable people who come into contact with our justice system.

Reforms to Scotland's devolved tribunals have led to increased business levels, as people access the specialist adjudications that they provide. Expansion of the First Tier Tribunal for Scotland has continued, with the establishment of the Social Security Chamber. Providing high-quality infrastructure to support our courts and tribunals has remained a priority, with the development of the new Glasgow Tribunals Centre and the construction of the Inverness Justice Centre.

We continue to plan for the service of the future, recognising that the way in which justice is administered must move with the times. Improving complex systems and processes requires us to work with other agencies, ensuring that change benefits both the system as a whole and those who use it. We will continue to work with the Scottish Government and other justice agencies to build the effectiveness and efficiency of our courts and tribunals within the broader justice system.

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 challenging budget.

In a similar vein, our ambitious vision can only be realised through the continuing diligence, expertise and skill of the staff working across the SCTS. I thank them all for their ongoing commitment and understanding.

***Rt. Hon. Lord Carloway***

*Lord President*

*Chairman of the SCTS Board*

# 1. Performance Report

## 1.1 Overview

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### 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 2018-19. This section of the Annual Report and Accounts sets out the purpose, structure, activities and functions of the SCTS; provides a summary of our operational and financial performance over the year; and describes the key issues, risks and trends which influence our work.

Our purpose is **supporting justice**. Whilst the pace of change in our society is high the need for fairness – for society to be able to address wrongdoing and for individuals to be able to uphold their rights – is constant. By delivering a modern and accessible service we provide that constant, helping society to prosper.

It has been a privilege to support the work of the SCTS over the past year. We occupy a unique position in Scotland's justice system – providing the administrative support to Scotland's judiciary as they can carry out their independent role. We are accountable to a judicially-led Board and, as a public service, are trusted to spend public funds and accountable to the Scottish Parliament. We operate as part of Scotland's justice system, which consists of a range of independent bodies for sound constitutional reasons, but works to provide a fair and coherent service for all those who use it – including victims and witnesses – who find themselves involved through no fault or action of their own.

Throughout the year we have focused on maintaining a high-quality service whilst supporting reform. Change and development continues at a high pace – driven by our desire to improve and the need to operate within an increasingly tight budget. The workload we face has remained high and is changing in its distribution. The volume of lower-level criminal cases has declined slightly, a position which can be contrasted with increasing volumes of the most serious criminal cases reaching trial. Changes such as these require us to recalibrate court programmes, support our staff as they manage changing business and work in partnership to anticipate, understand and plan for the future.

A number of Scotland's tribunals have experienced significant growth in their caseload: notably the Housing and Property Chamber, that has taken on responsibility for new case types; and the Mental Health Tribunal, which has experienced a steady rise in its workload in recent years. Business levels in the Office of the Public Guardian have remained significant, with 2018-19 marking the second busiest year on record. Against this backdrop it is a huge credit to our staff that the majority of our waiting periods remained within their optimal ranges throughout the year, that we achieved our highest ever independent Customer Service Excellence ratings and that our Civil Service People Survey engagement score was amongst the highest in Scotland in 2018. As our people continue to support the SCTS we will continue to support, invest in and develop them.

At the conclusion of the second year of our Corporate Plan we are well placed to realise the significant improvements it proposed. Online submission and management of civil simple procedure cases is now a reality. The integrated tribunal centre in Glasgow is providing future proofed accommodation that will include specialist evidence suites – enabling child and vulnerable witnesses to give evidence in a bespoke and supportive environment. Inverness Justice Centre is now part of the Highland capital's skyline – and we look forward to it opening in the year ahead.

Whilst significant challenges and uncertainties exist – including the longer term impact of Brexit and continuing financial restraint – I am confident that, by following our well-developed plans and strategies and working in partnership with the Scottish Government and our justice partners, we can continue to deliver on our vision – to **build 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)<sup>1</sup>.

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 Council<sup>2</sup>.

<sup>1</sup> 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.

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

A three-year **Corporate Plan** for the SCTS was published in April 2017<sup>3</sup>. 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 2018-19**<sup>4</sup> was published in April 2018.

This Annual Report details how the SCTS carried out its functions in 2018-19, 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.<sup>5</sup>

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

<sup>4</sup><http://www.scotcourts.gov.uk/docs/default-source/aboutscs/reports-and-data/publications/scts-business-plan-2018-19.pdf?sfvrsn=2>

<sup>5</sup> Section 61(2) of the Judiciary and Courts (Scotland) Act 2008.

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

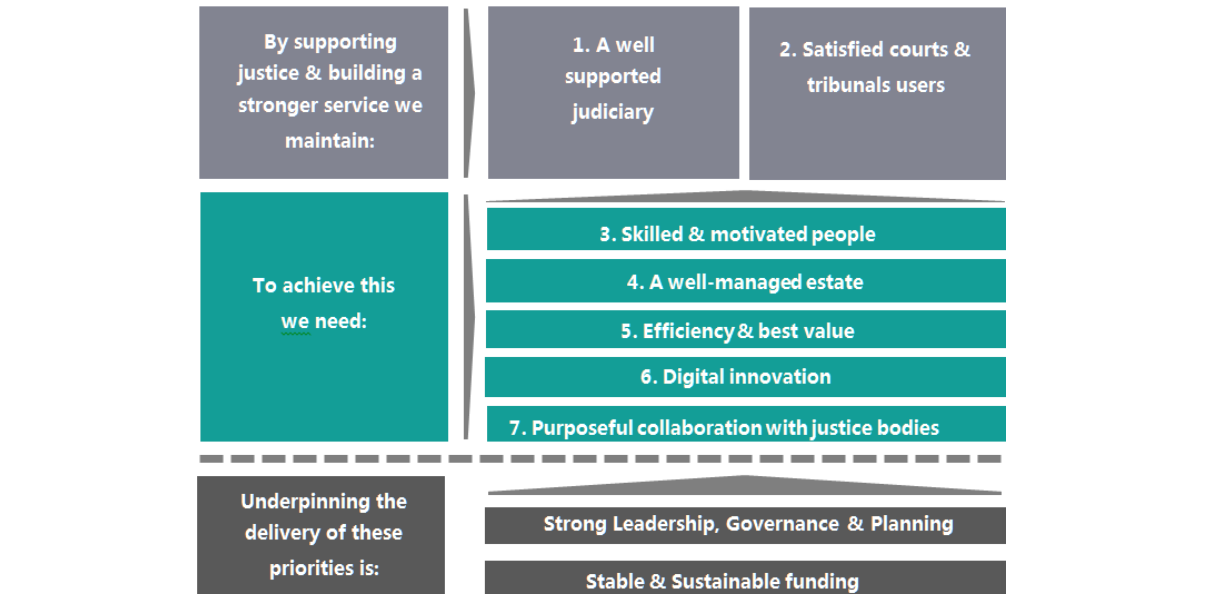
The SCTS is led by its Board, which has a judicial majority and oversees the administrative arrangements that support the judiciary in the delivery of justice. The Board meets at least six times per year<sup>6</sup>. Day to day management of the organisation rests with the Chief Executive and the Executive Team. Further information on the Board and Executive Team can be found in the Directors Report (pages 30-36)

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

**The map sets out how the priorities are aligned to the delivery of our purpose.**

<sup>6</sup> 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 2018-19 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 that we work closely with partner agencies.

Under the leadership of the SCTS Board our Corporate Plan was published in April 2017 – setting out our strategic priorities and objectives to 2020. The detailed outcomes for 2018-19 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 Corporate Plan 2017-20*

Over the course of the year we have worked to deliver the improvements and outcomes set out in our business plan.

Development of our new integrated case management system (**ICMS**) has continued throughout the year, focusing on **Civil Online**. Phase 1, introduced in March 2018, allowed parties in a simple procedure case to check the status of their case online. Uptake has been strong – since its release there have been over 4,000 cases registered, with 54% of claimants and 33% of respondents opting for online notification, rather than receiving new documents by post.

Phase 2 (**Online Submission**) was made ready for launch in April 2019. This marks the

introduction of a full digital service, with the creation of digital case files, allowing parties to submit simple procedure cases, lodge documents and pay court fees online – paving the way for greater online dispute management.

Having been in operation for over two years, a joint official and judicial working group was convened to review the effectiveness of the **Simple Procedure rules** – ensuring that they provided a speedy, inexpensive and informal route to manage civil disputes. The review concluded during the year and suggested changes to improve the operation of simple procedure. These will inform the rules development work of the Scottish Civil Justice Council.

The proposals developed by the SCTS-led **Evidence and Procedure Review<sup>7</sup> (EPR)** are beginning to deliver real change. Over the course of the year we have supported

<sup>7</sup><https://www.scotcourts.gov.uk/evidence-and-procedure-review>

the Scottish Government in its development of the **Vulnerable Witnesses (Criminal Evidence) (Scotland) Bill**<sup>8</sup> and its passage through parliament. The Bill introduces a number of reforms aimed at improving court processes for pre-recording evidence. It also requires the court to make provision for a child's evidence to be given in advance of the trial in more serious cases – removing the need for such vulnerable witnesses to be present in court during a criminal trial. In order to be ready to implement these changes we have developed bespoke facilities in Glasgow where the **pre-recording of evidence** can be managed in an appropriate, high-quality environment, separate from the formality of court.

Through the work of the EPR we have also continued to consider how the **summary criminal justice system** can be reformed to improve its efficiency and make best use of new technology. A new multi-agency **Criminal Justice Reform Programme** has been established by the SCTS, which will bring together justice partners to pilot new approaches and make proposals for further legislative reform.

Structural change to the administration of Scotland's devolved tribunals continued throughout the year, with the successful establishment of the **Social Security Chamber of the First Tier Tribunal for Scotland** and extensive preparations for the transfer

of the **Mental Health Chamber**, scheduled for 2019-20. The new, purpose-built **Glasgow Tribunals Centre**, opened in early 2018, has been occupied by several hundred staff from a range of tribunals over the course of this year – administered both by SCTS and by Her Majesty's Courts and Tribunals Service. It provides flexible, future proofed facilities in a central location.

As an organisation with a presence across Scotland<sup>9</sup> maintaining and developing our estate will always be a priority. Significant progress has been made on the construction of **Inverness Justice Centre** which is due to be completed in 2019-20. It will provide a state of the art environment for justice partners in the Highland capital. In a time of budget constraint identifying and prioritising our maintenance activity remains crucial – as the resources available are not sufficient to meet all identified needs. Key maintenance priorities were identified at facilities in both **Peterhead** and **Kirkcaldy** – work on both sites commenced this year to ensure they continue to provide a safe and high-quality environment for our service users and staff.

Our infrastructure is increasingly digital as well as physical. Establishing, consolidating and building that digital infrastructure is crucial if we are to take advantage of advances in innovation and meet growing public expectations

to improve the administration of justice. In order to explain our approach and plans we launched our 5-year **Digital Strategy** in June 2018.

A key element of that strategy was introducing a **unified communications system** – replacing our complex and ageing telephony network with a single system that delivers phone, video, instant messaging and presence tools for all judiciary and staff. The system has been rolled-out to over 25% of staff in 2018-19 and full roll out will be completed by summer 2019.

In order to improve the transparency of the justice system a new **quarterly official statistics** publication on criminal case activity was published in October 2018. This provides information on both national trends and detailed court business levels – allowing anyone with an interest in these statistics to observe trends over the last four years.

These outcomes have been achieved alongside improved carbon reduction levels, record **Customer Service Excellence** accreditation results and some of the highest staff engagement levels amongst civil service organisations in Scotland. At its core our work this year supported the effective administration of 170,000 court cases, over 9,000 devolved tribunal cases and 58,000 Power of Attorney registrations. Behind each of those numbers is an individual – it is in processing, managing and resolving those cases for the people of Scotland that we fulfill our purpose – **supporting justice**.

<sup>8</sup> <https://www.parliament.scot/parliamentarybusiness/Bills/108702.aspx>

<sup>9</sup> A map of our facilities across Scotland can be found at Annex 2



## Financial Performance

Gross DEL expenditure for the year was £168.2m. When offset by income of £42.3m, the net DEL outturn was £125.9m. This represented an increase of £17.6m on the preceding year's outturn driven by an increase in expenditure due to continued inflationary rises, the further expansion of Tribunal operations and the investment in Inverness Justice Centre. Total non-current assets at the year-end increased from £451m to £515m, mainly due to the quinquennial asset revaluations. A notional charge of £92k is recognised for external audit services.

The AME outturn position is due to non-cash movements on provisions as a result of recent and unpredictable quinquennial asset revaluations as at 31st March 2019, revised treatment of lease dilapidations and Government Actuarial Department adjustments to the pension provision. The Scottish Government has confirmed that this AME in year overspend is covered by additional provision for AME within the overall Scottish Government budget.

During the year SCTS purchased non-audit services from its appointed external auditor totalling £1k. At the request of SCTS, Scott-Moncrieff assisted in some work on employment taxes. The work consisted of the provision of a high level note in relation to the tax treatment of Travel Expenses Paid to Employees for attending Promotion Boards.

## Financial Performance Summary

	2018-19		2017-18
	Budget £'000	Outturn £'000	Outturn £'000
Capital - DEL	26,308	26,333	14,445
Revenue - DEL	101,634	99,526	93,892
<b>Net outturn before exceptional costs</b>	<b>127,942</b>	<b>125,859</b>	<b>108,337</b>
Exceptional costs	-	-	-
<b>Net outturn after exceptional costs</b>	<b>127,942</b>	<b>125,859</b>	<b>108,337</b>
Auditors remuneration	-	92	90
	<b>127,942</b>	<b>125,951</b>	<b>108,427</b>
Capital - AME	-	3,615	-
Revenue – AME	358	2,120	(55)
<b>Total</b>	<b>128,300</b>	<b>131,686</b>	<b>108,372</b>

### 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 rely upon the justice system – is our core function. It relies on a number of independent agencies working together to ensure that people can assert their rights and settle disputes. It supports society in addressing offending and supporting 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 political, public and media scrutiny.

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

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, and holds a joint annual workshop involving members from all its Committees and the SCTS Executive Team at which the strategic risk categories and major risks facing the organisation are reviewed and discussed. This year's workshop took place in February 2019. The corporate risk register was updated throughout the year to ensure it remained current. A summary of the strategic risks identified and ranked by the SCTS Board is provided at page 10.

By its nature much of our work is demand led. Predicting **business volumes** helps us to match demand to capacity and adapt to shifting trends. Projections for the coming year are carried out as part of our business planning process.<sup>10</sup>

Across Scotland's courts and tribunals business volumes remain high – with summary criminal cases continuing to represent the greatest volume. Whilst crime has been reducing over recent years the level of serious crime prosecuted in the High Court has continued to increase. This trend has been apparent for several years and shows no sign of abating. The majority of these more serious cases relate to sexual offences. Such cases are complex, more likely to proceed to trial and can often take longer to conclude. This trend has been recognised at a

<sup>10</sup> More detailed data on business volumes can be found at annex 1 of this report.

system-wide level, with the establishment of a judicially-led cross-justice review group<sup>11</sup> charged with considering how these cases are currently conducted and whether there is a better way to deal with them that could improve the experience of all participants in the interests of justice.

Business levels in the Office of the Public Guardian continue to be high, driven by increasing numbers of people recognising the value in registering a Power of Attorney (POA), so that a nominated person can make decisions about their affairs should they no longer have the capacity to do so. The process has been made more accessible with the option of online registration<sup>12</sup>.

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

<sup>11</sup> <http://www.scotcourts.gov.uk/about-the-scottish-court-service/scs-news/2019/03/20/improving-the-management-of-sexual-offence-cases>  
<sup>12</sup> <https://epoar.publicguardian-scotland.gov.uk/>

potential to impact on future performance:

**1. Resourcing** – Financial constraints look set to continue over the coming years. The challenge of maintaining daily business to a high standard whilst delivering improvements in service and technology will be a key area of focus for the Board over the coming year. The cumulative impact of years of tight budget settlements has reduced our capacity to deliver reform or manage unplanned events. A well-functioning court system is a core element of any democratic society – as such we will continue to make the case for funding that allows the SCTS to operate effectively. With almost a third of our income derived from fees and retained fines (which have been declining in recent years) we will need to plan, monitor and manage both expenditure and capacity as effectively as possible.

**2. Managing Change & Reform** – the scale and pace of change faced by the organisation remains considerable and derives from a range of sources. Changes to the civil and criminal law require us to review and amend our systems and processes regularly. The redistribution of business towards more serious criminal cases (mentioned above) will require us to redirect resources, retrain and support both staff and members of the judiciary. Reform initiatives improve the system, but require both time and resources to be successful. To ensure success the organisation will need to continue controlling change

effectively, prioritising activity to meet capacity, maintain strong partner relationships and make informed decisions based on high-quality data.

**3. Tribunal Reform** – Since assuming responsibility for the administration of devolved tribunals in 2015 their structure, operations and caseload have continued to change and grow. This has had a direct impact on the staff supporting tribunals and has also increased the level of support supplied by SCTS' corporate functions. Considerable project and change management capacity has been invested in this work – to ensure that the new Chamber structure envisaged by the Tribunals Reform (S) Act 2014 was introduced successfully. The need to maintain and build that capacity looks set to continue as existing tribunals transfer into the new structure over the coming year; new jurisdictions increase rapidly in volume; and the prospect of the transfer of reserved tribunals' administration to the SCTS remains on the agenda.

**4. Technology and resilience** Our 5-year digital strategy sets out plans to develop a system that increasingly seeks to make more, and more effective, use of technology in the pursuit of outcomes. Whilst not an end in itself it is clear that reforms to the civil, criminal and administrative justice systems we support will continue to build on the technology, systems and platforms that have been developed to date. This will require us to keep working in partnership as reforms progress and new systems are introduced. We must

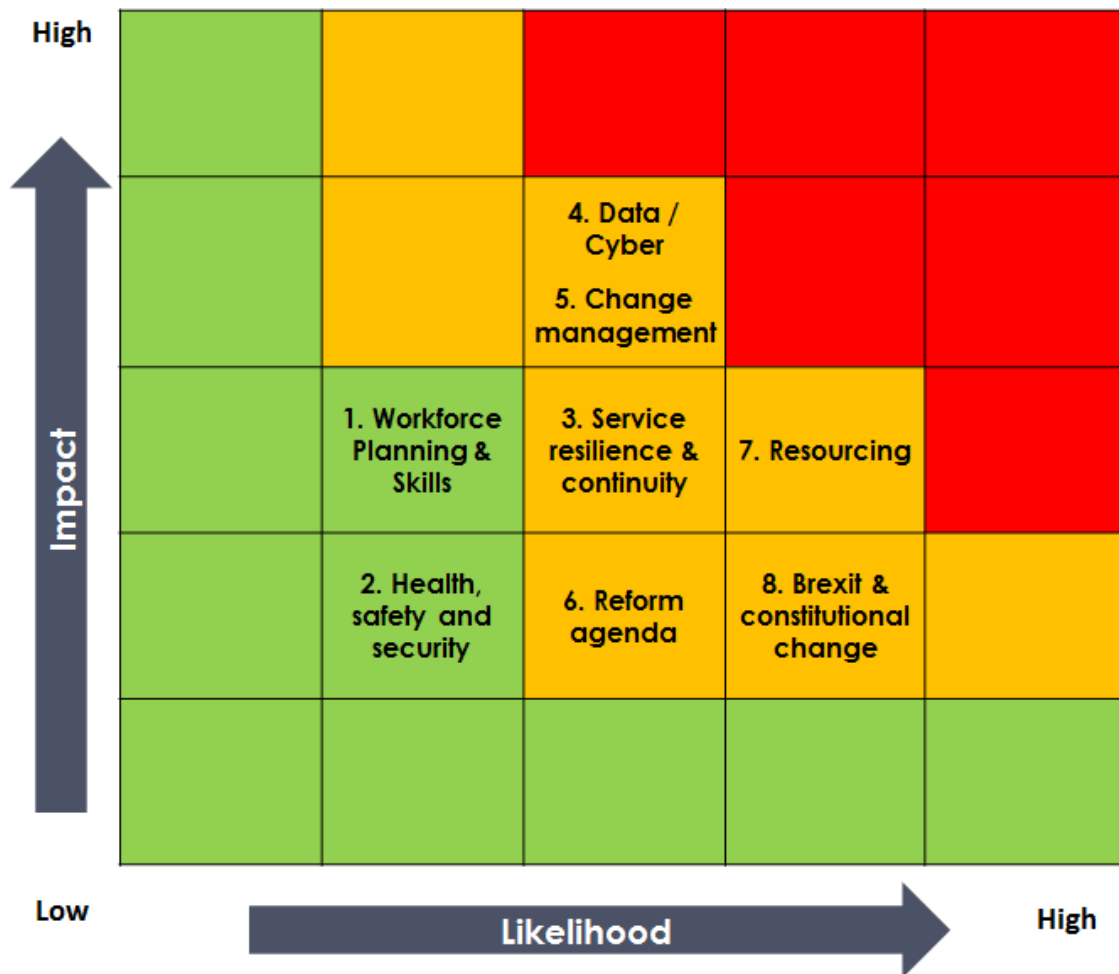
strike a careful balance in a range of areas – between functionality and resilience; between innovation and accessibility; between ambition and achievability.

**5. Brexit** - at the time of writing the precise nature and impact of Brexit remains uncertain. SCTS has been preparing for the range of impacts it may create, to ensure our courts and tribunals will continue to operate effectively. Working groups were established to assess both the potential operational impact of Brexit and its potential impacts on court rules. Arrangements are in place to ensure that these impacts can be managed – but the situation remains dynamic. In collaboration with our partners we will continue to focus on the areas of workforce, operations delivery, procurement and finance. The position will be kept under continual review until such time as final arrangements are in place<sup>13</sup>.

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**<sup>14</sup> agreed by the Justice Board for Scotland.

<sup>13</sup> Further information on the steps taken to prepare for the potential impact of Brexit can be found in the 2019-20 SCTS Business Plan (p8) available at <http://www.scotcourts.gov.uk/about-the-scottish-court-service/reports-data>  
<sup>14</sup> <https://beta.gov.scot/publications/justice-scotland-vision-priorities/>

*Strategic Risk Categories – Identified & Mapped by the SCTS Board (February 2019)*



Strategic Risk Category	Principal Corporate Risk monitored by SCTS Board and Audit & Risk Committee
1. Workforce Planning & Skills	Failure to maintain a skilled & motivated workforce.
2. Health, Safety & 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 the 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 the SCTS' ability to deliver core business or reform.

## 1.2 Performance Analysis

### 1.2.1 Performance Measures – Business Plan Outcomes & KPIs

Throughout the year the SCTS Board monitored ongoing delivery of its 2018-19 Business Plan Outcomes. 28 outcomes were set in the plan of which 23 were fully completed and 5 were partially delivered, with full delivery scheduled for 2019-20. A more detailed report on the end-year position of all 28 outcomes is available on the SCTS website<sup>15</sup>, and further commentary on a range of the outcomes delivered and activities undertaken throughout the year is available from page 15, in the “Development and Performance” section of this report.

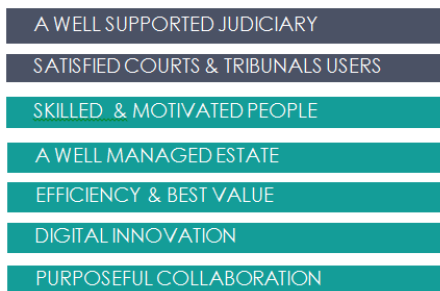
In addition to reviewing performance against delivery of these outcomes, the Board appraises broader operational performance on a quarterly basis through its **key performance indicators** (KPIs) scorecard. A summary of the KPI measures can be found on page 13 and the full-year scorecard for 2018-19 is published on the SCTS website<sup>16</sup>.

The KPIs are subject to an annual review to ensure they remain relevant and

<sup>15</sup> The SCTS Business Plan Delivery Report, which provides a summary of progress against all 2018-19 Business Plan outcomes is available on the SCTS Board page of the SCTS website: <https://www.scotcourts.gov.uk/about-the-scottish-court-service/the-scottish-court-service-board>

<sup>16</sup> The SCTS Board Scorecard for 2018-19 and a document providing full descriptions and definitions of the scorecard KPIs can be accessed at the SCTS Board webpage (link immediately above)

appropriately stretching. They are aligned to our **strategic priorities**, allowing 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 also provide the Board with a means of assuring that the organisation is carrying out activities intended to mitigate against **key risks**, and **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 subject of measureable KPIs in the Board scorecard. These relate to employee engagement measures, training data, expenditure and income profile, in addition to the overall delivery status of the organisation's change portfolio. Whilst measuring these areas cannot eliminate risk it provides visibility of the current position and helps

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

Thirteen of the eighteen Board KPIs scorecard indicators reported green throughout the year. Three measures were in exception throughout the year. These related to:

**1. Indicator 2b: proportion of cases disposed of through the summary justice system as a whole within 26 weeks.**

This measure covers the period from Police caution and charge, through prosecution of an accused until the verdict at trial. SCTS has ensured that the optimum period for the court element in this process (the time between a summary case first calling in court and the date of the trial diet) of within 16 weeks has been achieved throughout the year.

**2. Indicator 5c: the proportion of summary trials at which no evidence was led, and were subsequently adjourned to a further diet.**

This indicator remained at amber throughout the year. The SCTS has limited ability to control this indicator as the majority of adjournments relate to the non-attendance of witnesses and parties not being fully prepared to proceed at the calling of the trial diet. That said, the SCTS continues monitoring and reporting on the measure as it provides a useful indication

of performance across the justice system more generally. These challenges were recognised in the Evidence and Procedure Review, and cross-justice work is underway to explore how summary criminal court procedure can be redesigned with stronger case management, taking full advantage of digital technology.

**3. Indicator 8b: The profile of receipt of fees and fines income against forecasted value.** Full-year income fell behind that projected due to a continued reduction in retained fines income and lower than anticipated civil court fee incomes. Full year fee incomes was 5% below the level forecast at the

beginning of the business year.

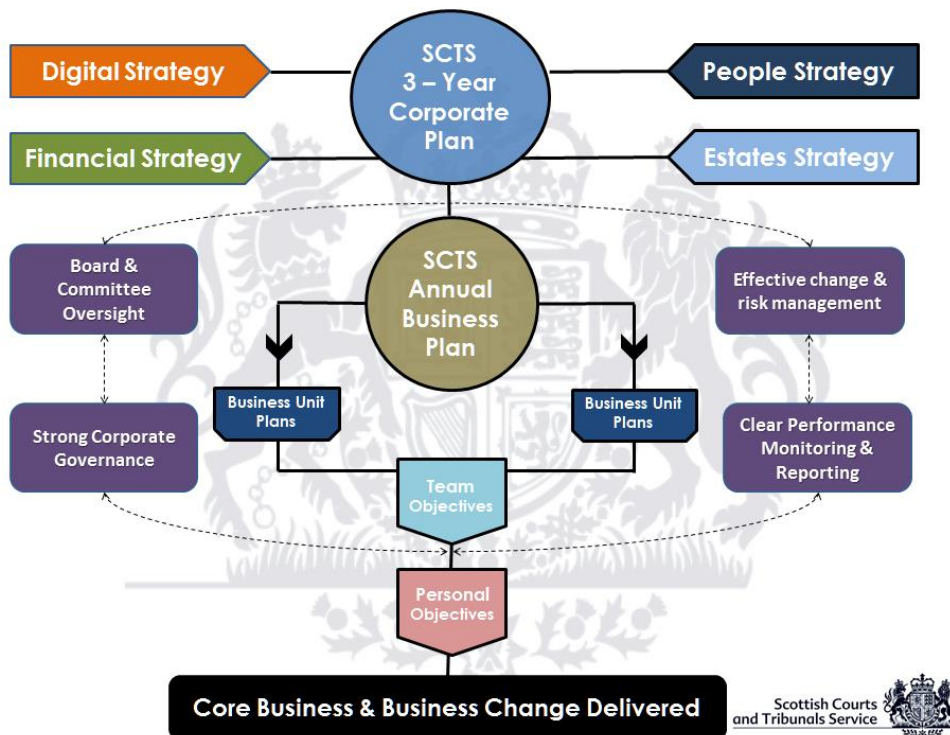
Two other measures were in exception for one quarter of the year – these related to:

**1. Indicator 3a – Employee engagement.** This reported amber in quarter 3 due to slightly higher than optimal short-term staff sickness levels for the quarter in question.

**2. Indicator 5d – Court waiting times (non-summary).** This reported amber in quarter 2 due to longer than optimal waiting periods in commercial court cases. Remedial action was taken to address the length of waiting period which returned to green in Q3

**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.

<b>1. A WELL SUPPORTED JUDICIARY</b>
1a. Judicial satisfaction levels (assessment of most recent judicial attitudes survey plus qualitative assessment by SCTS Executive Team).
<b>2. SATISFIED COURTS &amp; TRIBUNALS USERS</b>
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).
<b>3. SKILLED &amp; MOTIVATED PEOPLE</b>
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).
<b>4. A WELL-MANAGED ESTATE</b>
4a. Investment in the Estate (assessment of investment levels to ensure that backlog maintenance is being managed effectively).
4b. Sustainability and carbon reduction (the total carbon output from SCTS properties compared against a baseline set in the Carbon Management Plan).
<b>5. EFFICIENCY &amp; BEST VALUE</b>
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).
<b>6. DIGITAL INNOVATION</b>
6a. Proportion of applicable transactions carried out online (measure to assess and drive greater use of online systems, such as online fines payment).
6b. Availability of core IT systems (% of time that core systems are available for use).
<b>7. PURPOSEFUL COLLABORATION WITH JUSTICE PARTNERS</b>
7a. Assessment of collaboration with other justice bodies & through the Justice Board for Scotland.
<b>FINANCIAL PERFORMANCE</b>
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 2018-19

# 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**

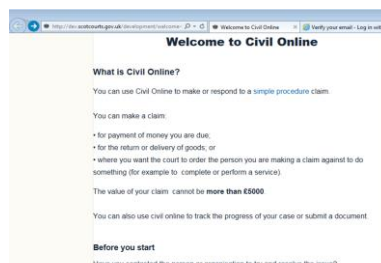
Our annual business plan<sup>17</sup> sets out the key activities and outcomes on which we focused in 2018-19. This was the second year of our Corporate Plan 2017-20<sup>18</sup> during which we have continued to build on the significant reforms of recent years. That progress can only be maintained by working closely with the judiciary – listening to their views and providing them with the resources to do their job well.

Following the introduction of **Simple Procedure** in 2016 – designed to provide a speedy, inexpensive and informal court route to resolve civil disputes with a value of up to £5,000 – a cross-organisation group worked alongside the judiciary to review the effectiveness of the rules in practice. The combination of administrative and judicial expertise informed the development of proposals for a number of changes to the current rules, which will now be considered by the Scottish Civil Justice Council – with amendments expected to be introduced in the coming year.

<sup>17</sup><https://www.scotcourts.gov.uk/docs/default-source/aboutscs/reports-and-data/publications/scts-business-plan-2018-19.pdf?sfvrsn=2>

<sup>18</sup><https://www.scotcourts.gov.uk/docs/default-source/aboutscs/reports-and-data/publications/corporate-plan-2017-20-publish.pdf?sfvrsn=6>

Supporting the introduction of simple procedure was **Civil online**. Introduced in March 2018 it has, since December 2018, allowed users to access court documents online, with automatic notification, rather than receiving new documents by post. In the first three months following the upgrade over 4,000 simple procedure cases were registered, of which 54% of claimants and 33% of respondents opted for online notification – an impressive level of uptake for a new system.



### Online case submission for civil cases – live in 2019

Throughout the year we have worked closely with the judiciary to develop the next phase – **online case submission**. This will allow parties to submit Simple Procedure cases, pay court fees, submit supporting documents and respond to any claim lodged, all online at any time. It will support fully digital hearings – with all case documentation available and presented in the courtroom. This new service will pave the way for

more active digital case management. The service will launch in April 2019.

Reforms introduced to sheriff court **solemn business** by the Criminal Justice (Scotland) Act 2016 are now well-established. We have continued to monitor trends, aiming to reduce adjournment levels and improve case management. 2018-19 saw a slight increase in the number of indictments registered, but the number of trials remained some 15% lower than the level prior to introduction of these reforms.



High Court of Justiciary - Edinburgh

In recent years the number and complexity of cases in the High Court has increased significantly, with the vast majority of trials now relating to sexual offences. In March 2019 the Lord President commissioned a judicially-led **review group** to examine how sexual offence cases are conducted and managed and to consider what changes might improve the experiences of all participants and the wider administration of justice. The group, chaired by Lady Dorrian, the Lord Justice Clerk, comprises members of



the judiciary and representatives of the SCTS, Police, Crown Office, Faculty of Advocates, Law Society and third sector organisations including Rape Crisis Scotland, Scottish Women's Aid and Victim Support Scotland. SCTS has established a project team to support this important work that will continue throughout 2019-20.

To ensure complex High Court cases are kept within reasonable time limits, the Lord Justice Clerk also introduced a new Practice Note<sup>19</sup> on **The Management of Lengthy or Complex Criminal Cases**. Produced in collaboration with the legal profession the note is aimed at cases lasting eight weeks or more, encouraging judges to manage cases from "cradle to grave" and to develop a detailed, early understanding of them.



**Scotland's first live sentencing statement – Glasgow High Court**

Providing access to justice in a modern way is the motivation behind the new **Judicial Broadcasting Protocol** which allows journalists to apply to record and broadcast certain court cases – recognising the important role the media play in an open society. In March 2019 Scotland's first live streamed sentencing

<sup>19</sup>[https://www.scotcourts.gov.uk/docs/default-source/rules-and-practice/practice-notes/criminal-courts/pn\\_no1of2018\\_final\\_signed.pdf?sfvrsn=8](https://www.scotcourts.gov.uk/docs/default-source/rules-and-practice/practice-notes/criminal-courts/pn_no1of2018_final_signed.pdf?sfvrsn=8)

statement was broadcast from Glasgow High Court.

Throughout 2018-19 the major programme of tribunal reform continued. The **Tribunals (Scotland) Act 2014** created a new, simplified structure for the Scottish Tribunals. In late 2018 the new **First-tier Tribunal for Scotland Social Security Chamber** was created, considering appeals against the decisions of Social Security Scotland in relation to benefits they administer.

The **Mental Health Tribunal** for Scotland is the largest of Scotland's devolved tribunals, with a caseload that continues to grow year-on-year. Extensive preparations to support its transfer into the First Tier Tribunal for Scotland as a Chamber in its own right took place throughout 2018-19. That transfer is expected to take place around the end of 2019. We will continue working with tribunals' judiciary and the Scottish Government to monitor and manage the impact of rising caseloads and ensure that the work is adequately resourced.

Proposals to devolve responsibility for the administration of **reserved tribunals** in Scotland from Her Majesty's Courts and Tribunals Service to the SCTS have continued to be discussed over the past year. This transfer will require significant planning and resourcing should arrangements be agreed – we continue to liaise closely with both the Scottish and UK governments to understand their future intentions in

relation to both timescales and funding.

**The Judicial Institute for Scotland** continued its ambitious programme of education and learning for Scotland's judiciary – and has been recognised for its innovative approach at an international level. The Institute hosted delegates from Beirut, Singapore, Thailand and Norway and were invited to Bulgaria, Uzbekistan, Trinidad and Tobago and Beirut to share their approach with a range of judges and educators.

In preparation for the **Domestic Abuse (Scotland) Act 2018** coming into force in April 2019 the Institute created a *Resource Kit*, hosted online. It provides a fully blended package of online and face-to-face learning. Advance online training on the law allows face to face training to focus on key issues, relationships and practicalities.



**SCTS Library Services win Award for Excellence 2019**

The **SCTS Library Service** was awarded the **LexisNexis Award for Excellence 2018** for a non-commercial law library service recognising the team's "simply excellent service". They delivered a comprehensive library catalogue and legal research enquiry services supplemented by training sessions for the use of online resources and key legal databases.

## 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**

We deal with a wide range of users every day – ensuring that we provide them with a consistently high-quality customer service is crucial. To do so we need to have a strong understanding of the needs of those who use Scotland's courts and tribunals. We develop that by listening to them – and use the insight gained to improve our services, facilities and systems.

Our three-year rolling programme of **Customer Service Excellence<sup>20</sup> (CSE)** accreditation provides an independent and objective assessment of how well we are doing – and provides further insights that we use to improve services.



**2018 – our best ever performance**

Focusing on key themes of timeliness, quality of service, delivery, and information and access to it, the CSE assessors carry out a detailed assessment of the SCTS'

policies and procedures. They hold in-depth discussions with both customers and staff and observe our work as it is carried out day-to-day.

Of the 57 elements against which we are assessed 13 elements were given the highest rating of "compliance plus" – an increase of two from 2017. 42 elements were rated "fully compliant" and only two were rated "partially compliant" – one fewer than in 2017. Since launching CSE in 2012 we have achieved year on year improvements in service levels. Staff were praised for being friendly, knowledgeable, helpful and hard-working – identifying individual needs at the first point of contact.

The assessors particularly recognised the insightful surveys in use by the Office of the Public Guardian, and their approach to developing the OPG website – applauding their rigorous customer satisfaction assessment approaches and commitment to meeting the needs of hard to reach and disadvantaged groups.

Being a victim of crime or witnessing a crime can be an upsetting and difficult experience. **The Victims and Witnesses (Scotland) Act**

**2014<sup>21</sup>** extended the availability of special measures designed to support evidence giving in court. The number of applications and notices for these measures has grown steadily since 2015.

Each year, in conjunction with five justice partners, the SCTS publishes an annual report on **Service Standards<sup>22</sup>**. The SCTS is committed to improving the experience for victims and witnesses and the report outlines the steps we have taken to provide the right information, support, facilities and accommodation to meet their needs. Throughout the year we have been working with **Victim Support Scotland** to develop enhanced court familiarisation material that provides clear, concise information on the court and what to expect.

Improving the criminal court process for the most vulnerable has been a key theme of the SCTS-led work of the **Evidence and Procedure Review (EPR)<sup>23</sup>**. The review recognised that,

<sup>21</sup><https://www.legislation.gov.uk/asp/2014/1/contents>

<sup>22</sup><http://www.scotcourts.gov.uk/docs/default-source/coming-to-court/standards-of-service-for-victims-and-witnesses-annual-report-2018-19664a66a7898069d2b500ff0000d74aa7.pdf?sfvrsn=2>

<sup>23</sup><https://www.scotcourts.gov.uk/evidence-and-procedure-review>

<sup>20</sup><http://www.customerserviceexcellence.uk.com/>

for the criminal justice system to operate as effectively as possible, witnesses must be able to give their best evidence. Changes to the law were proposed that would reduce or eliminate the need for child and vulnerable witnesses to give evidence in court in the most serious criminal cases. These proposals have informed policy development.

### The **Vulnerable Witnesses (Criminal Evidence)**

**(Scotland) Bill<sup>24</sup>** was introduced to the Scottish Parliament in June 2018. Building on the EPR proposals the Bill proposes a range of changes that will improve the experience of those who find themselves having to give evidence in what can be distressing and traumatic cases. We have supported the Scottish Government as the Bill has progressed through Parliament and are taking steps to ensure that, once enacted, we are in a position to enable the greater use of video recording and the taking of evidence by a Commissioner – investing in new evidence taking facilities at key sites across Scotland. The Bill is expected to be passed by the Scottish Parliament in spring/summer 2019.

We remain deeply committed to mainstreaming equality and promoting diversity through our work. Everything we do is underpinned by our core values of **Respect, Service and Excellence**. Our vision throughout this corporate planning period is to build a stronger courts and tribunals

service, focused on providing access to justice and improving the service we provide to all users. In October 2018 we were delighted to publish our first **British Sign Language (BSL) Plan<sup>25</sup>** The Plan sets out how we intend to improve services for members of the Deaf and Deafblind community. We have also committed to contribute to the National BSL Plan<sup>26</sup> Progress report in 2020.



# BSL

*Ensuring our services are accessible to all users*

In February 2019 we commenced **roll-out of 65 defibrillators** across the entire SCTS estate. Around 3,500 people in Scotland undergo attempted resuscitation each year following an out-of-hospital cardiac arrest, but only around 1 in 12 survive. Using a defibrillator alongside CPR can greatly increase survival rates, but to be most effective, a defibrillator needs to be used within the first 3-5 minutes of collapse. By providing this facility in our court buildings – and ensuring staff are trained in its use – we increase the chances of saving a life.

The work of SCTS continues to play an important role in the protection and maintenance of **human rights** in Scotland. Our work underpins the values at the very core of

<sup>25</sup><http://www.scotcourts.gov.uk/docs/default-source/equality/bsl-plan.pdf?sfvrsn=4>

<sup>26</sup><https://www.gov.scot/publications/british-sign-language-bsl-national-plan-2017-2023/>

**Scotland's National Performance Framework<sup>27</sup>** which makes clear “we are a society which treats all people with kindness, dignity and compassion, respecting the rule of law and acting in an open and transparent way”. By maintaining and improving access to justice we preserve the right to a fair hearing before an independent and impartial tribunal; enshrined in Article 6 of the European Convention of Human Rights. By providing the forum through which that right can be asserted, we promote the observance of other key rights, 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.



EUROPEAN COURT OF HUMAN RIGHTS  
COUR EUROPÉENNE DES DROITS DE L'HOMME

Ensuring justice is both done and can be seen to be done remains central to our purpose. As a society we are fortunate that we can rely on access to the courts. As an organisation it is our role to ensure that this access is maintained. We will continue to invest in the buildings, people and systems required to provide it – stressing the fundamental importance of a professional, impartial and adequately funded courts and tribunals system as part of a democratic society.

<sup>27</sup><http://nationalperformance.gov.scot>

<sup>24</sup><https://www.parliament.scot/parliamentarybusiness/Bills/108702.aspx>

# 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**

The SCTS employs over 1,700 staff across Scotland. They are “public servants” in the truest sense – committed to providing an equal and fair service. They work with a diverse range of customers – many of whom have approached a court or tribunal to resolve a significant issue in their own lives. As such our staff need to be understanding and supportive – helping people who find themselves in what may be an unfamiliar or anxious situation. People rely on a high-quality system – and that system relies on high-quality people.



**Lothian & Borders Staff rounding up their annual Engagement Day**

Over the past year we have made progress on the delivery of our **People Strategy 2018-23**, focusing on its core themes of:

- Valuing everyone's contribution
- Our Team
- Learning; and
- Realising Potential

We assess staff engagement by giving every member of staff the opportunity to take part in the annual UK Civil Service **People Survey**<sup>28</sup>.

<sup>28</sup>Results for all organisations are accessible at <https://www.gov.uk/government/collections/civil-service-people-surveys>

In 2018 we recorded a staff engagement index of 65% - a 2% increase on the previous year and one of the highest scores in Scotland.

Improvements across eight of the nine themes covered by the survey indicate that our investment is having a positive impact. The detailed results are analysed and used to inform action planning across the organisation, in partnership with our colleagues in the PCS Union.



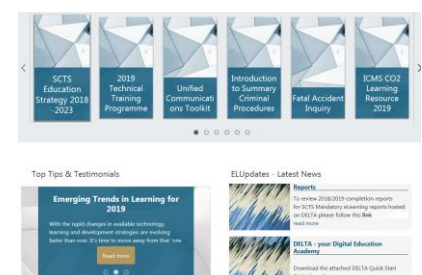
### Strong Survey Results

As part of the “Valuing Everyone’s Contribution” theme the SCTS Executive Team once again conducted an extensive range of **summer engagement events** – ensuring that all staff have the opportunity to discuss issues directly with a member of the top team. 117 events took place in 61 different locations across the country, - providing the opportunity for staff to raise concerns, share ideas and voice opinions. These sessions provide valuable insights and act as a catalyst for change at both the local and national level.

A crucial element of any reward package for staff is pay. After a number of years

of restraint we were pleased to be able to offer a strong pay settlement for 2018-19 – providing an increase of at least 3% for the majority of our staff whilst maintaining the guarantee of no compulsory redundancies. Whilst the financial position for 2019-20 looks challenging we will seek to continue improving the total “reward package” that our staff benefit from in 2019-20.

As the work we do – and the ways in which we do it – continue to change and develop it is crucial that we equip and support our people to learn, develop and perform. A new **Education and Learning Strategy** has been developed this year, which has allowed us to explore and identify both the learning needs of the organisation and the most effective ways in which that learning can be delivered.



### Our new and improved Virtual Learning Environment – DELTA

Digital learning will play an important role in the blended approach proposed by the strategy. Our virtual learning environment has been fully upgraded this year.

Relaunched as **DELTA (Digital Education, Learning and Training Academy)** it provides a range of digital courses with new features designed to meet learners' needs. In recognition of the fact that people turn increasingly to the internet for knowledge and skills DELTA allows access from a broad range of devices, provides a personalised learning dashboard and supports knowledge sharing forums on a range of subjects. With the launch of phase 2 of our Civil Online service (see page 14) four training modules were made available to provide on-demand, bite-sized training for use by busy court staff.

Face to face training will continue to play an important role for an organisation where the human touch is so important. New courses and programmes have been developed this year, which will launch in 2019-20 – including our *Women in Leadership* and *Core Management Skills* courses.

Our annual **Celebration of Success** event in September 2018 highlighted the appetite of our staff to develop their skills, and our commitment to helping them achieve that. Some 40 staff collected their awards at the event, which covered a range of Vocational Qualifications, Institute of Learning Management certificates and CPD. The SCTS was delighted to award its **Learner of the Year** award to a member of staff from the Judicial Institute.



**Learner of the Year 2019 with the Lord President**

Following the success of our **Modern Apprentice (MA) Programme** last year we welcomed a fresh intake of six MAs in 2018-19. Based on feedback we extended the programme to 18 months, enhanced the combination of business and technical qualifications that can be gained during the MA and, most importantly, provided that each MA will be offered a permanent post upon successful completion of the programme, providing job and financial security.



**Cabinet Secretary for Justice meets our Modern Apprentices**

Working in partnership with the PCS trade union to support job security, the SCTS became one of the founding signatories of the **Fair Work Agreement**<sup>29</sup> in November 2018. The agreement is intended to make Scotland a leading nation in fair work. SCTS partnership arrangements and employee relations are already aligned to the Agreement's principles and we will continue working with PCS colleagues to further develop and promote partnership.

<sup>29</sup> <https://www.pcs.org.uk/pcs-scotland/news/fair-work-agreement-signed-by-scottish-government>

One in three people will be affected at some point in their lives by mental ill health. **Mental Health Awareness Day** 2018 provided an opportunity to encourage conversations about mental health, to help break the stigma and raise awareness. During 2018-19 we piloted Mental Health Awareness training, and launched a **Mental Health Awareness eLearning** resource- to help us all recognise the warning signs and know where and how to access help and support.

Now in its seventh year, the annual **SCTS Carers Conference** gives staff with caring responsibilities a place to share their experiences. Recognising that maintaining a good work/life balance can be difficult the theme of this year's conference was Wellbeing. Delegates were given the opportunity to explore ways they can look after themselves as well as those whom they care for. We have maintained our status as a **Carer Positive Exemplary Employer** – with a range of policies to support our people in their daily lives.

The SCTS remains committed to creating an environment in which everyone can realise their potential. Our **Staff Equality Engagement Network** continues to provide an in-house forum that advises the organisation on issues relating to protected characteristics as defined by the Equality Act 2010. It now operates an online Equality Hub, giving all staff the opportunity to learn more about equality, diversity and inclusion.

## 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 the privilege and challenge of managing a diverse estate across Scotland comprising of 52 court buildings, four Tribunal offices and three further administrative centres. Buildings range in size from small courts in the islands to the Supreme Courts in the heart of Edinburgh. They range in age from Parliament Hall (dating from 1639) to the Inverness Justice Centre (which is currently under development).

The map at Annex 2 shows our estate locations: there are sheriff and justice of the peace courts in **39 different locations** and the Office of the Public Guardian is based in Falkirk. Tribunal administrative centres are based in Glasgow, Edinburgh and Hamilton. In addition tribunal hearings take place in up to 70 further sites – often sitting in NHS or local authority premises. We lease and make ad hoc use of 14 premises nationally where vulnerable witnesses can give evidence by video-link, outside the formal court environment.

Many of our buildings are listed and include important elements of Scotland's **architectural heritage** requiring careful decision making over renovations and improvements: Glasgow Sheriff Court is the only post-war listed court building and the site of Tain Sheriff and

Justice of the Peace court has been in use as a court since 1603.

The specialist nature of many of our buildings means open market valuation is not appropriate and instead the **Depreciated Replacement Cost** method is used. This was assessed as at 31 March 2019 with a total estate holding value of £505 million – our next valuation is due in 2024.

Court and tribunal buildings are valuable and specialist assets. Locations can only be created, moved or closed by an order of the Scottish Parliament. Alternative uses for the estate are, therefore, quite limited<sup>30</sup>. We focus on managing the estate to a high standard, ensuring facilities are safe, modern and sustainable – and using available resources both to maintain our historic estate and to build for the future.



**Inverness Justice Centre – opening in 2020**

The most significant new investment in which we have

<sup>30</sup> 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>

been involved in 2018-19 is the **Inverness Justice Centre**, which will provide six new courtrooms incorporating state of the art digital technologies, facilities for recording the evidence of child and vulnerable witnesses and integrated justice services. Embracing a strong partnership approach to the design has helped ensure that the needs of a diverse range of building users will be well accommodated – including witnesses and jurors. In October 2018 the site received an exceptional 45/50 mark from the **Considerate Constructors Scheme**<sup>31</sup> in recognition that it has shown the highest levels of consideration towards the local community, its workforce and the environment during the development – observing the Scheme's five-point Code of Considerate Practice. Construction remains on schedule with the building due to be fully operational in 2020.

In April 2018 the new **Glasgow Tribunals Centre** began operating, accommodating both SCTS and HMCTS staff and judiciary in a modern and flexible working environment in central Glasgow.

In late 2018 we received planning permission to build

<sup>31</sup> <https://www.ccscheme.org.uk/>

**a new two-court complex in Kirkcaldy** within the existing Kirkcaldy police station. This will allow business to be transferred from the Justice of the Peace Court, alleviate pressures in the current Sheriff Court building and provide improved levels of accommodation for both staff and court users in Kirkcaldy. Building works have commenced and completion is scheduled towards the end of 2019.



**New accommodation under development in Kirkcaldy**

Much needed modernisation is also under way in **Peterhead Sheriff and Justice of the Peace Court**. In addition to an essential roof replacement, the project will include utility upgrades improvements to vehicle access, external landscaping and fencing.

Having responsibility for a large and predominantly older estate (which includes a number of listed buildings) means that tackling **outstanding backlog maintenance** will always be a priority for us. Over the past seven years we have invested well and successfully reduced the assessed maintenance backlog from nearly £60m to £34m. In 2018-19 we were able to maintain good progress by investing some £6m in maintenance of this nature.



**Peterhead Sheriff & Justice of the Peace Court refurbishment plans**

As financial restraint looks set to continue we anticipate that it may not be possible to continue reducing the backlog – but we will continue to prioritise the resources made available to us to ensure the safety, security and utility of all properties under our care. A new strategic condition survey, coupled with the estate revaluation (both scheduled for 2019) will provide an updated picture of the maintenance challenge we face and the priorities for investment.

Our **shared services initiative** with the Crown Office and Procurator Fiscal Service (COPFS) helps produce real savings and efficiencies for both organisations. In 2018-19 COPFS saved £800,000 largely through a reduction in their building footprint supported by the initiative – with the SCTS receiving an annual shared service fee of £145,000.

### **Sustainability & Environmental Performance**

SCTS' record in sustainability continues to be strong. In 2018-19 we maintained the **Carbon Trust Triple Standard accreditation** and will seek re-accreditation in 2019-20.



Over the course of this year we have exceeded our carbon reduction target and have commenced development of our next **three-year Carbon Management Plan**. As a dedicated public sector “major player” on carbon 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.<sup>32</sup>



**Earth Hour – Lights out across 180 countries worldwide**

The SCTS continues to be a strong supporter of **Earth Hour**. An international event that encourages us all to switch off non-essential electrical items, this year court buildings in Inverness, Glasgow and Edinburgh turned off all their exterior lights in support.

We are continually looking for ways to promote sustainability. This year Glasgow Sheriff and Justice of the Peace Court became the first Scottish public sector body to pilot the **JUMP green initiative**<sup>33</sup>. This encourages staff participation in a variety of sustainable activities such as lift sharing, switching to re-useable cups, and sustainable travel in return for “green points” which can be exchanged for prizes or charitable donations.

<sup>32</sup><https://sustainable-scotland-network.org/reports/the-scottish-courts-and-tribunals-service>

<sup>33</sup><https://www.teamjump.co.uk/>

## 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 of the courts and tribunals is vital to supporting a safe and fair society. People rightly expect the justice system to be both fair and efficient – taking advantage of opportunities to improve how services are delivered. The need to deliver best value requires a careful balance to be struck between maintaining day to day business, investing in reform and improvement and ensuring that any changes we make are well-implemented and improve the service we offer.



**90% jurors now respond to their citations through our online portal**

Jurors play a fundamental role in the criminal justice system. It is an important civic duty which can be challenging and complex – and which most people may only participate in once or twice in their lives. It is essential therefore that we make the process as straightforward and accessible as possible. Since its launch two years ago our **one stage citation** process, which allows jurors to respond online to their citation, has seen a steady increase in its use. This year some 90% of jurors who were called to attend court chose to use the online portal to respond to their citation (as opposed to responding by

post) demonstrating the appetite to use more efficient digital services where these are available.

We want to ensure that as many people as possible have the opportunity to serve as jurors. Following publication of the **Enabling Jury Service** report in 2018, a project team was established to assess how our facilities could better support jurors with sight and hearing impairments to participate. Research and fieldwork has been ongoing throughout the year. A two-phase project, which will take forward recommendations in the report that do not require legislative change, will be further developed in 2019-20.

The potential to make greater use of **video link capabilities between courts and prisons** has now been recognised for a number of years. Conducting hearings by **video conference** where the accused is in custody can lead to time savings and improved safety. As a consequence of continued engagement with all partners involved in criminal cases there has been an increase in the proportion of cases where the video link option has been used to around half of all instances where it would be feasible to do so. The video equipment in a further nine courts was upgraded this year, and, in conjunction with our ongoing ICT hardware refresh we

successfully retrofitted 30 court rooms through our **courtroom technology upgrade** project. Savings in other project delivery in-year will allow 11 additional courts to be upgraded in 2019 – ensuring they have a high standard of video conferencing, digital evidence presentation and standard evidence presentation systems – all of which will be essential if we are to take advantage of future innovations in justice policy and system design.

98,000 Summary Criminal Cases registered

21,000 Ordinary Cause cases registered

58,000 Power of Attorney's registered

28,000 Sheriff Court sitting days

#### Business volumes for 2018-19

**Levels of business**<sup>34</sup> across Scotland's courts have remained high in 2018-19. Throughout the year we have worked with partners to monitor trends and ensure sufficient resources were available to meet demand. Waiting periods in summary criminal cases across Scotland remained within the optimal timescale of 16 weeks between the first calling of the case in court and the date of its trial. Domestic abuse cases were consistently heard within the 8-10 week timescale agreed between justice agencies.

<sup>34</sup> A commentary and statistics on business levels across all the main jurisdictions supported by SCTS in 2018-19 (and the 2 preceding years) can be found at annex 1.



To promote greater public understanding of the business conducted in Scotland's criminal courts – and to improve transparency – in October 2018 we commenced publication of a **new quarterly official statistical bulletin** on criminal case activity in Scotland's courts. The bulletin covers all High Court, Sheriff Court and Justice of the Peace Court case data – providing national trends in addition to detailed figures for local courts in solemn and summary criminal cases, over the last four years. The quarterly report is available on our website<sup>35</sup>.

The facilities that we have established to encourage online payment of fines continue to experience an increase in their use. In 2018-19 over 165,000 transactions, with a value of over £7.5m were fully automated (collected via the automated telephone or online payment channels). The establishment of the **National Fines Unit** in 2018 has ensured that our expert fines enforcement officers can share resources and experience – encouraging offenders to take personal responsibility for paying their fines, supporting those who engage and taking firm enforcement action on those who refuse to pay. This can include the arrestment of earnings or seizure of vehicles.<sup>36</sup>

In January 2019 GEOAmeY PECS Ltd. became the new

Court Custody and Prisoner Escort Service Provider – bringing with them extensive experience in this field as current providers of prisoner escort and custody services across England and Wales. SCTS are part of a multi-agency liaison group that oversees the contact delivery and performance – in view of the impact that timely delivery of accused persons to court has on our operations. The new contractor has suggested a range of improvements to the current service which will be assessed and implemented over the coming year



**GEOameY – the new prisoner escort contract provider**

Our **Technology and Innovation Group** – a staff forum that assesses and prioritises improvement ideas suggested by staff from across the organisation has continued to operate well this year. Often the best ideas for small changes and improvements to systems and processes come from those working with them every day. The group has members from across SCTS who use their experience and knowledge to assess and prioritise suggestions for change made by staff. A range of system changes and developments were considered this year – leading to positive changes for both staff and service users.

At the time of writing the precise nature and impact of **Brexit** remains uncertain.

SCTS has been preparing for some time for the range of impacts that Brexit may create, to ensure that the courts and tribunals will continue to operate effectively. Working groups were established to assess both the potential operational impact of Brexit on courts and tribunals and to consider the potential short and longer-term impacts on court rules.

Arrangements are in place to ensure that the operational impact can be managed irrespective of the eventual outcome of negotiations. In collaboration with our partners we have focussed on the areas of workforce, operations delivery, procurement and finance – including engagement with our staff to understand nationality – and regular engagement with our suppliers and contractors to ensure they are prepared in terms of workforce continuity, supply chains and funding.



Risks associated with key contracts are being monitored. The position will be kept under continual review until such time as final arrangements are in place.

We are members of the justice-system Brexit planning group, established under the auspices of the Justice Board for Scotland – a forum that allows us to remain updated on developments and discuss issues of mutual concern with our key partners.

<sup>35</sup><http://www.scotcourts.gov.uk/about-the-scottish-court-service/reports-data>

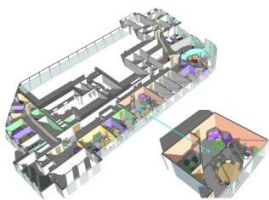
<sup>36</sup> Further information on fines collection rates can be found in the SCTS quarterly fines report – available at the link immediately above

## 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**

As the public appetite for technology and digital transactions continues to grow the importance of maintaining and improving our core infrastructure, so it can support new ways of working, continues to increase. Our staff and partners also expect us to make the best use of technology – to improve the services we provide.



**Bespoke hearing facilities for child & vulnerable witnesses**

The development of the new **child and vulnerable witness centre** in Glasgow has provided an opportunity to draw on international best practice and use new technology to create an environment where witnesses will be able to provide their best evidence with the minimum of trauma. The centre has **bespoke technical facilities** that will allow high-quality recordings of evidence to be taken in advance of a case – or for evidence to be provided by video link direct to a court. The facility, which has been developed in 2018-19, includes a sensory room, break-out spaces and hearing rooms for evidence to be taken from child and vulnerable witnesses. It also

provides facilities for Additional Support Needs Tribunal hearings and other hearings of the Health and Education Chamber of the First Tier Tribunal for Scotland.

One of the major outstanding elements of our technical infrastructure refresh was replacing a range of ageing, complex and hard-to-maintain telephony systems with a **Unified Communications** system that delivers telephone, video, instant messaging and presence tools in a single solution for all our staff and the judiciary. Significant progress has been made on the roll-out of the system this year – which will reduce maintenance and call costs whilst improving service stability and resilience. The service was extensively piloted in the second half of 2018 and is being rolled-out on a phased basis, ensuring that lessons can be learned throughout implementation and allowing intensive support to be provided to areas as they migrate to the new system.



**Cisco Jabber – our new unified communications tool**

At the end of the financial year over 25% of staff were using the new system, which

will be implemented across the entire organisation by summer 2019.

As we rely increasingly on digital systems to transact and maintain our core business, ensuring that they are robust and resilient becomes all the more important. Following upgrades to our Wide and Local Area Networks, and the introduction of new wireless and virtual private networks in recent years we have continued to invest in our core infrastructure. Vulnerability and intrusion testing, data security reviews and penetration testing of new public facing and cloud hosted applications ensure that the data we hold is properly managed, securely handled and shared safely with justice partners. Our externally conducted annual **IT Health Check** evidenced continuous improvements in security – something that was recognised with the successful renewal of our **Public Secure Network**<sup>37</sup> accreditation.

Whilst we have taken significant steps to maintain and improve our systems and infrastructure the threats that they face also continue to grow and develop. As our resources are finite we have to prioritise those activities that will maintain our core service in the coming years

<sup>37</sup><https://www.gov.uk/government/gro-ups/public-services-network>

alongside those that will deliver the greatest additional benefits.

Top of that list is our plan to upgrade our operating system to **Windows 10** over the coming year. This will offer a range of benefits including the use of in-built encryption, enhanced remote support and deployment and on-going compatibility and support for years to come. In an organisation with a large number of bespoke applications and services the migration to a new operating system is a significant undertaking. Considerable preparatory work has taken place this year to ensure that we will be ready to deploy Windows 10 across SCTS in the course of 2019-20.

Last year we reported on the success of our **criminal online portal** launched in early 2018, which 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. Over the course of this year we have built on that approach by developing a **media portal** for journalists. We recognised that the way in which journalists do their work has changed in recent years – meaning that they are not always able to attend court in person to find out about upcoming cases that may be of significant public interest. We established a registration scheme for journalists – membership of which entitles journalists to have online access to relevant case data from the court roll to help them plan their court

reporting. Since its launch in October 2018 over 250 journalists have registered with the scheme.

Registered journalists are also entitled to make use of live, text-based communications (such as tweeting) from courts, under new guidance issued by the Judicial Office for Scotland. To ensure they can do so they are also entitled to free Wi-Fi access in court buildings.



**SCTS Media Portal – providing quick access to information**

The **SCTS website** continues to act as the main source of information on the organisation for many of our users, providing access to both professionals and the public. It provides a broad range of static and dynamic information including, judgments, court rolls, reports, performance data and news about the organisation. In 2018-19 over 6.4 million users visited the main SCTS website ([www.scotcourts.gov.uk](http://www.scotcourts.gov.uk)), with daily use ranging from some 6,400 to 18,000 users per day.

Making best use of a new web-platform developed in-house, the **Social Security Chamber** of the First-Tier Tribunal for Scotland was the latest in a series of **Tribunal Chamber websites** to be successfully launched. The approach allowed members of the tribunal judiciary and tribunals staff to work with our IT specialists to develop a

bespoke website, taking an iterative approach to both content and design. We look forward to developing further websites in 2019-20 using the new platform and learning from previous developments.



**The new Social Security Chamber website**

Our **5-year Digital Strategy**<sup>38</sup> published last year recognised that, whilst the case for making greater use of technology to improve the administration of justice is compelling, it is important that we pick the right investments, plan carefully and deliver in partnership. To help embed this approach our IT Director has taken on a new role as **Director of Digital Services**, bringing together existing IT and development roles to reflect the policy, people and partnership aspects of successful digital change.



**Our 5-year Digital Strategy**

<sup>38</sup><http://www.scotcourts.gov.uk/docs/default-source/aboutscs/reports-and-data/reports-data/scts-digital-strategy---final.pdf?sfvrsn=4>

## 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**

People expect Scotland's justice system to reflect the society that they wish to live in – one that is fair, effective, modern and efficient. That can only be achieved when the organisations leading the system collaborate to make informed decisions, based on evidence.

We play our part in that by supporting delivery of the **Justice in Scotland – Vision and Priorities**<sup>39</sup>. We also participate fully in the work of the Justice Board for Scotland. In addition SCTS provides the lead support to Sheriffs Principal in their control of Scotland's six **Local Criminal Justice Boards** which bring those involved in day to day management of the system together to drive improvement through effective joint working. SCTS is also a partner in Scotland's Community Justice Partnerships<sup>40</sup> which bring agencies together across the country to focus on initiatives to prevent and reduce offending and reoffending.



**A shared approach taken by Scotland's Justice agencies**

Since 2016 the SCTS has led the development of system-wide proposals to reform summary criminal justice – commencing with the work of the **Evidence and Procedure Review**<sup>41</sup>. Significant engagement through a programme of public events, consultations, reports and recommendations – all accessible from the SCTS website – preceded the establishment of an SCTS **interim measures working group** in 2018. This was set-up to oversee the development of pilots that will inform future changes to the operation of summary criminal business, including the potential to make greater use of pre-recorded evidence.

In early 2019 we established a cross-justice **Criminal Justice Reform Programme** to manage work in this area, in partnership with the Crown Office and Procurator Fiscal Service, Scottish Legal Aid Board, Police Scotland and Scottish Government. The programme will oversee a range of projects – working across agencies to ensure that the operational impact of reforms is beneficial and that barriers to change can be explored and resolved. Early work led under this programme has included detailed liaison with third sector organisations and young people to ensure that the new child and vulnerable witness-friendly hearing suite

developed in Glasgow provides high-quality and appropriate facilities.

Towards the end of 2018 the Scottish Government established a **Victims Taskforce**<sup>42</sup> to co-ordinate action aimed at improving the experiences of victims and witnesses across the criminal justice system. The Taskforce brings together senior decision-makers from justice agencies, including SCTS, and the broader community. We were delighted to host the second meeting of the taskforce in the Judicial Institute for Scotland in March 2019.

SCTS provides the resources to support the work of the **Scottish Civil Justice Council**<sup>43</sup>. The Council is responsible for preparing draft rules of procedure for the Court of Session and for civil proceedings in the sheriff court. Throughout the year the Council has continued to support the ongoing programme of reform.



The Council evaluated user experiences of the **Simple Procedure Rules** and has progressed well with consolidating, harmonising and

<sup>39</sup><https://www.gov.scot/publications/justice-scotland-vision-priorities/>

<sup>40</sup><https://communityjustice.scot/justice-partners/>

<sup>41</sup><https://www.scotcourts.gov.uk/evidence-and-procedure-review>

<sup>42</sup><https://www.gov.scot/groups/victims-taskforce/>

<sup>43</sup><https://www.scottishciviljusticecouncil.gov.uk/>

simplifying the rules of the civil courts in Scotland; laying a number of Statutory Instruments and approving amendments to Ordinary Cause Rules for Family Actions. Further information on the work of the Council can be found on its website.

The SCTS also supports the **Scottish Sentencing Council**<sup>44</sup> which is an independent advisory body with the primary function of preparing sentencing guidelines for the Scottish courts, publishing guideline judgments and information about sentences imposed. They also carry out research into sentencing and provide general advice and guidance on sentencing matters.

In October 2018 the High Court of Justiciary approved Scotland's first sentencing guideline – on the **Principles and purposes of sentencing**.<sup>45</sup> It will apply to all sentencing decisions and was developed drawing on expertise and research from across Scotland and other jurisdictions. This marks a new approach to supporting sentencing consistency and decision making, setting out the core principles of **fairness and proportionality**.



**Principles and purposes of sentencing**

Sentencing guideline

**Scotland's first sentencing guideline – published in October 2018**

<sup>44</sup><https://www.scottishsentencingcouncil.org.uk/>

<sup>45</sup><https://www.scottishsentencingcouncil.org.uk/media/1927/guideline-principles-and-purposes-of-sentencing.pdf>

As part of the Council's work to promote awareness and understanding of sentencing they published a series of **educational resources for Modern Studies teachers** – providing lesson plans for school children at all levels – and resources including videos, quizzes, interactive case studies, classroom activities and assignments – all available on their website.

Our collaborative work goes beyond Scotland, to ensure that we share our good practice and approach with others – and to learn and develop from them where we can. The Lord President hosted a visit from members of the Commission on Justice in Wales in 2018. Commissioners were keen to learn from the Scottish experience of justice within a devolved context as they prepare for an enhanced devolution settlement – made possible by the passage of the Wales Act 2017. Discussions covered a range of topics including cross-agency work, access to justice in rural areas and the operation of courts.



**The Welsh Commission fact finding discussion on justice & devolution**

Building on the international perspective **Glasgow Sheriff and Justice of the Peace Court** hosted senior judges from Thailand as part of a continued professional development visit – meeting sheriffs and observing court proceedings. **Judges from Singapore** were also welcomed at Glasgow Sheriff and JP Court. They observed adults with incapacity hearings and held detailed discussions with staff to help plan for the roll-out of

similar legislation in their jurisdiction.

Of all the groups whom we seek to collaborate with each year the Scottish public is the most important. The justice system can sometimes seem quite closed and quite daunting – our staff across the country have gone the extra mile to shed light on how the system runs.

**Doors Open Day** drew in over 10,000 visitors this year across 15 SCTS venues. Feedback across events was overwhelmingly positive, both for staff who gave up their weekend to explain their work and for the range of activities on offer – which included mock trials, quizzes, exhibitions and the ever-popular cell-area tours. For the first time this year we were able to support British Sign Language tours which took place ahead of general public admittance, included a mock trial and a visit to the “Hidden Gem” exhibition in Parliament Hall.



Throughout the year we have also supported over **450 community events**, welcoming school pupils, students and professionals from across Scotland (and beyond) for tours, debates and research. In addition to witness familiarisation visits and the public benches open in our courts every day these events help promote the openness of our system – where justice is both done and can be seen to be done; and the system can be well-understood.

## Supplementary Statutory Reporting

### Bribery Act 2010 – 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 and 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 it is taken very seriously. There are clear and robust legal processes in place to investigate any allegations and significant penalties available to the judiciary should it be established. Such cases are, thankfully, very rare, although there has been at least one example in Scotland in recent years in which a juror, who had accepted a bribe, was jailed for a number of years.

As an organisation SCTS has a well-developed control environment in place, that aims to prevent and minimise the impact of any incidences of bribery or corruption. This includes:

- **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.

- **Procurement Policies** which ensure that those staff involved in the procurement of goods or services do so with honesty, fairness and impartiality when dealing with potential suppliers; that suitable due diligence is carried out in respect of those whom we contract with; and that relationships with suppliers are managed professionally with regard to ethics and propriety.
- **A well-established second jobs policy** – ensuring that individuals do not take on roles that could lead to actual or perceived conflicts with their SCTS role.
- A rigorous **gift registration policy** which ensures that external parties cannot seek to gain privilege or differential treatment through offering members of staff incentives outwith the formal system.
- An updated **Anti-Fraud policy** which emphasises the zero tolerance approach to Fraud and Corruption. We are reviewing our current approach to Anti-Fraud and Corruption with advice from Police Scotland. Our **conduct and discipline policy** states that all instances of fraud and

bribery will be treated as gross misconduct.

- A **whistleblowing policy** that explains clearly how concerns can be raised, provides direct reporting lines to both an identified Director of the SCTS and a member of the SCTS Board. The policy and any instances of whistleblowing are reviewed by the Audit and Risk Committee.
- Clear separation of roles, responsibilities, system and software privileges and approval levels – designed to minimise the potential for misuse of finances.

Our policies and procedures are backed up by a **comprehensive peer-review assessment processes** where good practice and regularity in each court is cross-checked by staff independent of that court on an annual basis.

### Equalities Act 2010 – The Fairer Scotland Duty

The Fairer Scotland Duty, contained in part 1 of the 2010 Act, came into force in Scotland in April 2018. It is one of several duties placed on the public sector to tackle socio-economic disadvantage – which can be defined as living in less favourable social and economic circumstances than others in the same society. The duty requires relevant public authorities to ensure that their strategic decision making takes account of those experiencing such disadvantage – to ensure that, wherever possible, the actions of public authorities

minimise the incidence and impact of such disadvantage.

As a significant and progressive Scottish public body the SCTS seeks to take all steps it can to tackle inequality in whatever form it takes. This must be set in the context of the statutory duties placed upon the organisation by its founding legislation – the Judiciary and Courts (Scotland) Act 2008. SCTS is an independent non-ministerial department with its functions limited to the provision of the property, services, officers and other staff required for the administration of Scotland's courts, tribunals, the judiciary of those courts and tribunals and the Office of the Public Guardian.

As an organisation we have no control over those who use our services – the participants in criminal cases are determined through reports submitted by the Crown. Civil and tribunal business is instigated by the parties. The scope for SCTS to interact with defined socio-economic groupings is, therefore, limited – compared to organisations with universal service delivery duties. In relation to the majority of our activity it is not possible to give precedence to the Fairer Scotland Duty, as our focus must be on the provision of a fair and impartial environment for court and tribunal business. In delivering that we ensure that Scotland demonstrates compliance with certain key ECHR rights – such as the Article 6 right to a fair trial.

Over the course of the past year the SCTS has actively considered the duty as part of its strategic decision-making processes wherever possible. We have ensured that we do

not promote low-paid work – having achieved Living Wage Employer accreditation from the Poverty Alliance, demonstrating that not only SCTS staff receive the Scottish Living Wage but that those with whom we contract also pay it. We ensure that major procurement activity and development (such as the construction of Inverness Justice Centre) engages positively with the local community; and we will have due regard to the duty as we develop our next 3-year Corporate Plan over the course of the coming year.

### **Community Empowerment Act 2015**

During the year we were delighted to work with the Stonehaven Town Partnership (STP) and agree transfer of the former court building in Stonehaven to them. STP successfully demonstrated the financial viability and benefit to the community of its intentions – providing evidence of an achievable and sustainable plan for the ongoing use of the courthouse to the benefit of the local community. Arbroath Sheriff Court is currently the subject of an application to purchase under The Act from the Arbroath Community Courthouse Trust. At the end of the financial year the former Duns Sheriff Court and Cumbernauld Justice of the Peace court remain surplus buildings.



**We were delighted to transfer ownership in Stonehaven**

### **Island Communities Act 2018**

Under s.7 of this Act the SCTS is obliged to have regard to island communities in the delivery of its functions. SCTS has a long-standing presence in the isles – we employ staff and operate facilities in 5 island locations across Scotland – ensuring that access to justice is provided in these locations without the need for people to travel to the mainland.

Over the past 12 months there have been no policy, strategic or service developments pursued by SCTS, the effects of which would be significantly different for island communities, which would have required SCTS to prepare an island communities impact assessment.

### **The Civil Litigation (Expenses and Group Proceedings) (Scotland) Act 2018**

Part 3 of this Act 2018 came into force on 30th January 2019. From that date, the SCTS is responsible for new appointments to the offices of Auditor of the Court of Session, the Auditor of the Sheriff Appeal Court, and the Auditors of Sheriff Courts. The legislation requires SCTS to report on the number of taxations carried out by (and the fees charged by) auditors it employs. These details can be found in the business volumes section of this report (annex 1).

A handwritten signature in black ink, appearing to read 'Eric McQueen'.

Eric McQueen  
Chief Executive  
19 August 2019

## 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 six non-judicial members.

##### Members of the SCTS Board 2018-19

###### 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 Aisha Anwar
- Mrs Morna Rae, JP

##### 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 2018-19 all 14 Board positions were filled.

##### Board Meetings & Operations

The SCTS has made Standing Orders<sup>46</sup> 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 2018-19 these committees were:

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

The SCTS Board met on six occasions in 2018-19. 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 Board and Committee meetings can be found at:

[www.scotcourts.gov.uk](http://www.scotcourts.gov.uk)

<sup>46</sup> 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 2018)



Top row (left to right) – Professor Hugh MacDougall, Joe Al-Gharabally, Rt. Hon Lady Dorrian, Sheriff Principal Duncan Murray, Sheriff Grant McCulloch, Simon Catto, Rt. Hon. Lady Smith

Bottom row (left to right) – Eric McQueen, Sheriff Aisha Anwar, Rt. Hon. Lord Carloway (Chair), Dr Kirsty J Hood QC, Dr Joseph Morrow QC, Col. David McIlroy, Morna Rae JP

### Board Members' Register of Interests

The following offices and interests were registered by members who served on the Board in 2018-19

Name	Directorship	Appointments <i>ex officio</i>	Trusteeships	Other Appointments and Interests
<b>Lord President – The Right Hon. Lord Carloway</b>	None	Trustee for the Faculty of Advocates  Abbotsford Collection Trust	None	None
<b>Lord Justice Clerk – The Right Hon. Lady Dorrian</b>	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
<b>Rt Hon. Lady Smith</b>	None	None	President and Trustee – Friends of the Music of St. Giles Cathedral	Chair – Scottish Child Abuse Inquiry  Honorary Bencher – Gray's Inn

Name	Directorship	Appointments <i>ex officio</i>	Trusteeships	Other Appointments and Interests
<b>Sheriff Principal Duncan Murray</b>	None	Commissioner, Northern Lighthouse Board  Trustee Kibble Education and Care Centre	None	None
<b>Sheriff Aisha Anwar</b>	None	None	None	None
<b>Sheriff A Grant McCulloch</b>	None	Chair West Fife Education Trust	None	Chair Relationship Scotland – Couple Counselling, Fife  Committee Member Cammo Residents Association  Chair – Discipline Committee ICAS  Chair East & West Fife Education Trusts
<b>Morna Rae JP</b>	None	Justice of the Peace		Employee North Ayrshire Council  Church of Scotland Elder
<b>Dr Joseph Morrow QC</b>	Non- Executive Director, St. John's Scotland	Lord Lyon King of Arms  Member of Judicial Council	Trustee, Mudie Trust, Dundee  Trustee, Kidney Trust, Dundee  Trustee, Tealing Community Hall  Trustee, Scottish Churches Trust  Chairman & Trustee of Highland Cadet Force Foundation	Legal Assessor, South Episcopal Church  President, Society of Messengers at Arms  President, Scottish Genealogical Society  Patron, Scottish Family History Society
<b>Dr Kirsty J Hood QC</b>	Scottish Universities Law Institute Ltd.	The Stair Society's Council	Trustee, Clark Foundation Education	Self-employed Advocate  Regular <i>ad hoc</i> employment with the

Name	Directorship	Appointments <i>ex officio</i>	Trusteeships	Other Appointments and Interests
				<p>University of Edinburgh – delivering seminars on LLB courses</p> <p>Regular <i>ad hoc</i> employment with the University of Glasgow– delivering lectures / seminars on LLB courses</p> <p>Periodically providing materials for LexisPSL Dispute Resolution (online services – LexisNexis)</p> <p>Clerk of Faculty – Faculty of Advocates (non-remunerated)</p> <p>Member of the Scottish Committee of Frank-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>
<b>Simon J D Catto</b>	None	None	None	<p>Member of Cornerstone Exchange LLP</p> <p>Member of XT Property LLP</p> <p>Member of Addleshaw Goddard LLP (Head of Litigation Scotland)</p>
<b>Professor R Hugh MacDougall</b>	None	None	<p>Cunningham Trust</p> <p>Cross Trust</p> <p>St. Columba's Hospice</p>	<p>St Giles Cathedral Elder, Edinburgh</p>

Name	Directorship	Appointments <i>ex officio</i>	Trusteeships	Other Appointments and Interests
<b>Joe Al-Gharabally</b>	Ernst & Young	None	None	None
<b>Col. David McIlroy</b>	None	None	None	Independent Prison Monitor (Voluntary position supporting HM Inspector of Prisons in Scotland)
<b>Eric McQueen</b>	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 2018-19 had the following membership:

- Chief Executive – Eric McQueen
- Chief Operations Officer – David Fraser
- Chief Finance Officer – Richard Maconachie
- Chief Development and Innovation Officer – Kay McCorquodale
- Executive Director, Judicial Office for Scotland – Tim Barraclough.<sup>47</sup>

### SCTS Executive Team 2018-19



<sup>47</sup> 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

The proper management of information remains a key area of focus for the SCTS. The loss of personal or sensitive data is a key corporate risk managed and overseen by the SCTS Board, the Audit and Risk Committee and the Executive Team. All courts, tribunals and business units maintain **Information Asset Registers** that are reviewed regularly, and assurance is sought annually from Directors on the effectiveness of relevant controls.

The National Sheriff Court Record Survey, carried out in conjunction with the National Records of Scotland (NRS), concluded in June 2018 and proposed a programme of recommendations to enhance our information security arrangements. A short-life project was established in collaboration with NRS that focused on Tribunal records

and concluded in March 2019 – work from which will be taken forward throughout 2019-20.

The risks associated with information management are mitigated proportionately through appropriate certification of key systems and regular review of current and emerging issues. The SCTS Executive Team receives regular updates on information management risks and potential breaches are reported to them quickly.

In addition to the concluded incidents investigated by the UK Information Commissioner (ICO) in 2018-19, the ICO also investigated to conclusion three separate complaints made by members of the public in relation to the handling of Subject Access Requests. The ICO confirmed that the SCTS had complied with the relevant legislation in two of the cases, and that satisfactory steps had been

taken by the SCTS in relation to the third.

The SCTS remains committed to enforcing robust information management standards, ensuring compliance with data protection and related provisions. The law on data protection changed on 25 May 2018 with the introduction of the General Data Protection Regulation and the Data Protection Act 2018. We made sure that SCTS staff were fully aware of the pending changes by providing direct training and making guidance material easily available. This work was commenced in 2017-18 and continued throughout the current reporting year. Privacy Notices and a revised Data Security Policy taking into account the relevant changes were published, and the expansion of e-learning specifically relating to Information Asset Owners is being developed that is expected to launch in 2019.

## Update on Data Breaches

<b>Date</b>	<b>Data Incident</b>	<b>Information</b>	<b>Outcome</b>
August 2018 <i>ICO self-referral</i>	Incorrect outcome of criminal case issued in response to media enquiry. The media sought confirmation as more than one case was ongoing and the correct outcome was provided.	<i>Incorrect personal data</i>	ICO concluded no formal action was required: the SCTS had appropriate procedures and guidance in place and steps had been taken to avoid a recurrence.
August 2018 <i>ICO self-referral</i>	Loss of passport within office	<i>Official document</i>	ICO concluded no formal enforcement action was required; noted explanation and procedures which had been put in place to ensure future safe handling
October 2018 <i>ICO self-referral</i>	Address included in court rolls listing published on the SCTS website. The individual contacted the SCTS and the address of that individual along with another identified case was removed	<i>Personal data (address of data subject)</i>	ICO concluded no formal enforcement action required; satisfied with steps taken by SCTS to remove details of address from the website and ensure future information published is restricted.

<p><i>January 2019 ICO self-referral</i></p>	<p>Loss of CCTV footage. Footage accessed without authorisation and incorrectly saved resulting in loss of correct data due to routine erasure.</p>	<p><i>Personal data (potential evidence)</i></p>	<p>ICO concluded no formal enforcement action was required; ICO recommendations relating to data access agreement and CCTV policy being progressed.</p>
<p><i>January 2019 ICO self-referral</i></p>	<p>Criminal case papers lost in transit between courts</p>	<p><i>Personal data (criminal charges information)</i></p>	<p>ICO concluded no formal enforcement action was required; recommendations made by ICO relating to use of secure transfer method and highlighting process to staff being progressed.</p>

## 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 80 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 2019 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 30-36. 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 2018-19 can be found in the Directors' Report, pages 30-36.

### 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 February 2019).

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

Risk management is embedded in our operational activities as follows:

Risk owners identify risks relating to their functions/business plan objectives and manage their risks through the use of the corporate risk management framework. Risk registers are reviewed regularly through agreed corporate processes to ensure that assessments and mitigations are current and appropriate. Part of this regular review entails identifying risks that should be escalated to corporate level. All Business Unit risks are provided to the planning, projects and risk team at least quarterly, so that they can be collectively reviewed in parallel with the Corporate Risk Register.

Project and programme risks are managed through formal project management disciplines under the aegis of



the SCTS Project Guidance, which is maintained by the Planning, Projects and Risk team.

SCTS revised the governance arrangements for programmes and projects during 2018-19. The SCTS Change Board was introduced to coordinate delivery of all projects featured in the SCTS Portfolio of Change, ensuring that the programmes (and the projects within them) deliver their intended benefits and that those benefits align with the purpose, vision and priorities of the SCTS. Roles and responsibilities of the Board include reviewing the organisational risk exposure through consideration of the Corporate Risk Register, developing proposals for mitigation/resolution and defining the acceptable risk profile and thresholds for programmes and projects. In delivering these important assurance functions the Change Board is supported by distinct programmes in the following key areas:

- Tribunals Reform
- Criminal Justice Reform
- Civil Justice Reform

Significant internal development activities are also categorised as "corporate projects" which report to the SCTS Change Board and have dedicated project Boards established to oversee delivery and maintain control.

### Assurance Framework

As Accountable Officer, I have responsibility for reviewing the effectiveness

of the governance system. My review is informed by:

- 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, which 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 - which 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 2018-19 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.
- External Audit who report to the Audit and Risk Committee on significant matters relating to risk and internal control as part of their work.
- During the year Internal Audit provided a limited assurance rating on their focussed audit of the Integrated Case Management System (ICMS). The Limited Assurance rating for ICMS Civil Online highlighted the challenges in reviewing an Agile project, due to the nature of the methodology and obtaining evidence to support control activity. The recommendations aim to enhance the control environment for the next stage and to inform future projects. The audit

welcomed the on-going and continuous improvement, reflecting the Digital Scotland Independent Technology Assurance, Go Live Review, recommending that the Stop/Go status should be GO. ICMS Civil Online was subsequently launched as planned on 25 April 2019.

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.

### **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 2018-19.

### **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 2019 are detailed in the table on pages 35-36.

### **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](http://www.civilservice.gov.uk)) and with independent advice from the Senior Salaries Review Body (SSRB)<sup>48</sup>.

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 recommendations<sup>49</sup>.

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](http://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.

<sup>48</sup>

<https://www.gov.uk/government/organizations/review-body-on-senior-salaries>

<sup>49</sup> 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 <sup>50</sup>		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
	£'000	£'000	£'000	£'000	£'000	£'000
Mr Eric McQueen	95-100	95-100	24	15	120-125	110-115
Mrs Johan Findlay JP OBE (to 31 December 2017) <sup>51</sup>	-	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) <sup>52</sup>	0-5	0-5	-	-	0-5	0-5

Executive Directors	Salary		Pension Benefits		Total	
	2018-19	2017-18	2018-19	2017-18	2018-19	2017-18
	£'000	£'000	£'000	£'000	£'000	£'000
Mr Stephen Humphreys (to 13 July 2017)	-	20-25 (70-75 full year equivalent)	-	(3)	-	70-75
Mr Richard Maconachie	70-75	65-70	29	27	100-105	95-100
Mr David Fraser	70-75	70-75	22	2	95-100	75-80
Mr Tim Barraclough	70-75	70-75	32	19	105-110	90-95
Mrs Kay McCorquodale (from 8 May 2017)	70-75	60-65 (70-75 full year equivalent)	29	9	100-105	70-75 (80-85 full year equivalent)

<sup>50</sup> 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.

<sup>51</sup> Full year equivalent £0 to £5,000

<sup>52</sup> 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 six members of Committees out with the Board who each received remuneration of £1,272 in 2018-19 (£1,248 in 2017-18). 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

	<b>Accrued pension at pension age as at 31/03/19 &amp; related lump sum</b>	<b>Real increase in pension &amp; related lump sum at pension age</b>
	<b>£'000</b>	<b>£'000</b>
Mr Eric McQueen	45–50 plus a lump sum of 130–135	0–2.5 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
Mr Tim Barraclough	25 - 30 plus a lump sum of 65 - 70	0 - 2.5 plus a lump sum of 0 - 2.5
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 - 2.5

	<b>CETV at 31/03/19</b>	<b>CETV at 31/03/18</b>	<b>Real increase in CETV</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Mr Eric McQueen	983	875	10
Mr Richard Maconachie	128	92	20
Mr David Fraser	737	655	11
Mr Tim Barraclough	525	452	20
Mrs Kay McCorquodale (from 8 May 2017)	360	303	20

## 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 (CSOPS) 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](http://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 2018-19, employers' contributions of £8,410k were payable to the PCSPS (2017-18 £7,706k) at one of four rates in the range 20.0% to 24.5% (2017-18 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 2017-18 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 £73k (2017-18, £80k) 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 (2017-18 £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 2018-19 was £95,000 - £100,000 (2017-18, £95,000 - £100,000). This was 4.59 times (2017-18, 4.61) the median remuneration of the workforce, which was £21,315 (2017-18, £20,615). The median remuneration does not include any additional allowances or overtime due to data availability. In 2018-19, remuneration (excluding the highest paid director) ranged from £18,400 to £74,200 (2017-18 £16,949 to £73,128). In 2018-19, no employees (2017-18: nil) received remuneration in excess of the highest paid director.

### Staff Report

As at 31 March 2019 there were 1,789 Staff in post and 14 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	14	7	7
Senior Manager	52	27	25
Senior Executive Officer	132	82	50
Higher Executive Officer	169	109	60
Executive Officer	455	319	136
Administrative Officer & Clerk/Typist	627	465	162
Typists	4	4	0
Administrative Assistants & Support Grades	331	174	157
<b>Total</b>	<b>1789</b>	<b>1188</b>	<b>601</b>
Non-Executive Director	14	5	9
<b>Total</b>	<b>1803</b>	<b>1193</b>	<b>610</b>
Percentage of total	100%	66%	34%

Area of Business	2018 – 19 Ave WTE	2017 – 18 Ave WTE
Headquarters and support units	180	168
Supreme Courts	159	164
Judicial Office	38	33
Office of the Public Guardian & Accountant of Court	84	80
Sheriff & JP Courts & Tribunals	1134	1121
<b>Total</b>	<b>1595</b>	<b>1566</b>

Staffing costs	2018-19 £'000	2017-18 £'000
Wages and salaries	41,971	39,237
Social security costs	3,953	3,671
Other pension costs	8,522	7,831
<b>Sub-total</b>	<b>54,446</b>	<b>50,739</b>
Inward secondments	1,128	1,294
Agency, temporary and contract staff	2,070	1,723
Other staff costs	452	-
<b>Total</b>	<b>58,096</b>	<b>53,756</b>
Less recoveries of outward secondments	(4)	-
<b>Total Staff Costs</b>	<b>58,092</b>	<b>53,756</b>

Employer Contributions	2018-19 £'000	2017-18 £'000
Contributions paid to PCSPS	8,410	8,210
Contributions paid to partnership pensions	73	73
Contributions paid to Judicial pensions <sup>53</sup>	11,256	11,072

<sup>53</sup>SCTS was responsible for making employer contributions to the Judicial Pension Scheme with effect from 1 April 2016.



### Sickness Absence Data

In 2018-19 a total of 24,409 days (2017-18: 20,014 days) were lost through absence equating to a lost time rate of 4.2% (2017-18: 3.5%).

### Exit packages

There were no exit packages agreed under the Civil Service Compensation Scheme in 2018-19.

### Ill-health retirement

One individual retired early on ill-health grounds.

### 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 are an Age positive employer and a Stonewall Diversity Champion. During 2018 we achieved a "Silver" rating in the Employers Network for Equality and Inclusion (ENEI) Talent Inclusion and Diversity Evaluation for Excellence in Diversity and Inclusion practices.

We made a commitment in our People Strategy 2018 - 2023 under the key theme of "Our Team" that "We have the right people, in the right place, at the right time with the skills and behaviours to succeed". Based around that commitment we have

made progress in developing our Recruitment and Resourcing Strategy and identified key themes:

**Clarity** – our approach to recruitment is based on a clear understanding of the skills, knowledge and attributes we need to deliver our business now and in the future;

**Diversity** – SCTS attracts the broadest range of applicants and draws on all the potential available;

**Efficiency** – Our recruitment processes are easy to use and fit for purpose;

**Flexibility** – Our selection methods are adaptable and our offer to recruits allows everyone to learn, develop and flourish.

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. In November we held our bi-annual Carers conferences. The central theme of the event was wellbeing – recognising that caring adds another level of responsibility to day-to-day lives and looking after physical and mental wellbeing is essential.

SCTS is a real living wage employer (accredited in March 2017) which reflects 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 real living wage.

In November 2018 Mr Derek McKay, the Cabinet Secretary for Finance, Economy and Fair Work signed a Fair Work Agreement with Civil Service Trade Unions, confirming Fair work principles which apply across Civil Service bodies in the Scottish Administration. We signed up to the Fair Work Agreement which includes measures to guarantee a living wage for employees, respect for the right of unions to engage in legal industrial action, the development of Modern Apprentices and a clampdown on excessive hours with a commitment to flexible work.

We started the recruitment of Modern Apprentices in 2015 and in 2018 we recruited a further 6 Modern Apprentices to permanent vacancies across SCTS in addition to two fixed term appointments within our Digital Services Team. Cabinet Secretary for Justice, Mr Humza Yousaf met with our Apprentices as part of Scottish Apprenticeship week in March 2018. Our commitment to recruit MAs is firmly established and we are shaping our MA programme to ensure we are a socially responsible employer.

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.

As part of our People Strategy 2018 – 2023 and its key theme of “Valuing Everyone’s Contribution” we have made progress with our wellbeing initiative. Bespoke Mental Health Awareness Training for Line Managers was launched in early 2018 and we also commenced a pilot programme of our Mental Health Awareness eLearning as another way to raise awareness about mental health and create an open and supportive organisational culture.

We have developed a range of support for managers and employees including the work and wellbeing passport,

a trauma support service and a wellbeing toolkit for line managers. 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.

Our Pay Award date is 1 April. We have established a set of pay and reward principles in 2018 and these will continue to underpin our pay and reward strategies, acknowledging that we will operate aligned to, and in accordance with, the Scottish Government’s Public Sector Pay Policy to deliver an affordable and appropriate total reward package for our employees. Our principles are fairness, transparency, consistency and motivation.

#### Trade Union Facility Time

During the year there were 17 employees (WTE 16.89) who were relevant union officials. The total cost of facility time was £105k from a total pay bill of £54,446k 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%	0
1-50%	15
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	6.93%
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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](http://www.scotcourts.gov.uk/taking-action/court-fees).

### Fees memorandum trading account

	Sheriff Courts £'000	Supreme Courts £'000	OPG £'000	2018-19 Total £'000	2017-18 Total £'000
Gross Fees Raised	19,225	3,710	7,036	29,971	35,579
Less Fee Exemptions	(2,144)	(864)	(422)	(3,430)	(2,818)
Net Fee Income	17,081	2,846	6,614	26,541	32,761
<b>Total Costs Allocated</b>	<b>43,901</b>	<b>8,508</b>	<b>1,874</b>	<b>54,283</b>	<b>47,304</b>
Less Subsidy	(3,420)	(1,702)	(39)	(5,161)	(6,297)
<b>Net Costs to be recovered</b>	<b>40,481</b>	<b>6,806</b>	<b>1,835</b>	<b>49,122</b>	<b>41,007</b>
<b>Shortfall from full Cost Recovery</b>	<b>(21,256)</b>	<b>(3,096)</b>	<b>5,201</b>	<b>(19,151)</b>	<b>(5,428)</b>
<b>% cost Recovery</b>				<b>61%</b>	<b>87%</b>
<i>(Gross Fees Raised divided by Net Recoverable Costs)</i>					

#### 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  
19 August 2019

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

### 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 2019 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 2018/19 Government Financial Reporting Manual (the 2018/19 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 2019 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 2018/19 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 for opinion

We conducted our audit in accordance with applicable law and International Standards on Auditing (UK) (ISAs (UK)), as required by the Code of Audit Practice approved by the Auditor General for Scotland. 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 were appointed by the Auditor General on 31 May 2016. The period of total uninterrupted appointment is three years. 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. Non-audit services prohibited by the Ethical Standard were not provided to the body. 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.

#### Risks of material misstatement

We have reported in a separate Annual Audit Report, which is available from the [Audit Scotland website](#), the most significant assessed risks of material misstatement that we identified and our conclusions thereon.

#### 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 obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue 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.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, intentional omissions, misrepresentations, or the override of internal control. The capability of the audit to detect fraud and other irregularities depends on factors such as the skilfulness of the perpetrator, the frequency and extent of manipulation, the degree of collusion involved, the relative size of individual amounts manipulated, and the seniority of those individuals involved. We therefore design and perform audit procedures which respond to the assessed risks of material misstatement due to fraud.

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](http://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.

**Conclusions on wider scope responsibilities**

In addition to our responsibilities for the annual

report and accounts, our conclusions on the wider scope responsibilities specified in the Code of Audit Practice are set out in our Annual Audit Report.

**Use of our report**

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, we do not undertake to have responsibilities to members or officers, in their individual capacities, or to third parties.



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

## 3. Financial Statements

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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 2019**

		<b>2018-19</b>	<b>2017-18</b>
<b>Expenditure</b>	<b>Note</b>	<b>£'000</b>	<b>£'000</b>
Staff costs		58,092	53,756
Other administration costs	4	42,982	38,028
Depreciation and amortisation	6,7	14,966	14,882
Impairment	6	3,615	-
Operational costs	4	28,039	28,115
<b>Total Expenditure</b>		<b>147,694</b>	<b>134,781</b>
<b>Income</b>			
Operating Income	5	4,691	3,138
Income from fees and retained fines	5	37,650	37,717
<b>Total Income</b>		<b>42,341</b>	<b>40,855</b>
<b>Net outturn</b>		<b>105,353</b>	<b>93,926</b>
<b>Items that will not be reclassified to profit or loss</b>			
(Loss)/Gains on property revaluation	6	56,551	8,456
		<b>56,551</b>	<b>8,456</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>56,551</b>	<b>8,456</b>

The notes on pages 59 to 71 form part of these accounts.



Scottish Courts and Tribunals Service  
Statement of Financial Position  
As at 31 March 2019

	Note	2019 £'000	2018 £'000
<b>Non-current assets</b>			
Property, plant and equipment	6	504,912	441,537
Intangible assets	7	9,919	8,991
Trade and other assets due in more than one year	8	33	46
<b>Total non-current assets</b>		<b>514,864</b>	<b>450,574</b>
<b>Current assets</b>			
Receivables and other current assets	8	7,229	5,638
Cash and cash equivalents	9	44,554	16,962
Assets classified as held for sale	6c	-	-
<b>Total current assets</b>		<b>51,783</b>	<b>22,600</b>
<b>Total assets</b>		<b>566,647</b>	<b>473,174</b>
<b>Current liabilities</b>			
Payables and other current liabilities	10	(22,488)	(15,202)
Provisions for liabilities and charges due within one year	11	(971)	(712)
<b>Total current liabilities</b>		<b>(23,459)</b>	<b>(15,914)</b>
<b>Total assets less current liabilities</b>		<b>543,188</b>	<b>457,260</b>
<b>Non-current liabilities</b>			
Payables and other liabilities	10	(2,011)	(252)
Provisions for liabilities and charges due in more than one year	11	(3,611)	(1,978)
<b>Total non-current liabilities</b>		<b>(5,622)</b>	<b>(2,230)</b>
<b>Assets less liabilities</b>		<b>537,566</b>	<b>455,030</b>
<b>Taxpayers' equity</b>			
General fund	SOCTE	369,965	342,152
Revaluation reserve	SOCTE	167,601	112,878
<b>Total taxpayers' equity</b>		<b>537,566</b>	<b>455,030</b>



Eric McQueen  
Chief Executive  
19 August 2019

The Accountable Officer authorised these financial statements for issue on 5<sup>th</sup> August 2019.

The notes on pages 59 to 71 form part of these accounts.

**Scottish Courts and Tribunals Service**  
**Cash Flow Statement**  
**For the year ended 31 March 2019**

	<b>Note</b>	<b>2019</b> <b>£'000</b>	<b>2018</b> <b>£'000</b>
<b>Cash flows from operating activities</b>			
Net outturn	SCNE	(105,353)	(93,926)
<i>Adjustments for non-cash transactions:</i>			
Depreciation and amortisation	SCNE	14,966	14,882
Impairment	SCNE	3,615	-
Prior year adjustment	9	1,332	-
Notional audit fee	4	92	90
Loss/(Profit) on disposal of property, plant and equipment	4,5	-	(39)
<i>Movements in working capital:</i>			
(Increase)/decrease in receivables and other current assets		(1,578)	2,011
Increase/(decrease) in trade and other payables		4,369	2,305
Increase/(decrease) in provisions		1,892	(93)
<b>Net cash flow from operating activities</b>		<b>(80,665)</b>	<b>(74,770)</b>
<i>Cash flows from investment activities</i>			
Purchase of property, plant and equipment	6	(19,430)	(7,497)
Purchase of intangible assets	7	(2,227)	(2,641)
Proceeds of disposal of property, plant and equipment	4,5,6	-	50
<b>Net cash flow from investment activities</b>		<b>(21,657)</b>	<b>(10,088)</b>
<b>Cash flows from financing activities</b>			
From Scottish Consolidated Fund	SOCTE	129,914	95,204
<b>Cash flows from financing activities</b>		<b>129,914</b>	<b>95,204</b>
<b>Net Increase in cash and cash equivalents</b>		<b>27,592</b>	<b>10,346</b>
Cash and cash equivalents at beginning of period	9	16,962	6,616
Net increase on cash and cash equivalents		27,592	10,346
<b>Cash and cash equivalents at end of period</b>	9	<b>44,554</b>	<b>16,962</b>

The notes on pages 59 to 71 form part of these accounts.

**Scottish Courts and Tribunals Service**  
**Statement of Changes in Taxpayers' Equity**  
**For the year ended 31 March 2019**

	Note	General Fund £'000	Revaluation Reserve £'000	Total £'000
<b>Balance at 1 April 2018</b>		<b>342,152</b>	<b>112,878</b>	<b>455,030</b>
<b>Total comprehensive expenditure for the year ended 31 March 2018</b>		<b>(105,353)</b>	<b>56,551</b>	<b>(48,954)</b>
<b>Non-cash charges</b>				
Non-cash charges - auditor's remuneration	4	92	-	92
Non-cash charges - other		-	-	-
<b>Total non-cash charges - auditor's remuneration</b>	<b>4</b>	<b>92</b>	<b>-</b>	<b>92</b>
<b>Other reserve movements</b>				
Transfer of fixed assets (to)/from other bodies		-	-	-
Other prior year adjustments	9	1,332	-	1,332
Transfers between reserves		1,828	(1,828)	-
<b>Total other reserve movements/adjustments</b>		<b>3,160</b>	<b>(1,828)</b>	<b>1,332</b>
<b>Funding</b>				
Parliamentary funding		129,914	-	129,914
<b>Net parliamentary funding drawn down</b>		<b>121,914</b>	<b>-</b>	<b>121,914</b>
<b>Balance at 31 March 2019</b>		<b>369,965</b>	<b>167,601</b>	<b>537,566</b>
<b>Net increase/ (decrease) during the year</b>		<b>27,813</b>	<b>54,723</b>	<b>82,536</b>

The notes on pages 59 to 71 form part of these accounts.

Statement of Changes in Taxpayers' Equity for the year ended 31 March 2018

	Note	General Fund £'000	Revaluation Reserve £'000	Total £'000
<b>Balance at 1 April 2017</b>		<b>339,062</b>	<b>106,144</b>	<b>445,206</b>
<b>Total comprehensive expenditure for the year ended 31 March 2018</b>		<b>(93,926)</b>	<b>8,456</b>	<b>(85,470)</b>
Total non-cash charges – auditor's remuneration	4	90	-	90
Transfers between reserves		1,722	(1,722)	-
<b>Net parliamentary funding drawn down</b>		<b>95,204</b>	<b>-</b>	<b>95,204</b>
<b>Balance at 31 March 2018</b>		<b>342,152</b>	<b>112,878</b>	<b>455,030</b>
<b>Net increase/(decrease) during the year</b>		<b>3,090</b>	<b>6,734</b>	<b>9,824</b>

The notes on pages 59 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 2019**

<b>Allocation of resources and assets</b>	<b>2018-19 £'000</b>	<b>2017-18 £'000</b>
Net expenditure	105,353	93,926
Assets less liabilities	537,566	455,030

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 59 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 2018-19 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 2019-20 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 2019-20 can be seen at:

<http://www.scotcourts.gov.uk/docs/default-source/aboutscs/reports-and-data/publications/scts-business-plan-2019-20.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.

Operational assets and those that are not held for their service potential (i.e. investment properties and assets held for sale), including operational assets which are surplus to requirements where there are no restrictions on disposal which would prevent access to the market, are measured subsequently at Fair Value as follows:

Specialised SCTS land, buildings, equipment, installations and fittings are stated at Depreciated Replacement Cost (DRC), as a proxy for Fair Value as specified in the SPFM. DRC assessments are subject to an assumption of ongoing future use by SCTS for operational purposes. Non specialised land and buildings are stated at Fair Value which is broadly correlated with Market Value. The assessment of Fair Value for operational non specialised assets is subject to an assumption of ongoing use for the existing purposes thereby reflective of Market Value for Existing Use.

Valuations of all land and building assets are reassessed by valuers on a 5 year cycle of professional valuations. In the intervening years to take account of movements in prices since the latest valuation indexation is applied. Building Cost Information Service (BCIS) indices are used for cost based assessments (DRC) otherwise for market based elements indexation figures will reflect observed movements in the property market over the relevant period. The valuations are carried out in accordance with the Royal Institution of Chartered Surveyors (RICS) Valuation Standards insofar as these terms are consistent with the agreed requirements of the SPFM. Where significant redevelopment of a property has been completed outwith the valuation cycle the relevant property will be subject to a specific valuation at the appropriate point in accordance with SPFM guidance.

Land and buildings were fully revalued by Avison Young as at 31 March 2019 on the basis of Fair Value (Market Value or Depreciated Replacement Cost where appropriate). The valuations were undertaken by RICS Registered Valuers and prepared under the RICS Valuation – Global Standards 2017 and the SPFM. Property details provided by SCTS were supported by site visits/inspections by the valuer and the valuations were prepared reflecting the specific classification of each of the subjects. Specialised operational assets have been assessed to DRC. A Modern Equivalent Asset (MEA) approach has been adopted with the resulting Gross Replacement Cost assessment adjusted, as appropriate, for physical, functional and economic/external obsolescence. Land held in association with specialised operational sites has been valued to Market Value for Existing Use as part of the wider DRC calculations. Non specialised operational assets have also been valued to Market Value for Existing Use with surplus/non-operational properties

valued on a Market Value basis. Market related assessments have been prepared through the use of comparable market transaction evidence. DRC valuations are subject to an assumption of future ongoing use by SCTS for operational purposes.

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 &amp; super structure</i>	not exceeding 80 years
<i>Fittings &amp; 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. To ensure compliance with IFRS 9, a review of the level of impairment/write offs was undertaken and the application of this standard has no impact on the financial statements. 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.

For the purposes of IFRS 15 a full review of SCTS income was undertaken and application of this standard has no impact on the financial statements.

## 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. Following a review of the dilapidations provisions during 2018-19, SCTS revised the methodology for the recognition of dilapidations provisions and now recognises the reinstatement element at the start of a lease with the wear and tear element spread across the life of the lease. This is also best practice and complies with IAS 37.

## 2.11 Employee benefits pensions

Past and present employees are covered by the provisions of the Principal Civil Service Pension Scheme (PCSPS) and the Civil Service and Other Pension Scheme (CSOPS). The defined benefit schemes are unfunded and are non-contributory except in respect of dependant's benefits. SCTS accounts for the schemes as defined contribution plans 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/CSOPS of amounts calculated on an accruing basis. Liability for payment of future benefits is a charge on the PCSPS/CSOPS. 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](http://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% (2017-18: 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 FReM 6.2, the SCTS accounts for the scheme as a defined contribution scheme and recognises employer contributions payable as an expense in the year they are incurred.

## 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 Property plant & equipment and Provisions as stated in accounting policies at 2.1 and 2.10 above, no material estimates or judgements were made by the SCTS in preparing these accounts. While there are two new accounting standards effective for the first time this year, they have not 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 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 41 to 48).

## 4. Non-staff expenditure

### 4a. Other administration expenditure

	<b>2018-19</b>	<b>2017-18</b>
	<b>£'000</b>	<b>£'000</b>
Rent and Rates	11,892	10,807
Accommodation	9,280	7,798
Building maintenance and impairment	7,436	6,250
Computer Maintenance	3,294	2,284
Other	2,154	3,962
Provision movements	2,120	692
Office running costs	1,858	1,432
Postage	1,631	1,212
Publications – Sheriff Courts	1,538	1,766
Travel, subsistence and hospitality	854	817
Contracted Services	833	918
External auditor remuneration - Audit fee	92	90
<b>Total</b>	<b>42,982</b>	<b>38,028</b>

During the year SCTS purchased non-audit services from its external auditor totaling £1k (2017-18: £14k).



<b>4b. Operational costs</b>	<b>2018-19</b>	<b>2017-18</b>
	<b>£'000</b>	<b>£'000</b>
Judicial costs	9,338	9,977
Judicial pension costs	11,256	11,072
Payments to jurors	3,782	3,891
Interpreters' costs	1,106	1,182
Other	2,557	1,993
<b>Total</b>	<b>28,039</b>	<b>28,115</b>
<b>5. Income</b>	<b>2018-19</b>	<b>2017-18</b>
	<b>£'000</b>	<b>£'000</b>
<b>5a. Operating income</b>		
Shared service income from other government departments	3,106	3,025
Profit on disposal of non-current assets	-	39
Income from rent receivable and court hire	1,547	73
Other income	38	1
<b>Total</b>	<b>4,691</b>	<b>3,138</b>
<b>5b. Income from fees and retained fines</b>	<b>2018-19</b>	<b>2017-18</b>
	<b>£'000</b>	<b>£'000</b>
Fees charged	33,260	32,807
Retained fines	4,390	4,910
<b>Total</b>	<b>37,650</b>	<b>37,717</b>

## 6a. Property, plant and equipment

Purchases of total property, plant and equipment in the schedule of £24,236k (2017-18: £11,606k) appear in the cash flow statement as £19,430k after adjustment for opening and closing property, plant and equipment accruals in trade and other payables.

<b>Cost or valuation</b>	<b>Land £'000</b>	<b>Buildings £'000</b>	<b>Vehicles £'000</b>	<b>Equipment £'000</b>	<b>ICT systems £'000</b>	<b>Fixtures and fittings £'000</b>	<b>Assets under construction £'000</b>	<b>2018-19 Total £'000</b>
Opening balance at 1 April 2018	33,765	645,950	224	2,005	12,877	4,493	10,011	<b>709,325</b>
Additions	-	6,556	-	52	4,105	612	12,911	<b>24,236</b>
Disposals	-	-	-	(208)	(1,416)	(191)	-	<b>(1,815)</b>
Revaluation	(3,020)	94,718	-	-	-	-	-	<b>91,698</b>
Downward Revaluation to Statement of comprehensive net expenditure	-	(4,822)	-	-	-	-	-	<b>(4,822)</b>
<b>At 31 March 2019</b>	<b>30,745</b>	<b>742,402</b>	<b>224</b>	<b>1,849</b>	<b>15,566</b>	<b>4,914</b>	<b>22,922</b>	<b>818,622</b>
<b>Depreciation</b>								
Opening balance at 1 April 2018	-	255,562	75	1,340	8,256	2,555	-	<b>267,788</b>
Charged in year	-	10,572	75	111	2,654	385	-	<b>13,797</b>
Disposals	-	-	-	(208)	(1,416)	(191)	-	<b>(1,815)</b>
Revaluation	-	35,147	-	-	-	-	-	<b>35,147</b>
Downward Revaluation to Statement of comprehensive net expenditure	-	(1,207)	-	-	-	-	-	<b>(1,207)</b>
<b>Balance at 31 March 2019</b>	<b>-</b>	<b>300,074</b>	<b>150</b>	<b>1,243</b>	<b>9,494</b>	<b>2,749</b>	<b>-</b>	<b>313,710</b>
<b>Net book value current year</b>	<b>30,745</b>	<b>442,328</b>	<b>74</b>	<b>606</b>	<b>6,072</b>	<b>2,165</b>	<b>22,922</b>	<b>504,912</b>
Net book value prior year	33,765	390,388	149	665	4,621	1,938	10,011	441,537

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

<b>Cost or valuation</b>	<b>Land £'000</b>	<b>Buildings £'000</b>	<b>Vehicles £'000</b>	<b>Equipment £'000</b>	<b>ICT systems £'000</b>	<b>Fixtures and fittings £'000</b>	<b>Assets under construction £'000</b>	<b>2017-18 Total £'000</b>
Opening balance at 1 April 2017	33,102	631,033	378	2,430	10,948	4,707	3,373	<b>685,971</b>
Additions	-	2,340	-	-	2,486	142	6,638	<b>11,606</b>
Disposals	-	-	(154)	(425)	(557)	(356)	-	<b>(1,492)</b>
Revaluation	663	12,577	-	-	-	-	-	<b>13,240</b>
<b>At 31 March 2018</b>	<b>33,765</b>	<b>645,950</b>	<b>224</b>	<b>2,005</b>	<b>12,877</b>	<b>4,493</b>	<b>10,011</b>	<b>709,325</b>
<b>Depreciation</b>								
Opening balance at 1 April 2017	-	240,413	140	1,647	6,103	2,552	-	<b>250,855</b>
Charged in year	-	10,365	79	117	2,710	359	-	<b>13,630</b>
Disposals	-	-	(144)	(424)	(557)	(356)	-	<b>(1,481)</b>
Revaluation	-	4,784	-	-	-	-	-	<b>4,784</b>
<b>Balance at 31 March 2018</b>	<b>-</b>	<b>255,562</b>	<b>75</b>	<b>1,340</b>	<b>8,256</b>	<b>2,555</b>	<b>-</b>	<b>267,788</b>
<b>Net book value current year</b>	<b>33,765</b>	<b>390,388</b>	<b>149</b>	<b>665</b>	<b>4,621</b>	<b>1,938</b>	<b>10,011</b>	<b>441,537</b>
Net book value prior year	33,102	390,620	238	783	4,845	2,155	3,373	435,116

**7a. Intangible assets**

Purchases of total intangible assets in the schedule of £2,097k (2017-18: £2,839k) appear in the cash flow statement as £2,227k 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
<b>Cost or valuation</b>				
Balance at 1 April 2018	4,461	13,013	970	18,444
Additions	227	141	1,729	2,097
Disposals	(63)	(295)	-	(358)
<b>At 31 March 2019</b>	<b>4,625</b>	<b>12,859</b>	<b>2,699</b>	<b>20,183</b>
<b>Amortisation</b>				
Balance at 1 April 2018	2,548	6,905	-	9,453
Charged in year	297	872	-	1,169
Disposals	(63)	(295)	-	(358)
<b>At 31 March 2019</b>	<b>2,782</b>	<b>7,482</b>	<b>-</b>	<b>10,264</b>
<b>Net book value as at 31 March 2019</b>	<b>1,843</b>	<b>5,377</b>	<b>2,699</b>	<b>9,919</b>
Net book value as at 31 March 2018	1,913	6,108	970	8,991

The intangible assets include the ICMS system which is an internally generated case management system which has a carrying amount of £3.0m with a remaining amortisation period of 91 months.

**7b. Intangible assets prior year**

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

## 8. Trade receivables and other assets

### Amounts falling due within one year

	As at 31 March 2019 £'000	As at 31 March 2018 £'000
Trade receivables	302	2,870
VAT	992	-
Other receivables	520	543
Prepayments	2,855	1,851
Accrued income	2,560	374
<b>Total as at 31 March</b>	<b>7,229</b>	<b>5,638</b>

### Amounts falling due in more than one year

Other receivables	33	46
<b>Total as at 31 March</b>	<b>33</b>	<b>46</b>

### Total as at 31 March

<b>7,262</b>	<b>5,684</b>
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## 9. Cash and cash equivalents

	2018-19 £'000	2017-18 £'000
Balance at 1 April	16,962	6,616
Net change in cash and cash equivalent balances*	27,592	10,346
<b>Balance at 31 March</b>	<b>44,554</b>	<b>16,962</b>

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

Commercial banks and cash in hand*	32,228	11,100
Government Banking Service*	12,326	5,862
<b>Balance at 31 March</b>	<b>44,554</b>	<b>16,962</b>

\* Cash balances for 2018-19 were higher than the prior year reflecting the in-year transfer of the cash management & treasury responsibilities from SG to SCTS. The cash balances are required to ensure sufficient funds were in place to support the SCTS payment and payroll runs. Also, during the year a one off adjustment was applied in 2018-19 to resolve long standing historic balances

## 10. Payables and other current liabilities

	2018-19 £'000	2017-18 £'000
<b>Amounts falling due within one year</b>		
Trade payables	1,752	17
Other taxation and social security	-	-
Other payables	1,772	1,198
Accruals	15,615	10,558
Deferred income	14	14
Corporate balance with the Scottish Government	3,335	3,415
<b>Total payables due within one year</b>	<b>22,488</b>	<b>15,202</b>

	2018-19 £'000	2017-18 £'000
<b>Amounts falling due in more than one year</b>		
Other payables	1,773	-
Deferred income and accruals	238	252
<b>Total payables due in more than one year</b>	<b>2,011</b>	<b>252</b>

<b>Total</b>	<b>24,499</b>	<b>15,454</b>
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## 11. Provisions for liabilities and charges

	Property and dilapidations £'000	President pension costs £'000	Compensation £'000	Early departure costs £'000	2018-19 Total £'000
Balance as at 1 April 2018	1,183	709	86	-	1,978
Add: element reported as due within one year	667	20	15	10	712
<b>Total as at 1 April 2018</b>	<b>1,850</b>	<b>729</b>	<b>101</b>	<b>10</b>	<b>2,690</b>
Provided for in year	2,096	335	83	-	2,514
Provisions not required written back	(473)	-	(28)	-	(501)
Provisions utilised in year	(66)	(21)	(24)	(10)	(121)
<b>Total as at 31 March 2019</b>	<b>3,407</b>	<b>1,043</b>	<b>132</b>	<b>-</b>	<b>4,582</b>
Payable within one year	(878)	(30)	(63)	-	(971)
<b>At 31 March 2019</b>	<b>2,529</b>	<b>1,013</b>	<b>69</b>	<b>-</b>	<b>3,611</b>

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	2018-19 Total £'000
Payable in 1 year	878	30	63	-	971
Payable between 2 and 5 yrs	92	202	69	-	363
Payable between 6 and 10 yrs	357	252	-	-	609
Thereafter	2,080	559	-	-	2,639
<b>Total as at 31 March 2019</b>	<b>3,407</b>	<b>1,043</b>	<b>132</b>	<b>-</b>	<b>4,582</b>

### Provisions for liabilities and charges - Prior Year

	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
<b>Total as at 1 April 2017</b>	<b>1,990</b>	<b>719</b>	<b>50</b>	<b>24</b>	<b>2,783</b>
Provided for in year	66	30	89	-	185
Provisions not required written back	(206)	-	(23)	-	(229)
Provisions utilised in year	-	(20)	(15)	(14)	(49)
<b>Total as at 31 March 2018</b>	<b>1,850</b>	<b>729</b>	<b>101</b>	<b>10</b>	<b>2,690</b>
Payable within one year	(667)	(20)	(15)	(10)	(712)
<b>At 31 March 2018</b>	<b>1,183</b>	<b>709</b>	<b>86</b>	<b>-</b>	<b>1,978</b>

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
<b>Total as at 31 March 2018</b>	<b>1,850</b>	<b>729</b>	<b>101</b>	<b>10</b>	<b>2,690</b>

### Details of Provisions

#### Property and dilapidations

This represents the impact of the periodic revaluation exercises along with 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, reinstatement works requires, general wear and tear and the extent of alternations carried out by the SCTS over the period of the lease.

#### President Pension

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

#### 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.

#### 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.

## 12. Capital commitments

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

	2019 £'000	2018 £'000
<b>Property, plant and equipment</b>		
Inverness Justice Centre	8,100	21,900
Kirkcaldy Sheriff Court	2,700	-
Other	1,293	2,130
<b>Intangible Assets</b>		
Integrated Case Management System (ICMS)	1,012	500
<b>Total</b>	<b>13,105</b>	<b>24,530</b>

## 13. Commitments under operating leases

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

	2018-19 £'000	2017-18 £'000
<b>Buildings</b>		
Within one year	5,609	3,022
Between two and five years (inclusive)	18,782	8,341
After five years	45,978	10,540
<b>Total</b>	<b>70,369</b>	<b>21,903</b>

## 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 16 instances of cash handling losses totaling £1k (2017-18: £1k).

## **17. Third Party Assets**

Cash balances of £30.9m (2017-18: £29.8m) are held on behalf of third parties. This is mainly money consigned into court in respect of liquidations, cautions, expenses in civil actions and unclaimed dividends.

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

## **18. Contingent Liabilities**

At the 31 March 2019 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.

## Annex 1 – SCTS Business Levels

### High Court

	2018-19	2017-18	2016-17
Indictments registered	999	792	671
Trials (evidence led)	507	461	443
High Court criminal appeals lodged	597	545	650
High Court judge days	3,676	3,585	3,865

### First Instance Criminal Business

The number of indictments registered in 2018-19 increased by 26% compared with the previous year, continuing the upward trend evident in figures for the past 3 years. Over 50% of cases registered proceeded to trial, which is indicative that the nature of cases indicted continues to relate to serious sexual offences in which the plea rates tend to be lower.

Average trial duration remains high at around 6 days: a feature of both increasing case complexity and the number of longer running trials. This trend is expected to continue. Effective use of available court facilities, coupled with scheduled overloading of High Court business in the main centres of Glasgow and Edinburgh has ensured that trial waiting times have reduced from 20 weeks in the previous year to 18 weeks for 2018-19.

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 2019-20.

### 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

The 10% increase in the number of trials proceeding compared with 2017-18 has necessitated a 2.5% increase in the number of court days – it has been possible to minimise this increase through improved judicial case management and the ongoing impact of Practice Note No.3 of 2017 which encouraged early agreement of evidence between parties to trials in the High Court.

## Court of Session

	2018-19	2017-18	2016-17
Ordinary civil actions registered	987	954	1,079
Civil petitions (registered)	1,279	1,341	1,290
Civil appeals / reclaiming motions	180	183	226
Proofs proceeding	58	76	121
Court of Session judge days	1,424	1,557	1,836

## Outer House

The number of civil court actions registered now appears to be stabilising at a new reduced level following the exclusive jurisdiction of the sheriff court increasing to £100K from September 2015. There was a further 24% decrease in proofs proceeding in 2018-19 compared to the previous year.

## 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 comfortably within target at 28 weeks. The number of appeals lodged has remained broadly steady with the previous year, suggesting that this is the likely new level of appeals following the establishment of the Sheriff Appeal Court by the Courts Reform (Scotland) Act 2014.

## Court Days

The further 9% reduction in Court of Session judge days in 2018-19 is indicative of the continuing shift of business to the lower courts – a key intention of the Civil Court Reform Programme.

## All-Scotland Courts

	2018-19	2017-18	2016-17
Sheriff Appeal Court: criminal appeals lodged	723	747	885
Sheriff Appeal Court: civil appeals lodged	266	286	286
Personal Injury Court: registrations	3,591	3,281	2,956

In their third full year of operation case levels in both the All-Scotland Personal Injury court and the Sheriff Appeal are now well-established. Both courts are achieving the desired effect of freeing up court and judicial resource in the High Court and Court of Session. 2018-19 saw a 9% rise in registrations to the All-Scotland Personal Injury court.

## Sheriff Court

<b>Sheriff Courts: Summary Criminal</b>	<b>2018-19</b>	<b>2017-18</b>	<b>2016-17</b>
Complaints Registered	59,777	65,646	70,717
Trials (Evidence Led)	7,731	8,245	8,982

<b>Sheriff Courts: Solemn Criminal</b>	<b>2018-19</b>	<b>2017-18</b>	<b>2016-17</b>
Indictments Registered	5,182	4,979	5,899
Trials (Evidence Led)	1,119	1,041	1,314

<b>Sheriff Courts: Civil</b>	<b>2018-19</b>	<b>2017-18</b>	<b>2016-17</b>
Ordinary Cases (OC) Registered	22,776	22,620	22,672
OC Proofs and Debates (Which Proceeded) <sup>54</sup>	563	529	863

<b>Summary Cause, Small Claims &amp; Simple Proc</b>	<b>2018-19</b>	<b>2017-18</b>	<b>2016-17</b>
Cases Registered	43,465	53,003	45,761
Proofs Proceeding <sup>69</sup>	379	434	519

<b>Commissary</b>	<b>2018-19</b>	<b>2017-18</b>	<b>2016-17</b>
Inventories Recorded	25,283	25,104	24,534

<b>Sheriff Court Sitting Days</b>	<b>2018-19</b>	<b>2017-18</b>	<b>2016-17</b>
Number of days	26,884	28,238	28,097

Reforms introduced to sheriff court solemn business by the Criminal Justice (Scotland) Act 2016 are now well-established – improving the efficiency of case management at the sheriff and jury level and reducing levels of churn. 2018-19 saw a slight increase in the number of indictments registered, although the number of trials was still some 15% lower than before introduction of the reforms.

Levels of summary complaints registered declined by 9% in the sheriff courts and 4% in the Justice of the Peace Court in 2018-19. Fewer than 5% of JP court cases reached a trial. The pattern of reducing levels in the JP Court is indicative of fewer recorded lower level crimes, and police and prosecutors adopting alternative approaches to formal prosecution.

Civil case volumes generally experienced a decline in 2018-19. The number of lower level cases registered in the Sheriff Courts (summary cause, small claims and simple procedure) fell by 18%.

## Justice of the Peace Court

	<b>2018-19</b>	<b>2017-18</b>	<b>2016-17</b>
Complaints Registered	36,955	38,538	41,402
Trials (Evidence Led)	1,785	2,032	2,810
Sitting Days	4,081	4,301	4,592

<sup>54</sup>The 2018-19 and 2017-18 data for proofs proceeding is not directly comparable with data for the preceding year. The introduction of a new case management system has improved consistency in data collection. The 2018-19 and 2017-18 figures detail 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.

## Office of the Public Guardian

	2018-19	2017-18	2016-17
<i>Powers of Attorney</i>	60,778	78,080	54,919
<i>Guardianship Orders</i>	2,764	2,863	2,728

Whilst down on the levels recorded in 2017-18 business levels in the Office of the Public Guardian remained high, with 2018-19 the second busiest on record for powers of attorney registered. This reflects the continuing recognition by people across Scotland of the importance of registering a Power of Attorney in order to ensure their financial affairs can be effectively managed should they become unable to manage them, coupled with the ability to easily apply for a Power of Attorney on-line. Further information and statistics on the work of the OPG can be found on its website, <http://www.publicguardian-scotland.gov.uk>

## 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 Upper Tribunal for Scotland and the Social Security Chamber of the First-Tier Tribunal for Scotland.

Levels of business across Scotland's devolved tribunals are generally on an upward trend, with a continuing year on year increase in Mental Health Tribunal applications, which carry the largest caseload. These workloads continue to be monitored closely given the increasing demand and the tight statutory deadlines the Tribunal operates within. Business levels within the Housing and Property Chamber have remained high following the transfer of jurisdiction for certain case types from the sheriff court – a change which appears to have encouraged more people to seek redress through the system.

DEVOLVED TRIBUNALS	2018-19	2017-18	2016-17
<b>Upper Tribunal for Scotland</b>			
<i>Receipts</i>	35	-	-
<i>Disposals</i>	16	-	-
<i>Hearing Days</i>	8	-	-

<b>First-tier Tribunal for Scotland (Housing and Property Chamber)</b>			
<b>Property Factor</b>	<b>2018-19</b>	<b>2017-18</b>	<b>2016-17</b>
Receipts	225	196	192
Disposals	169	164	191
Hearing Days	125	114.5	93
<b>Rent &amp; Repairs</b>			
Receipts	163	205	267
Disposals	230	217	306
Hearing Days	241	172	264
<b>Third Party</b>			
Receipts	44	38	58
Disposals	34	33	17
Hearing Days	29	26	38
<b>Right of Entry</b>			
Receipts	72	61	36
Disposals	73	58	29
Hearing Days	39	n/a	n/a
<b>Letting Agents</b>			
Receipts	66	10	-
Disposals	32	0	-
Hearing Days	30	0	-
<b>Private Rented Sector</b>			
Receipts	3,212	684	-
Disposals	2,656	27	-
Hearing Days	176	6	-
<b>First-tier Tribunal for Scotland (Health &amp; Education Chamber)</b>			
<b>Additional Support Needs</b>			
Receipts	113	100	73
Disposals	83	101	59
Hearing Days	61	53	26

<b>First-tier Tribunal for Scotland (Tax Chamber)</b>			
<b>Tax</b>	<b>2018-19</b>	<b>2017-18</b>	<b>2016-17</b>
Receipts	17	6	11
Disposals	6	7	6
Hearing Days	1	0	0
<b>First-tier Tribunal for Scotland (General Regulatory Chamber)</b>			
<b>Charity Appeals</b>			
Receipts	3	0	0
Disposals	1	0	0
Hearing Days	4	0	0
<b>First-tier Tribunal for Scotland (Social Security Chamber)</b>			
<b>Social Security</b>			
Receipts	6	-	-
Disposals	0	-	-
Hearing Days	0	-	-
<b>Other Tribunals</b>			
<b>Mental Health Tribunal for Scotland</b>			
Receipts	4,576	4,459	4,321
Disposals	4,397	4,385	4,227
Hearing Days	3,451	3,385	3,376
<b>Mental Health Tribunal for Scotland (Excessive Security)</b>			
Receipts	32	28	36
Disposals	33	29	36
Hearing Days	33	33	21
<b>Lands Tribunal for Scotland</b>			
Receipts	273	174	245
Disposals	299	889	215
Hearing Days	43	71	80
<b>Pensions Appeals Tribunal for Scotland</b>			
Receipts	350	241	213
Disposals	300	201	231
Hearing Days	75	55	61
<b>Council Tax Reduction Review Panel</b>			
Receipts	61	69	85
Disposals	63	65	108
Hearing Days	13	12	15

## Annual Report for the Office of Auditor of Court

(in accordance with section 19(2) of the Civil Litigation (Expenses and Group Proceedings) (Scotland) Act 2018).

Part 3 of this Act came into force on 30 January 2019. From that date, the SCTS has the responsibility for appointments to the offices of Auditor of the Court of Session, Auditor of the Sheriff Appeal Court, and Auditor of Sheriff Courts. SCTS must report on the number of taxations carried out and the fees charged by these auditors. Transitional provisions were put in place to permit the continuation of the current service, offered by the existing Auditor of the Court of Session and independent auditors, as private businesses, until they retire or demit office. The transitional arrangements excuse the SCTS from reporting on the work carried out by these private auditors.

Between 30 January 2019 and the end of the 2018-19 financial year SCTS employed two Auditors of the Sheriff Court. SCTS employed Auditors of Court are currently restricted to carrying out judicial taxations, although this may be extended to extra judicial taxations in the future. The information provided below is therefore limited to judicial taxations carried out by the SCTS employed Auditors of Court during the period 30th January 2019 to 31st March 2019.

### Audits Undertaken

<b>Judicial Taxations<sup>55</sup></b>	<b>2018-19</b>
Auditor of the Sheriff Court (appointed by SCTS)	64

### Value of Fees Raised

<b>Judicial Taxations</b>	<b>2018-19</b>
Auditor of the Sheriff Court (appointed by SCTS)	£19,973

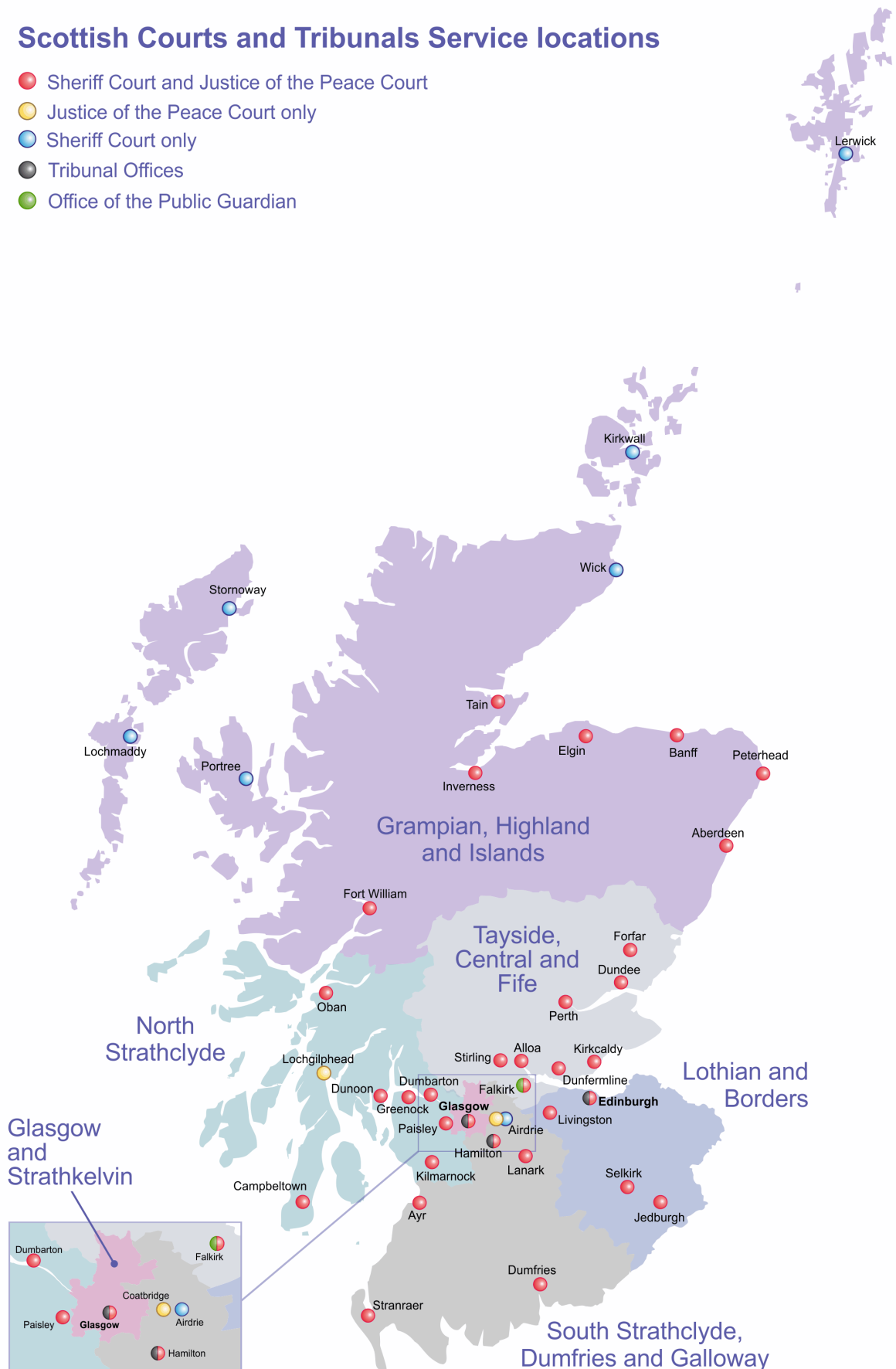
<sup>55</sup> An account of expenses remitted to an auditor of court by a court or tribunal



## Annex 2 –SCTS Locations

### Scottish Courts and Tribunals Service locations

- Sheriff Court and Justice of the Peace Court
- Justice of the Peace Court only
- Sheriff Court only
- Tribunal Offices
- Office of the Public Guardian



## 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 seal.

*Signed by authority of the Scottish Minister*

*Dated 17 January 2006*



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